Changes in Federal Housing Programs: The Final 2023 HOTMA Regulations (in 30 Minutes)

University of Texas School of Law
21st Annual Changes and Trends Affecting Special Needs Trusts
February 6 – 7, 2025

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So there.

Hat Tip!

And, hat-tip and a thank you to Attorney Blaine Brockman of Ohio for his insights into the dark recesses of HUD and pulling together the materials accompanying this Powerpoint Deck, and to Attorney Mark Worthington for wading through the thicket of regulations and notices with me and his help with Powerpoint.

What is HOTMA?

HOTMA – Housing Opportunity Through Modernization Act of 2016

- Final Regulations Implementing Sections 102, 103, and 104 of HOTMA dated 2023.02.14
  - Mostly effective 2024.01.01 (some earlier), but Public Housing Authorities had until 2025.01.01 to implement, then HUD pushed out to 2025.07.01.
  - Applies to HUD's public housing and Section 8 programs, but also *inter alia* Community Development Block Grants, HOME Investment Partnerships, Housing Trust Fund, Housing Opportunities for Persons With AIDS, Supportive Housing for the Elderly (Section 202), and Supportive Housing for Persons with Disabilities (Section 811)
  - Federal Register Vol. 88, No. 30, page 9600 *et seq.*
- Ongoing subregulatory attempts to explain the Final Regulations. E.g.:
  - HUD Notice H 2023-10 and updates
  - HUD Notice PIH 2023-27 and updates

Across the Board

"Definition" of Family

- Bottom line – an individual living alone, or a group of people living together. Examples of groups were all families, hence the "definition" is recursive.

Inflation

- Deductions and asset limitations to be adjusted annually for inflation.

Streamlining of process and procedure

- Especially regarding verifications and interim reexaminations.
- Self-certification of certain facts (such as Net Family Assets being less than $50,000).

Greater uniformity among housing programs

Income

New: Income Limit for Public Housing

- 120% of Area Median Income for 24 months (effective no later than June 14, 2023).

Clarifies

- Income is "all amounts received by all adult household members plus unearned income by any household member under age 18, unless excluded".
- Income includes actual returns on assets that can be calculated, plus imputed income on other assets over $50,000 (up from $5,000).

Deductions

- Largely unchanged
- Deduction for elderly or disabled families increased to $525.
- Unreimbursed health & medical and attendant care expenses for elderly and disabled is deductible to extent exceeds 10% of income (up from 3%)

Income

New or updated exclusions

- VA Aid & Attendance; payments made to keep a disabled family member at home, even if made to a family member; 3rd party contributions to ABLE Account of a family member.

Clarifies "non-recurring income"

- Non-recurring (and so non-countable) income is income that will not be repeated in the coming year based on family information.
- Examples: Census work, stimulus payments, tax refunds, holiday gifts, food donations from food bank, and lump sum additions to assets (e.g., lottery winnings, civil judgments from injuries resulting in disability).

Earned Income Disregard – eliminated (phasing out)

Title search: HOTMA

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2025 Special Needs Trusts eConference

First appeared as part of the conference materials for the
21st Annual Changes and Trends Affecting Special Needs Trusts session
"HOTMA"