

**DeKalb County PHA
Key Discretionary HOTMA Policy Decisions
Draft PHA HOTMA-Compliant Admin Plan**

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DeKalb County PHA
Key Discretionary HOTMA Policy Decisions

This chart summarizes the discretionary policy decisions contained within
the draft PHA HOTMA compliant Admin Plan

Topic	Related HOTMA Policy Background	HOTMA Discretionary Policies
<p>Asset Limitation for New Admissions (24 CFR § 5.618)</p>	<ul style="list-style-type: none"> • PHAs must deny admission of an applicant family for the following: <ol style="list-style-type: none"> 1. Net family assets that exceed \$100,000 (adjusted annually for inflation); and/or 2. The family has a present ownership interest in, a legal right to reside in, and the effective legal authority to sell the real property (based on laws of the state or locality in which the property is located) that is suitable for occupancy by the family as a residence. • PHAs must include this admission and termination/eviction policy in their Admin Plan. 	<p>No discretion.</p> <p>The PHA will enforce the asset limitation provisions of HOTMA as part of the final eligibility determination of applicant families upon the implementation of 102/104 provisions of HOTMA.</p>

<p>Asset Limitation for Interim and Annual Reexaminations (24 CFR § 5.618)</p>	<ul style="list-style-type: none"> • PHAs must establish policies regarding the asset limitation (see above) at reexamination. While the asset limitation is mandatory at admission, the PHA may adopt a written policy of total nonenforcement, enforcement, or limited enforcement for program participants. If the PHA adopts a policy of enforcement or limited enforcement, the PHA may also adopt exception policies for different family types or other factors, provided the exceptions meet all civil rights and fair housing requirements. - The PHA must not enforce the asset limitation at reexamination for VASH families. • If the PHA chooses not to enforce the asset limitation, the PHA must apply the nonenforcement policy the same policy to all families within the entire HCV program. 	<p><u>Non-enforcement policy:</u></p> <p>The PHA has adopted a policy of total non-enforcement of the asset limitation for all program participants.</p> <p>Asset limitations will only apply to new applicants.</p>
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<p>Self-Certification – Real Property Ownership (24 CFR § 5.618(b)(2))</p>	<ul style="list-style-type: none"> • PHAs must determine whether a family has present ownership in real property for the purposes of determining whether the family is compliant with the asset limitation provision. • If a family declares present ownership in real property, PHAs must seek third-party verification of the following, as applicable: <ul style="list-style-type: none"> ○ Whether or not the family has the legal right to reside in the property; and ○ Whether or not the family has the effective legal authority to sell the property; and ○ Whether or not the property is suitable for occupancy by the family as a residence. 	<ul style="list-style-type: none"> • The PHA will accept self-certification from the family stating that the family does not have any present ownership in any real property. The certification must be signed by all family members 18 years of age and older. The PHA reserves the right to require additional verification in situations where the accuracy of the declaration is in question. • If the family declares they have a present ownership in real property, the PHA will obtain third-party verification of the necessary three factors. However, in cases where a family member is a victim of domestic violence, dating violence, sexual assault, or stalking, the PHA will comply with confidentiality requirements under 24 CFR 5.2007 and will accept a self-certification.
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<p>Self-Certification of Net Family Assets Equal to or Less Than \$50,000 (adjusted annually for inflation) (24 CFR §§ 5.603; 5.609; 5.618; 882.515(a); 882.808(i)(1); 960.259(c)(2); 982.516(a)(3))</p>	<ul style="list-style-type: none"> • PHAs must determine if the family’s total net family assets are equal to or less than \$50,000, and they must determine the actual income earned from the asset(s). 	<ul style="list-style-type: none"> • The PHA will accept a family’s self-certification of net family assets equal to or less than \$50,000 (adjusted annually for inflation) but will require third-party verification of anticipated income earned from financial account assets.
<p>Hardship Exemptions for Health/Medical Care Expenses and Disability Assistance Expenses - General Relief (24 CFR § 5.611(c)(2))</p>	<ul style="list-style-type: none"> • PHAs must develop written policies defining what constitutes a hardship for the purposes of the general relief hardship exemption for health and medical care expenses and reasonable attendant care & auxiliary apparatus expenses. • PHAs must obtain third-party verification of the hardship or must document in the file the reason that third-party verification was not available. PHAs must attempt to obtain third-party verification prior to the end of the 90-day hardship period. 	<p>The PHA requires families seeking to qualify for a hardship exemption to submit a request in writing. The request must show that the family’s health and medical and/or disability assistance expenses have increased (other than the transition to the higher threshold) and that the family’s financial hardship is a result of a change in circumstances. The PHAs will extend the initial 90 day hardship relief for one or more additional 90-day periods while the family’s hardship condition continues.</p>

<p>Hardship Exemptions for Health/Medical Care Expenses, Disability Assistance Expenses – <u>Phased-In Relief (24 CFR § 5.611(c)(1))</u></p>	<ul style="list-style-type: none"> • All families receiving these deductions pre-HOTMA will automatically begin receiving the 24-month phased-in relief at their next annual or interim reexamination, whichever occurs first. • Families who receive phased-in relief will have eligible expenses deducted as follows: <ul style="list-style-type: none"> • <u>1st twelve months</u> – in excess of 5% of annual income. • <u>2nd twelve months</u> – in excess of 7.5% of annual income. • <u>After 24 months</u> – in excess of 10% threshold will phase in and remain in effect unless the family qualifies for General Hardship relief. • Once a family chooses to obtain general relief, a family may no longer receive the phased-in relief. 	<p>The PHA will apply the phased-in hardship relief for appropriate families per HUD requirements.</p> <p>The PHA will not continue the phased-in relief for families who move from public housing to HCV. These families will be treated as new admissions and the sum of expenses that exceeds 10 percent of annual income will be used to calculate their adjusted income.</p>

<p>Child Care Hardship Exemption [24 CFR 5.611(d)]</p>	<ul style="list-style-type: none"> • PHAs must develop written policies to define what constitutes a hardship, which includes the family’s inability to pay rent, for the purposes of the childcare expense hardship exemption. • PHAs must obtain third-party verification of the family’s inability to pay rent or must document in the file with the reason third-party verification was not available. PHAs must attempt to obtain third-party verification prior to the end of the 90-day period. 	<ul style="list-style-type: none"> • For a family to qualify, they must demonstrate that their inability to pay rent would be as a result of the loss of this deduction. • The family must also demonstrate that the childcare expense is still necessary even though the family member is no longer employed or furthering their education. The PHA will consider qualification under this criterion on a case-by case basis (e.g., if the family member who was employed has quit to provide uncompensated care to an elderly friend or family). • The family must provide third-party verification of the hardship with the request or the PHA will attempt to obtain third-party verification. • The PHAs will extend the initial 90 day hardship relief for one or more additional 90-day periods while the family’s hardship condition continues.
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<p>Additional (Permissive) Deductions – Public Housing, Housing Choice Voucher, and Moderate Rehabilitation/SRO Only (24 CFR § 5.611(b)(1))</p>	<ul style="list-style-type: none"> • A PHA that chooses to adopt an additional permissive deduction(s) from annual income for the HCV and/or Moderate Rehabilitation/SRO, or Public Housing programs must include written policies in their Admin Plan. • For the HCV program, a PHA must have sufficient funding to cover the increased housing assistance payments cost of the deductions because permissive deductions will be excluded from the renewal calculation 	<p>The PHA will not adopt any unfunded permissive deductions in the HCV program.</p>
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Please note that this list may be subject to further revision based on additional guidance and/or other factors.

1/15/2025

<p>De Minimis Errors in Income Determinations (24 CFR §§ 5.609(c)(4); 960.257(f); 982.516(f); 882.515(f); 882.808(i)(5))</p>	<ul style="list-style-type: none"> • PHAs must take corrective action to credit or repay a family if the family was overcharged tenant rent because of de minimis errors in calculating family income. • PHAs may not implement local policies to require families to repay in instances resulting in a family being undercharged for rent where the PHA miscalculated the family's income. 	<p>The PHA will reimburse a family for any family overpayment of rent, regardless of whether the overpayment was the result of staff-caused error, staff program abuse, or a de minimis error.</p>
<p>Interim Reexaminations - Decreases in Adjusted Income (24 CFR §§ 960.257(b)(2); 982.516(c)(2); 882.515(b)(2); 891.410)</p>	<ul style="list-style-type: none"> • PHAs are required by HUD to process interim reexaminations for <i>all</i> decreases in adjusted income when a family member permanently moves out of the unit. • PHAs may decline to conduct an interim reexamination of family income if the PHA estimates that the family's annual adjusted income will decrease by an amount that is less than ten percent of the family's annual adjusted income, or such lower threshold established by the PHA. 	<p>The PHA will conduct an interim reexamination any time the family's adjusted income has decreased by any amount.</p>

<p>Interim Reexaminations - Increases in Adjusted Income (24 CFR §§ 960.257(b)(3); 982.516(c)(3); 882.515(b)(3))</p>	<ul style="list-style-type: none"> • PHAs must conduct an interim reexamination of family income when they become aware that the family’s annual adjusted income has changed by an amount that would result in an estimated increase of ten percent or more in annual adjusted income, except PHAs may not consider any increases in <i>earned</i> income when estimating or calculating whether the family’s adjusted income has increased, unless the family has previously received an interim reduction during the same reexamination cycle. • PHAs may choose not to conduct an interim reexamination if a family reports an increase in income within three months of their next annual reexamination effective date. • PHAs may choose not to include <i>earned</i> income increases in determining whether the 10% threshold is met for increases in adjusted income when the family previously had an interim reexamination performed for a decrease in annual adjusted income (earned, unearned, or combined) since the last annual reexamination. 	<p>When a family reports an increase in their earned income between annual reexaminations, the PHA will not conduct an interim reexamination, unless the family has previously received an interim reduction during the same reexamination cycle.</p> <p>The PHA will process an interim reexamination for any increases in unearned income of 10 percent or more in adjusted income.</p> <p>The PHA will not perform an interim reexamination when a family reports an increase in income (whether earned or unearned income) within three months of their annual reexamination effective date. However, families who delay reporting income increases until the last three months of their certification period may be subject to retroactive rent increases.</p>
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<p>Interim Reexaminations - Reporting Changes & Effective Date 882.515(b)(1) - (4); 882.808(i)(4); 891.410); 982.516(d);</p>	<ul style="list-style-type: none"> • PHAs must develop policies that describe when and under what conditions families must report changes in household composition and adjusted income consistent with HUD’s requirements for processing an interim reexamination or other non- interim reexamination transaction. 	<p>All families must report all changes in family and household composition that occur between annual reexaminations within 10 business days of the change.</p>
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<p>Interim Decreases if Untimely 960.257(b)(6)(ii) and (iii)</p>	<p>If the family failed to report a change in family income or composition timely in accordance with PHA policies:</p> <ul style="list-style-type: none"> • For rent increases, the PHA must implement any resulting rent increases retroactively to the first of the month following the date of the change leading to the interim reexamination of family income. • For rent decreases, the PHA must implement the change no later than the first rent period following completion of the interim reexamination. <p>However, the PHA may choose to adopt a policy that would make the effective date of the rent decrease retroactive to the first of the month following completion of the reexamination. PHAs may choose to establish conditions or requirements for when such a retroactive application would apply. PHAs that choose to adopt such policies must ensure the earliest date that the retroactive decrease is applied is the later of:</p> <ul style="list-style-type: none"> • The first of the month following the date of the change that led to the interim reexamination; or • The first of the month following the most recent previous income examination. 	<p>In general, when the family fails to report a change in income or family composition timely, and the change would lead to a rent decrease, the PHA will apply the decrease the first of the month following completion of the interim reexamination. However, the PHA will apply the results of the interim reexamination retroactively where a family’s ability to report a change in income promptly may have been hampered due to extenuating circumstances. The PHA will decide to apply decreases retroactively on a case-by-case basis.</p>
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<p>Determination of Family Income Using Other Means Tested Public Assistance, i.e., “Safe Harbor” (24 CFR §§ 5.609(c)(3) and 891.105)</p>	<ul style="list-style-type: none"> • PHAs are allowed, but not required, to adopt the “Safe Harbor” method to determine the family’s gross income prior to the application of any deductions based on income determinations made within the previous 12-month period for purposes of the following means-tested forms of various approved Federal public assistance: including TANF, Medicaid, SNAP, EITC, LIHTC and WIC. • PHAs must include in their Admin Plans whether they will accept Safe Harbor income determinations and if so, for what examinations. • The third-party Safe Harbor verification must state the family size, must be for the entire family, and must state the amount of the family’s annual income. The annual income need not be broken down by family member or income type. • PHAs are not permitted to mix and match Safe Harbor income determinations and other income verifications. • If the family disputes the other program’s income determination, the PHA must calculate the family’s annual income using traditional methods. 	<p>The PHA will not accept verification from other federal assistance programs.</p>
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<p>Determination of Family Income Using Streamlining (24 CFR §960.257(c) Not HOTMA, but noted for completeness</p>	<ul style="list-style-type: none"> • HUD permits, but does not require, PHAs to streamline the income determination process for family members with fixed sources of income. While third-party verification of all income sources must be obtained during the intake process and every three years thereafter, in the intervening years, the PHA may determine income from fixed sources by applying a verified cost of living adjustment (COLA) or other inflationary adjustment factor. • Two streamlining options are available, depending upon the percentage of the family’s income that is received from fixed sources. • Streamlining policies are optional. 	<p>PHA will use a streamlined income determinations where applicable. Regardless of the percent of a family’s unadjusted income from fixed income sources: The PHA will streamline the annual reexamination process by applying the verified COLA/inflationary adjustment factor to fixed-income sources.</p> <p>The family will be required to sign a self-certification stating that their sources of fixed income have not changed from the previous year.</p> <p>If the family’s sources of fixed income have changed from the previous year, the PHA will obtain third-party verification of any new sources of fixed income.</p> <p>In the following circumstances, regardless of the percentage of income received from fixed sources, the PHA will obtain third-party verification as outlined in Notice PIH 2023-27 and Chapter 7 of this policy:</p> <ul style="list-style-type: none"> Of all assets when net family assets exceed \$50,000; Of all deductions and allowances from annual income; If a family member with a fixed source of income is added; If verification of the COLA or rate of interest is not available; <p>During the intake process and at least once every three years thereafter.</p>
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<p>Enterprise Income Verification (EIV) Usage (24 CFR § 5.233)</p>	<ul style="list-style-type: none"> • PHAs must use HUD’s EIV system in its entirety, in accordance with 24 CFR 5.233. • PHAs must update their EIV policies and procedures to reflect their discretionary use of EIV reports (e.g., Income Report, zero income reports, New Hires Report, IVT) under HOTMA. • PHAs are not required to use EIV during new admissions or interim reexaminations. • 	<p>The PHA will obtain an EIV Income Report for all annual reexaminations for all families on a monthly basis. The PHA will ensure that all EIV Income Reports are pulled within 120 days of the effective date of the annual reexamination.</p> <p>Income reports will only be used for interim reexaminations as necessary. For example, EIV may be used to verify that families claiming zero income are not receiving income from any sources listed in EIV. Income reports will be retained in participant files with the applicable annual documents or interim reexamination documents (if applicable) for the duration of the family’s participation.</p> <p>When the PHA determines through EIV reports and third-party verification that a family has concealed or under-reported income, corrective action will be taken pursuant to the policies in Chapter 14, Program Integrity.</p>
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