Virginia Housing HCV HOTMA Fact Sheet:

HOTMA Fact Sheet: Income and Assets

HOTMA stands for the Housing Opportunity Through Modernization Act of 2016, which is a federal law that changes how all public housing authorities, including Virginia Housing, assess and calculate your family's income and assets for the Housing Choice Voucher (HCV) program. All public housing authorities are **required** to use these new guidelines **starting January 1, 2027**.

What HOTMA Means for You and Your Family?

HOTMA made several important changes to how Virginia Housing must consider who is a family member, how each family member's income will be treated, how each family member's assets will be treated, and if applicable, your eligibility for the amount of health, medical, and childcare deductions that are eligible.

Income Calculations

HOTMA explains what counts toward your annual income, which is used to help calculate your rent. These new rules change what money should be included and not included as part of your income. These changes might affect how much rent you pay.

Your family's income includes money that your family members, who are 18 years old or older, make from work (earned income). It also includes money that comes in for any family member, including kids under 18, (unearned income such as Social Security Income) and income from the assets you own.

Examples of Earned income

- Money from a job like wages, salaries, tips, or other payments.
- Money you make from your own business.
- Money you earn as a day laborer or as an independent contractor.

Examples of Unearned income

- Government benefits like TANF, Social Security, or disability payments.
- Any money you get regularly from a pension.
- Child support payments.

In general, all income is included in your calculation unless the rules say that it should not be. You must still report all income even when you are unsure whether it counts.

What Happens if Your Income Changes?

If your income, or the people who live with you, changes between your annual reviews, talk to your LHA right away. Some of these situations require you to do an interim review before your next annual review.

- **Income decrease:** An interim review will be done if your income goes down from the amount at your last annual review.
- **Income increase**: You must report all increases in earned income and unearned income.

Be sure to report any changes in income as soon as they happen. Reporting on time might mean you pay less rent sooner. If you report on time and provide all requested paperwork, you could start paying a lower rent the next time the rent is due or get 30 days' notice if you have to pay more. Reporting late could mean you have to back pay the rent increase.

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New Changes regarding Asset Limits

HOTMA now places limits on the amount of assets families participating in the HCV Program can have. For 2027, this limit is $109,797 (net family assets). This amount changes every year based on inflation. Your LHA will be able to provide more information on assets and what you are required to report annually.

What are net family assets?

Net family assets generally include the cash value of assets your family owns after subtracting:

- Any amount you owe on the asset; and
- Reasonable costs you would have to pay to sell or transfer it.

Not everything you own is counted. Some assets are excluded.

Necessary personal property	Non-necessary personal property
Necessary personal property includes items your family needs for everyday life, work, education, health, or disability-related needs. These items **are not counted** toward the net family asset limit. Examples may include: • A vehicle used for transportation; • Furniture and household appliances; • Tools or equipment needed for work; Whether an item is necessary depends on your family's circumstances.	**Non-necessary personal property** includes valuable items that your family does not need for everyday life, work, education, health, or disability-related needs. These items **are counted** toward the net family asset limit. Examples may include: • Recreational vehicles or boats; • Coin or stamp collections; and • Other collectibles. For 2027 certifications, if the combined value of your family's non-necessary personal property is more than $54,898, the value is included when calculating your net family assets. This amount is adjusted each year for inflation.

Property: Real Property Limits

HOTMA limits assistance for families who own a home that is suitable for them to live in, with some exceptions. This is separate from the $109,797 net family assets limitation. If you own a property that you cannot occupy, its value may still be included in your net family assets. A home may not be suitable for you and your family to live in if it is unsafe because of the follow examples, "poor condition, a home you cannot legally live in, or does not meet your family's disability needs."

What happens if you Exceed a Limit?

Virginia Housing will allow families for up to **6 months to come into compliance**. This means you will have six months to reduce your assets or property to within the program's allowable limit. If Virginia Housing determines that you are over the applicable limit, you will receive written information explaining the reason, the deadline, and what options may be available.

EQUAL HOUSING OPPORTUNITY