



## MEMO

**To:** Owners and Agents of Rhode Island Low Income Housing Tax Credit (LIHTC) Projects

**From:** Hope Lanphear, Assistant Director, Leased Housing *Hope Lanphear*

**Date:** July 18, 2025

**Subject:** HOTMA implementation at all developments

In December 2024 RI Housing released a MEMO allowing HOTMA to be implemented in Tax Credit and HOME sites without PBCA. [You can find that memo here.](#) We are now allowing HOTMA to be implemented in all LIHTC and HOME sites, including blended developments. We are encouraging all our properties including LIHTC, HOME, and PBCA Section 8 developments (and any combination thereof) to implement HOTMA now. A mandatory date will be forthcoming for HOME and LIHTC developments and we will give 3 months' notice to comply.

RI Housing also encourages PBCA properties to implement as much of HOTMA as you're able, HUD will be rolling a hard date out eventually.

For any development implementing HOTMA: Management must notify their Asset Manager of this change and include a cover page in tenant files detailing what parts of HOTMA are being implemented (For PBCA developments this should reflect the changes adopted in the new TSP. LIHTC developments are strongly advised to also update their TSP).

To assist with this transition, below is a (not exhaustive) guide to what you can and can't implement for PBCA Section 8. We also strongly recommend your management agent receive their own training on HOTMA.

### **Able to implement now:**

- Asset verification
  - single statement for checking accounts
  - use new list of asset exclusions (including retirement accounts)
- Self-certification for assets under the new threshold (2025's threshold is \$51,600)
- Child support/alimony requirement: count only what is received.
- New deductions for dependents and the elderly
- Safe harbor certifications for income determinations based on means-tested federal assistance programs (TIC, SSI, SNAP, etc)



- Adjust definition of fosters
- Adopt new list of income inclusions
- Interim recertifications – now only required for increases of unearned income exceeding 10% of household adjusted income. Interim recertifications are not required when an AR will be occurring within 3 months
- EIV reports – now only required at annual examinations
- MFH Owners wishing to adopt HOTMA early may calculate family incomes and tenant rents manually, then enter the resulting information into TRACS version 202D (the current version of TRACS) using the rent override function. For additional information on the rent override function, see the following [one-pager](#).

**Unable to implement at this time:**

- New forms HUD has yet to release – lease, form HUD-50059, form HUD-9887
- New passbook savings rate (must use .06, not .045 until RI Housing can update its software)

**PBCA sites must have drafted already and may implement:**

- A new Tenant Selection Plan
- Updated EIV policies/procedures

**Available resources**

[HUD's HOTMA trainings page](#)

[RI Housing and Costello's HOTMA and HOME training](#)

[Prior memo on RI Housing HOTMA implementation for LIHTC](#)

[IRS Reg 1.42-5 \(b\) \(1\) \(vii\)](#)

[HOTMA Notice 2023-10 J.5.a.](#)

Please submit any questions to your asset manager or to Hope Lanphear, Assistant Director at [hlanphear@rihousing.com](mailto:hlanphear@rihousing.com).