Housing Consultants of America

HOTMA 2027

What Affordable Housing Property Managers Need to Know

Written by Jenna Ghisolfo

President, Housing Consultants of America

For HUD Multifamily owners and property managers, 2027 is no longer a distant HOTMA target. HUD has extended the mandatory compliance date for Sections 102 and 104 of the HOTMA final rule to January 1, 2027. That makes the remainder of 2026 the preparation window: policies, software, forms, verification practices, staff training, tenant communication, and quality-control procedures all need to be ready to work together when the new rules become mandatory.

IMPORTANT: HUD's current Multifamily HOTMA page states that full compliance is required by January 1, 2027. Owners/agents that implement early must follow HUD's current transition instructions and system guidance.

Why 2027 Matters

HOTMA changes more than a few forms. It changes the logic behind income reviews, asset treatment, deductions, verification, and certain interim reexaminations. For property managers, that means a certification can look complete while still being wrong if the site's procedures, software setup, or verification sequence is based on pre-HOTMA rules.

HUD's implementation guidance applies to multiple PIH and Multifamily programs. For Multifamily Housing, the affected programs include Section 8 Project-Based Rental Assistance and several Section 202/811 and related assisted-housing programs identified in HUD's implementation notice.

1. Income Reviews Will Work Differently

HOTMA Section 102 revises how annual income is determined and how income changes are handled between annual reexaminations. One of the most operationally significant changes is the framework for interim reexaminations.

- Train staff on the 10% adjusted-income threshold used to determine when certain interim reexaminations are required.
- Do not assume every increase in earned income should immediately result in an interim rent increase; the HOTMA rules contain important exceptions and timing requirements.
- Update resident reporting instructions so tenants receive clear, consistent guidance about when changes must be reported.
- Make sure your written policies match the rules configured in your property-management software.

2026 UPDATE: HUD issued Notice H 2026-05 / PIH 2026-09 revising the HOTMA interim-reexamination standard in Attachment I. Any training materials created before that amendment should be checked before being used in 2027.

2. Asset Rules Become a Front-Line Compliance Issue

HOTMA significantly revises the treatment of family assets. Property managers must understand both asset income calculations and the asset-limitation rules that apply to covered programs. This is an area where relying on an old certification checklist can create immediate compliance problems.

- Review what counts - and does not count - as a net family asset under the revised definitions.
- Understand when actual income from assets is used and when an imputed return applies.
- Update procedures for family self-certification of assets when permitted by HUD.
- Train staff on the treatment of real property that is suitable for occupancy and on applicable exceptions.
- Build a quality-control step specifically for asset eligibility and asset-income calculations.

3. Annual Inflation Adjustments Must Be Built Into Your Process

Several HOTMA dollar amounts are indexed and can change annually. That means a checklist or desk guide that was correct for one calendar year may be wrong the next. HUD states that inflation-adjusted values are recalculated annually, generally for January 1 implementation.

HCA RECOMMENDATION: Create a controlled annual update process. Before January certifications are finalized, verify the current HUD-published thresholds, deductions, asset values, and passbook rate rather than copying figures from a prior-year worksheet.

Because 2027 figures are subject to HUD's annual publication cycle, property managers should use the official HUD/HUD User values in effect for 2027 rather than relying on 2026 numbers carried forward.

4. Verification Practices Need a Rewrite - Not a Patch

HOTMA is intended in part to reduce unnecessary administrative burden. HUD's implementation guidance modernizes documentation requirements and permits new verification approaches in specific circumstances.

- Review the hierarchy and age of acceptable verification documents.
- Update bank-account and asset verification procedures.
- Understand when Safe Harbor income determinations from other federal means-tested programs may be used.
- Review how EIV requirements interact with Safe Harbor verification.
- Update forms and checklists so staff are not requesting documentation HUD no longer requires.
- Retain a clear audit trail showing which verification method was used and why it was acceptable.

5. Your EIV Policies Cannot Be Left Behind

EIV remains a critical compliance tool, but HOTMA changes how income verification fits into the broader certification process. A site's EIV policy should be reviewed alongside its Tenant Selection Plan, recertification procedures, verification forms, and software workflow.

- Confirm EIV policies reflect current HUD guidance, not a pre-HOTMA template.
- Train staff on circumstances in which EIV reports are required and when Safe Harbor documentation changes the normal verification workflow.
- Continue protecting EIV information and documenting discrepancy research and resolution.
- Audit actual files to confirm staff practice matches the written EIV policy.

6. Deductions and Adjusted Income Need New Quality Controls

HOTMA changes several deductions used to calculate adjusted income and introduces new hardship concepts. Property managers should expect this area to generate questions from both residents and staff, especially when a household's rent changes.

- Update dependent, elderly/disabled-family, health and medical expense, disability-assistance, and child-care deduction procedures.
- Train staff on applicable expense thresholds and hardship relief provisions.
- Use the correct annual inflation-adjusted amounts for the certification effective date.
- Document hardship determinations and expiration/extension dates consistently.
- Add a second-level review for certifications involving multiple deductions or hardship relief.

7. Forms, Software and Policies Must All Say the Same Thing

The most dangerous HOTMA implementation problem is inconsistency. A property may have a newly revised policy but old forms, a software configuration using different assumptions, and staff who were trained from an earlier version of HUD guidance. Those gaps create errors that can spread across an entire portfolio.

Area	2027 Readiness Question
Tenant Selection Plan	Does it reflect the HOTMA rules and current HUD implementation guidance?
EIV Policy	Does it match the site's actual verification workflow?
Software	Are calculations, thresholds, deductions, assets, and interim rules configured correctly?
Forms & Checklists	Have pre-HOTMA questions and obsolete verification requests been removed?
Resident Notices	Do residents understand reporting requirements and changes that may affect rent?
Training	Can staff explain the rule and correctly process a file without relying on an outdated cheat sheet?
Quality Control	Is there a HOTMA-specific review before certifications are finalized?

8. Layered Properties Need Extra Attention

Properties layered with LIHTC, HOME, Housing Trust Fund, RAD, PBV, or other funding sources require a program-by-program analysis. Do not assume that a HUD Multifamily HOTMA rule automatically changes every requirement imposed by another program, state allocating agency, lender, or regulatory agreement.

- Identify every program layered at the property.
- Create a crosswalk showing which program rule controls each eligibility, income, asset, verification, and recertification requirement.
- When rules differ, document the property's procedure for satisfying all applicable requirements.
- Train staff to recognize when a HUD rule and a tax-credit or other funding rule are not identical.

The 2026-to-2027 HOTMA Readiness Plan

- ☐ Inventory every policy, form, checklist, notice, training document, and software workflow affected by HOTMA.
- ☐ Compare current materials against HUD's latest HOTMA implementation notice and amendments.

☐ Rewrite the Tenant Selection Plan, EIV policy, recertification procedures, and verification procedures as needed.

☐ Confirm software readiness and test sample certifications before go-live.

☐ Train compliance leadership first, then property-level staff using the same controlled materials.

☐ Conduct practice files covering earned income, fixed income, assets, real property, deductions, interim changes, and layered-program scenarios.

☐ Pre-audit early 2027 certifications before they are finalized.

☐ Monitor HUD for additional forms, system instructions, annual inflationary adjustments, FAQs, and implementation updates.

What Property Managers Should Do Now

Do not treat January 1, 2027 as the day to begin learning HOTMA. Treat it as the day your preparation must already be complete. The properties that transition most successfully will be the ones that spend 2026 testing workflows, correcting policies, training staff, and auditing sample files.

BOTTOM LINE: HOTMA readiness is an operations project, not just a compliance memo. The rule has to work at the desk where the certification is actually processed.

How Housing Consultants of America Can Help

Housing Consultants of America supports affordable housing owners, management companies, nonprofits, and housing organizations with HOTMA readiness and implementation. HCA can assist with policy and procedure reviews, Tenant Selection Plan and EIV updates, staff training, file audits, certification support, backlog recovery, MOR preparation, temporary occupancy/compliance staffing, and layered HUD/LIHTC compliance support.

ABOUT THE AUTHOR

Jenna Ghisolfo, President

Jenna Ghisolfo leads Housing Consultants of America, providing affordable housing compliance, training, file review, staffing, and operational support to housing organizations across the United States.

Key HUD Sources Used for This Article

- HUD Multifamily HOTMA resource page - current compliance date and Multifamily implementation updates.

Housing Consultants of America

- Notice H 2025-07 - revised Multifamily HOTMA compliance date of January 1, 2027.
- Notice H 2023-10 / PIH 2023-27 - HOTMA Sections 102 and 104 implementation guidance.
- Notice H 2026-05 / PIH 2026-09 - 2026 amendment related to interim reexaminations.
- HUD HOTMA Resources - income review, asset limitations, forms, and implementation materials.

HOUSING CONSULTANTS OF AMERICA

HUD & LIHTC Compliance • HOTMA Readiness • File Audits • Recertifications • Training • Temporary Staffing

www.HousingConsultantsOfAmerica.com