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PLEASE EMAIL DIRECTLY TO RHANDA MCKOWN AT
RMCKOWN@LEADINGAGESOUTHEAST.ORG**

Government Subsidized Housing - Asset Eligibility Brief

Current Guidelines vs. HOTMA (Effective July 1, 2025¹)

Sources: HUD Notices, Handbooks, Federal Register, FHFC Documents

Author(s): Rhanda Mckown, and ???

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Glossary

ACOP - Admissions and Continued Occupancy Policy

FHFC – Florida Housing Finance Corporation

FMV – Fair Market Value

HCV – Housing Choice Voucher

HOTMA – Housing Opportunity Through Modernization Act

LIHTC – Low Income Housing Tax Credit

O/A – Owners and Managing Agents

PBRA – Project Based Rental Assistance

PRA – Project Rental Assistance

PRAC – Project Rental Assistance Contract

PHA – Public Housing Authority

RAD – Rental Assistance Demonstration program (to convert to Project Based Section 8)

SAIL – State Apartment Incentive Loan

SHIP – State Housing Incentives Partnership

HUD Multifamily Programs

(Section 8 PBRA, RAD, Section 236, Section 202/8)

Pre-HOTMA Guidelines

Applicants & Current Tenants

- **Asset Inclusions:**

¹ HOTMA Effective date of July 1, 2025 as of the writing of this brief but subject to change.

- Cash, bank accounts, stocks, bonds, mutual funds, real estate equity (excluding primary residence), retirement accounts (even with penalties), personal property held as investment, income from assets
- Assets Disposed of for < FMV: Difference >\$1,000 counted as assets for 2 years (excludes involuntary dispositions like foreclosure) [HUD Handbook 4350.3, Chapter 5, 5-7 G.8].
- **Exclusions:**
 - Primary residence, necessary personal property (e.g., daily-use vehicles), term life insurance, inaccessible assets [24 CFR 5.603].
- **Imputed Income Threshold:**
 - \$5,000 (assets above this generate income at 0.45% passbook rate as of 01/01/2025).

Enforcement:

- No asset limits; only imputed income applies.

HOTMA Guidelines

Applicants

- **Asset Limits:**
 - \$103,200 net household assets (as of 01/01/2025 inflation-adjusted) [24 CFR 5.618(a)].
 - Real Property: Ownership of habitable property disqualifies applicants unless exempt (e.g., uninhabitable, legal barriers to sale) [HUD Notice H 2023-10].
 - Mandatory for all new move ins after HOTMA is effective
- **Verification:**
 - Required if self-certified assets > \$51,600 (as of 01/01/2025 threshold inflation-adjusted).
 - If assets are < \$51,600 - Self-certification is optional (O/As do not have to implement this policy)
 - Third-party verification is required when net family assets exceed \$51,600, and every three years if O/A does adopt policy for self-certification of assets <\$51,600.
- **Mandatory Applicant Denial:** If limits exceeded [HUD Notice H 2023-10, A.2].

Current Tenants (living on the property at the time HOTMA goes into effect)

- **Asset Limits:** Same \$103,200 threshold, but owners may adopt:
 - Total Non-Enforcement: Waive limits for all existing tenants [PIH 2023-27, A.3.a].
 - Limited Enforcement: ≤6-month cure period for compliance [Costello Compliance Blog].
 - Exception Policies: Exempt elderly, disabled, or extremely low-income households [HUD Notice H 2023-10, A.3].
- **Discretionary Policies:** Must be documented in Tenant Selection Plans (TSPs) by May 31, 2024 [HUD Notice H 2023-10].

Key Changes:

- Retirement Accounts: IRS-recognized plans (401(k), IRA) excluded [24 CFR 5.603(b)(3)].
- Assets Disposed of for < FMV: All amounts counted (no \$1,000 threshold) [NCHM FAQ].

- Imputed Income Threshold: \$51,600 (assets above this use 0.45% passbook rate as of 01/01/2025) [HUD Notice H 2023-10].

HUD PIH Programs
(HCV, Public Housing)

Pre-HOTMA Guidelines

Applicants & Current Tenants

- Aligns with Multifamily pre-HOTMA rules [24 CFR 5.603].

HOTMA Guidelines

Applicants

- **Asset Limits:**
 - \$103,200 net household assets.
 - Real Property: Ownership of habitable property disqualifies applicants unless exempt [PIH Notice 2023-27].
- **Mandatory Denial:** If limits exceeded [PIH Notice 2023-27, A.2].

Current Tenants

- **Enforcement Options:**
 - Total Non-Enforcement: No termination for existing residents.
 - Limited Enforcement: ≤6-month cure period [PIH Notice 2023-27, A.3.b].
 - Exception Policies: Exempt vulnerable populations [NLIHC Guidance].
- **Policy Documentation:** Must be included in Administrative Plan (HCV) or ACOP (Public Housing) [HUD Notice H 2023-10].

FHFC Programs
(SHIP, LIHTC – Section 8 Methodology)

Pre-HOTMA Guidelines

Applicants & Current Tenants

- **Asset Inclusions:** Bank accounts, stocks, accessible retirement funds.
- **Imputed Income Threshold:** \$5,000.

HOTMA Guidelines

Applicants & Current Tenants

- **No Asset Limits:** HOTMA's \$103,200 cap does not apply [FHFC SHIP Manual].
- **Imputed Income Threshold:** \$51,600 [HUD Notice H 2023-10].
- **Retirement Accounts:** IRS-recognized accounts excluded.

Section 202 PRAC
(Supportive Housing for the Elderly with PRAC)

Pre-HOTMA Guidelines

Applicants & Current Tenants

- No Asset Limits; imputed income applies.

HOTMA Guidelines

Applicants & Current Tenants

- No Asset Limits: Exempt from HOTMA's \$103,200 cap [HUD Notice H 2023-10].
- Imputed Income Threshold: \$51,600.
- Retirement Accounts: IRS-recognized accounts excluded.

Section 811 PRA

(Supportive Housing for Persons with Disabilities)

Pre-HOTMA Guidelines

Applicants & Current Tenants

- No Asset Limits; imputed income applies.

HOTMA Guidelines

Applicants & Current Tenants

- No Asset Limits: Exempt from HOTMA's \$103,200 cap [Section 811 PRA Occupancy Crosswalk].
- Imputed Income Threshold: \$51,600.
- Retirement Accounts: IRS-recognized accounts excluded.

Section 202

*(Supportive Housing for the Elderly **without** Section 8, PRAC, or 811)*

Pre-HOTMA Guidelines

Applicants & Current Tenants

- No Asset Limits; imputed income applies.

HOTMA Guidelines

Applicants & Current Tenants

- No Asset Limits: Exempt from HOTMA's \$103,200 cap.
- Imputed Income Threshold: \$51,600.
- Retirement Accounts: IRS-recognized accounts excluded.

Asset Treatment by Program

Program	Pre-HOTMA Asset Limit	HOTMA Asset Limit (2025)	Retirement Accounts (HOTMA)	Imputed Income Threshold (HOTMA)
HUD Multifamily	None	\$103,200	Excluded	\$51,600
HUD PIH	None	\$103,200	Excluded	\$51,600
FHFC	None	N/A	Excluded	\$51,600
Section 202 PRAC	None	N/A	Excluded	\$51,600
Section 811 PRA	None	N/A	Excluded	\$51,600
Section 202 (Non-PRAC)	None	N/A	Excluded	\$51,600

Enforcement Policies (HOTMA)

Program	Applicants	Current Tenants
HUD Multifamily	Mandatory denial	Non-enforcement, limited enforcement, exceptions
HUD PIH	Mandatory denial	Non-enforcement, limited enforcement, exceptions
FHFC	No asset limits	No asset limits
Section 202 PRAC	No asset limits	No asset limits
Section 811 PRA	No asset limits	No asset limits
Section 202 (Non-PRAC)	No asset limits	No asset limits

Sources:

- 24 CFR 5.603: Asset definitions and exclusions.
- HUD Notice H 2023-10/PIH 2023-27: HOTMA implementation.
- FHFC SHIP Manual: Florida-specific rules.

Notes:

- Net Household Assets: Total cash, investments, real estate equity, and personal property minus excluded items [24 CFR 5.603].
- Real Property Exemptions: Property is uninhabitable, cannot be sold, or household lacks legal right to reside [HUD Notice H 2023-10, A.4].
- Self-Certification Threshold: \$51,600 (2025); households below this need not verify assets [HUD Notice H 2023-10].
- Annual adjustments for asset limits and thresholds are published by September 1 each year [Federal Register Vol. 88, No. 250].
- PHAs/Multifamily owners must document enforcement policies in Tenant Selection Plans (TSPs) or Administrative Plans [HUD Notice H 2023-10].