

PIH HOTMA Implementation FAQs for PHAs
September 29, 2026

Q1: Which public housing agencies (PHAs) are subject to the January 1, 2027, compliance deadline for Sections 102 and 104 of the Housing Opportunity through Modernization Act of 2016 (HOTMA)? Does that apply to every family in the PHA's programs?

A1: [Notice PIH 2026-15](#) announces that starting on January 1, 2027, HUD will enforce compliance with sections 102 and 104 of HOTMA for all PHAs, except PHAs who participate in the Moving to Work (MTW) demonstration and PHAs exclusively using the HUD Family Reporting Software (FRS) as of May 14, 2026. For PHAs subject to this compliance deadline, all HUD-50058 transactions with an effective date on or after January 1, 2027, must reflect HOTMA requirements.

For PHAs in the MTW demonstration and PHAs exclusively using FRS, HUD will enforce compliance with sections 102 and 104 of HOTMA once HUD completes certain systems modifications. The exemption for MTW PHAs applies to both initial MTW PHAs and MTW Expansion PHAs.

This compliance deadline applies on a PHA-wide basis. For example, if a PHA is a participant in the MTW demonstration but applies MTW flexibilities only to one of its programs, the MTW PHA is nevertheless not subject to the January 1, 2027, compliance deadline for any of its programs.

Conversely, if an MTW PHA is administering programs for a non-MTW PHA, the non-MTW PHA is nevertheless subject to the January 1, 2027, compliance deadline.

Note that Notice PIH 2026-15 does not provide a HOTMA 102/104 compliance deadline or exemptions to a HOTMA 102/104 compliance deadline for programs administered by the Office of Multifamily Housing (MFH) Programs. MFH Owners should consult the most recent Housing notice for guidance on HOTMA 102/104 compliance for those programs. Multifamily-specific HOTMA guidance can be found online at the [Multifamily HOTMA webpage](#).

Q2: How should PHAs determine whether an interim reexamination must be conducted when a family reports multiple changes at once? For example, a family that reports a simultaneous decrease in unemployment benefits and an increase in wage income?

A2: [Notice PIH 2023-27](#) (Revision 3), Attachment I, provides extensive implementation guidance and examples on how PHAs should determine whether an interim reexamination must be conducted.

If the family reports multiple changes at once and among those changes are increases in earned income, how the PHA should proceed depends upon whether they have elected to consider increases in earned income after a family has received an interim reduction during the same reexamination cycle.

- If the PHA **does not** have a policy to consider increases in earned income after the family has received an interim reduction during the same reexamination cycle, the PHA must not consider any increase in earned income when assessing what the resulting change would be to the family's adjusted income as a result of the changes the family has reported. The rest of the changes that are reported will be assessed on their own. The PHA will note the increase in earned income and include such increases at the next regular reexamination.
- If the PHA **does** have a policy to consider increases of earned income after the family has received an interim reduction during the same reexamination cycle:
 - If the PHA has already processed an interim reduction during the same reexamination cycle for the family, the PHA must consider increases in earned income when estimating or calculating whether the family's annual adjusted income has increased, and the PHA should follow their policy for determining whether an interim reexamination must be processed.
 - If the PHA has not already processed an interim reduction during the same reexamination cycle for the family, then the PHA should first examine all changes excluding the increase in earned income. If the rest of the reported changes would result in a decrease in annual adjusted income that would be sufficient by itself to trigger an interim reduction, and at the same time the family reports an increase in annual adjusted income (which includes both unearned and earned income counted together) that would result in an increase of 10 percent or more in annual adjusted income, then the PHA will conduct an interim reexamination for a decrease, followed by an interim reexamination for an increase (following the guidance in Attachment I.8 of PIH Notice 2023-27 (Revision 3) on the effective date of interim rent changes).

Alternatively, as a measure to reduce administrative burden, the PHA may process both changes simultaneously, as one interim reexamination that reflects the cumulative effect of these changes. Note that in this circumstance, the decrease in adjusted income and the increase in adjusted income (which will include both unearned and earned income counted together) must both be sufficient by themselves to trigger an interim reexamination. If the decrease in adjusted income is not sufficient to trigger an interim reexamination, the PHA will not process the decrease, nor will it include earned income in the calculation for the increase of adjusted earned income. If the decrease in adjusted income is sufficient to trigger an interim reexamination, the PHA must process the decrease, and must not process the increase of earned income, when the increase in adjusted income is does not meet the 10% threshold.

Note that if a PHA has a policy to not conduct interim reexaminations for an increase in income during the last three months of a certification period, and this reported change would require the PHA to conduct an interim reexamination in that period, the PHA would not process the increase. (See Notice PIH 2023-27 (Revision 3), Attachment I.2.)

PHAs that choose to adopt a policy to consider increases in earned income when the family has received an interim reduction during the same reexamination cycle should consider and describe how they will process such reexaminations in their written procedures.

Example: Simultaneous Decrease / Increase in Annual Adjusted Income

On 9/9/2026, a family with annual adjusted income of \$10,000 in unemployment income reports that they are no longer receiving unemployment income and has started a job that earns \$20,000 annually. The family has not previously received an interim reduction during the same reexamination cycle, and the income increase does not occur within the last three months of the family's reexamination period.

Scenario A - PHA *does not* have a policy to consider increases in earned income after the family has received an interim reduction during the same reexamination cycle:

After reviewing the reported changes, the PHA does not consider the increase in earned income and determines that the decrease in annual adjusted income meets the 10% threshold to conduct an interim

reexamination. The annual adjusted income for the family is reduced to \$0 on 10/1/2026. The PHA will note the increase in earned income and include such increases at the next regular reexamination.

Scenario B - PHA *does* have a policy to consider increases in earned income after the family has received an interim reduction during the same reexamination cycle:

Option 1: The PHA determines that the decrease in annual adjusted income meets the 10% threshold to conduct an interim reexamination and the increase in earned income meets the 10% threshold to conduct an increase in annual adjusted income. The annual adjusted income for the family is reduced to \$0 on 10/1/2026. The PHA also conducts an interim reexamination to include the increase in earned income. The annual adjusted income for the family is increased to \$20,000 on 11/1/2026.

Option 2: The PHA determines that the decrease in annual adjusted income meets the 10% threshold to conduct an interim reexamination and the increase in earned income meets the 10% threshold to conduct an increase in annual adjusted income. The PHA may choose to process both changes simultaneously according to their written procedures as one interim reexamination that reflects the cumulative effect of these changes. The PHA conducts an interim reexamination to remove the \$10,000 unemployment income and include the \$20,000 earned income on 11/1/2026.

Q3: Which families are eligible for the phased-in hardship relief for the change to the health and medical care expenses and reasonable attendant care and auxiliary apparatus expenses deduction?

A3: HUD is finalizing a rule that will be published in the Federal Register to update the phased-in relief eligibility date currently codified at 24 CFR 5.611(c)(1)(i). The final rule changes the phased-in relief eligibility date to the date on which the PHA or owner, as applicable, implements the financial hardship relief under § 5.611(c)(1), or the date specified in a HUD Notice enforcing compliance with § 5.611(a)(3), whichever occurs first.

Most importantly, this means that once the final rule is effective, all PHAs subject to the January 1, 2027 HOTMA compliance deadline must provide phased-in hardship relief to families who, at their most recent income review before January 1, 2027, received a deduction for health and medical care expenses or reasonable attendant care and auxiliary apparatus expenses.