Admin Plan Highlighted HOTMA Changes HACFM Board of Commissioners/Public Notice Proposed changes for transactions effective January 1, 2027			
Section	Chapter	Edit/Adjustment	Page #
HOTMA implementation	Chapter 1	• Applies HOTMA Sections 102 and 104 to applicable HCV and PBV transactions effective January 1, 2027 and later. • Updates packets, staff training, quality control, Software calculations and HUD-50058 reporting. Earlier mandatory provisions remain in effect.	1-4
Asset eligibility at admission	Chapter 2	• Updates the 2027 net family asset eligibility limit to $109,797 and retains the suitable-real-property restriction. • Uses individual circumstances to assess geographic suitability, including transportation, employment, school, medical and disability needs.	2-16–2-17
Participant asset restrictions	Chapter 2	• Proposed agency election: Do not enforce the net-asset or suitable-real-property eligibility restrictions at reexamination for current HCV/PBV participants. • Continue required asset disclosure, verification and counting of asset income. Confirm this election before adoption.	2-17
Admission documentation	Chapter 3	• Replaces outdated eligibility-document timing with Chapter 7 standards, including the general 120-day rule and applicable fixed-income and EIV allowances. • Confirms that information reflects the family's circumstances at admission.	3-7
Annual income calculations	Chapter 6 Section 6-I.C	• Uses prior-12-month income for annual reviews, with required current adjustments and consideration of interims completed since the last annual. • Uses anticipated income for admissions and interims. Asset income is always anticipated.	6-8
Variable and seasonal earnings	Chapter 6 Section 6-I.C	• Aligns wages, overtime, tips, bonuses and commissions with the applicable annual or prospective calculation method. • Documents reasonable projections; removes the automatic $200 monthly EIV discrepancy selection rule. Seasonal work is not automatically nonrecurring income.	6-8–6-9

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Section	Chapter	Edit/Adjustment	Page #
Earned Income Disregard	Chapter 6	• Confirms that no new EID enrollment was permitted after December 31, 2023. • Preserves only authorized transition periods and prohibits applying an expired exclusion to 2027 calculations.	6-12
Income exclusions	Chapter 6	• Clarifies exclusions for children, live-in aides, foster members, kinship care, medical reimbursements, qualifying disability recoveries, nonrecurring receipts, in-kind donations and student assistance. • Applies the governing conditions for education accounts, trusts, loans, retirement income, deferred benefits, self-employment and other statutory exclusions.	6-12–6-13
Annual HUD amounts	Chapter 6	• Lists 2027 amounts: $109,797 asset eligibility limit; $54,898 thresholds for asset self-certification, non-necessary personal property and potential imputation; $525 dependent deduction; $575 elderly/disabled family deduction. • Sets dependent student earnings and adoption-assistance limits at $525 and the passbook rate at 0.38%. Applies each threshold separately and updates amounts annually.	6-13
Support and insurance income	Chapter 6	• Counts alimony and child support actually received, rather than amounts awarded but not received. • Excludes qualifying insurance settlements and workers' compensation regardless of payment frequency or duration; applies separate asset rules to retained proceeds.	6-15–6-16
Asset exclusions	Chapter 6	• Clarifies excluded personal property, retirement and education accounts, qualifying trusts, inaccessible real property, disability recoveries, Indian trust land, assisted homeownership equity and FSS accounts. • Subtracts qualifying federal tax refunds and refundable tax credits for 12 months without double-counting or reducing assets below zero.	6-20–6-22

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Section	Chapter	Edit/Adjustment	Page #
Income from assets	Chapter 6	• Counts actual anticipated asset income unless excluded, even if the asset value itself is excluded. • Above $54,898 in 2027, imputes only on an asset whose actual return cannot be calculated, using 0.38%. Removes the former greater-of-total-actual-or-imputed rule.	6-20–6-22
Deductions and child care	Chapter 6	• Updates dependent and elderly/disabled deductions and the 10% threshold for combined qualifying medical and disability-assistance expenses, subject to hardship relief. • Limits employment-related child care to countable earned income of the person enabled to work; removes expired EID calculations.	6-25–6-30
Hardship relief	Chapter 6	• Tracks phased-in medical relief at 5% for 12 months, then 7.5% for 12 months, before 10%; tracks other hardship periods, extensions and notices. • Clarifies alternative grounds for general relief. The expanded phased-in eligibility date remains conditional in the draft on an effective HUD rule and must be checked before implementation.	6-32–6-34
Verification hierarchy	Chapter 7	• Updates the six-level hierarchy from EIV through family self-certification. Recognizes authentic family-supplied source documents as third-party verification. • Allows direct self-certification where HUD expressly permits it; documents unavailable or rejected verification when required.	7-2
Verification documents and EIV	Chapter 7	• Generally accepts source documents dated within 120 days; permits fixed-income benefit-year statements and requires annual EIV reports within 120 days before the annual effective date. • Uses at least two current consecutive pay stubs when projecting wages and one current asset statement when needed; removes automatic six-balance averaging. Applies transaction-specific EIV requirements.	7-2, 7-11

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Section	Chapter	Edit/Adjustment	Page #
Continuing consent	Chapters 1, 2 and 7	• Uses HUD-9886-A for required household members. Consent continues until denial, termination or written revocation; annual re-signing alone is not required. • Obtains signatures for new required members and members turning 18 under the Plan's timing rules.	1-9, 2-12, 7-3
Revocation of financial consent	Chapter 7	• Proposed agency election: Deny admission or terminate assistance when required financial-record consent is revoked, with notice, review/hearing rights and applicable accommodations. • Confirms that an income reexamination cannot proceed without required executed consent. Confirm this election before adoption.	7-4
Asset verification cycle	Chapter 7	• Requires third-party asset verification at admission. At reexamination, accepts signed asset declarations at or below $54,898 in 2027, except when full verification or resolution of conflicting information is required. • Tracks each family's full-verification cycle: for example, 2027 verification, 2028–2029 self-certification and 2030 full verification. Above the ceiling, requires third-party verification.	7-16–7-17
Tax refunds and zero income	Chapter 7	• Applies HUD's federal tax-refund verification exception at or below the asset ceiling, including full-verification years. • Permits signed zero-income certification without additional verification of the claim where authorized, while maintaining mandatory EIV use and resolving conflicts.	7-19–7-20
Household composition	Chapter 12	• Requires an interim when a household member is added or removed, including foster members and live-in aides, even if adjusted income changes by less than 10% or does not change. • Applies the final-three-month exception only to qualifying increases; does not count otherwise excluded earnings solely because a composition interim is needed.	12-6

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Section	Chapter	Edit/Adjustment	Page #
Zero and seasonal income reviews	Chapter 12	• Retains three-month zero-income reviews but requires a qualifying change before processing an income interim. • A scheduled seasonal-income review does not automatically create an interim; applies Chapter 6 calculations and the interim rules.	12-10
Interim increase threshold	Chapter 12	• Processes countable cumulative increases of at least 10% of annual adjusted income, with applicable exceptions. Documents smaller changes. • Retains the election not to process qualifying increases during the final three months before the annual effective date.	12-10
Earned-income increases	Chapter 12	• Proposed agency election: Count increased earnings after an interim reduction in the same annual cycle, subject to the 10% increase threshold and final-three-month exception. • Otherwise exclude increased earnings from interim increases. This choice remains unconfirmed; it is not a HUD requirement to select this option.	12-10
Simultaneous income changes	Chapter 12	• The draft selects separate decrease and increase transactions when each independently qualifies, with the required effective dates. • Does not offset a required decrease with an ineligible earned-income increase. The processing choice remains for agency review.	12-11
Interim decreases and FSS	Chapter 12	• Retains a zero-percent decrease threshold so requested actual decreases below 10% may be processed, with required verification and welfare-sanction rules. • FSS participation or a request for escrow credit does not authorize an interim increase prohibited by HOTMA.	12-12

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Section	Chapter	Edit/Adjustment	Page #
Reporting and processing	Chapter 12	• Requires reporting changes in income, assets, deductions and composition within 10 calendar days, and requested documents within 10 calendar days, subject to approved extensions or accommodation. • Generally completes interims within 30 days after learning of a change; documents verification delays and supports approved alternative submission methods.	12-12, 12-14
Interim effective dates	Chapter 12	• Timely decreases take effect the first of the month after the actual change; timely increases follow at least 30 days' advance notice. • Late-reported increases are generally retroactive to the first of the month after the change. Late decreases take effect no later than the first rent period after completion, subject to applicable protections.	12-14–12-15
Non-interim transactions	Chapter 12	• Uses required non-interim actions for hardship changes, proration/citizenship updates, contract-rent changes and payment-standard updates when no qualifying income interim is required. • Does not recalculate unrelated income solely because another transaction is needed.	12-14
Safe Harbor election	Chapters 6 and 12	• Clarifies that HACFM elects not to use Safe Harbor income determinations from other means-tested programs. • Retains authorized fixed-income streamlining; it does not eliminate the annual examination of income and composition.	6-8, 12-12
EIV appendix alignment	EIV Addendum	• Aligns continuing HUD-9886-A consent and signature practices with Chapter 7. • Aligns EIV comparisons with the 120-day document rule, fixed-income allowances, pay-stub standards and applicable EIV report timing.	EIV-2, EIV-6–EIV-8, EIV-15
Homeownership Addendum	HOV	• HACFM will reduce size of HOV program through natural attrition and no longer admit up to 5 new units each year.	HOV-1
Glossary definitions	Glossary	• Updates Annual Income to distinguish annual reviews from admission/interim calculations. • Updates Imputed Income and Medical Expenses to reflect asset-specific imputation, current annual parameters and applicable deduction/hardship thresholds.	GL-3, GL-9, GL-11

**Completed annual and administrative plan is posted on our website hacfm.org for public review and comment.