



HUD Sets HOTMA Over-Income Limit

HUD unveils the strategy it will use to determine the over-income limit of 120% of the area median income as required in the Housing Opportunity Through Modernization Act of 2016. The method is identical to HUD's proposal disclosed in a Nov. 29, 2016 notice.

One of the provisions in HOTMA when it became law on July 29, 2016, sets a 120% of area median income limit for public housing tenants. When a family's income exceeds that limit for two consecutive years, a public housing authority must either end the tenancy within six months of the second determination or charge the family rent equal to the greater of the Fair Market Rent or the amount of the unit's operating and capital subsidy.

When a PHA determines that a family exceeds the income limit during the agency's annual or interim review, the agency must document the income to compare it with the following year's income. If income falls below the limit during the year, the countdown is scrapped.

A PHA must include its over-income policy in its Admission & Continued Occupancy Policy and must state whether over-income families will be evicted, or if they will be required to pay as rent the greater of the FMR or unit subsidy. The law also requires PHAs to submit an annual report showing how many families are over income and how many people are on PHA's waiting list.

Info: See the *Federal Register* notice at www.cdpublications.com/docs/9512

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