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NOTICE OF IMPORTANT CHANGES TO PUBLIC HOUSING AND HOUSING CHOICE VOUCHER RULES BEGINNING JANUARY 1, 2027

The Clay County HRA wants to inform participants about important changes to the Public Housing and Housing Choice Voucher (Section 8) program. Under the Housing Opportunity Through Modernization Act (HOTMA), the U.S. Department of Housing and Urban Development (HUD) has introduced new rules. These rules change how your household income and assets are counted. These updates are designed to streamline the program and update how tenant income and assets are handled.

Please review the key changes outlined below:

Income Calculations at Annual Reviews

- The income used to calculate your new rent amount for your annual recertification will depend on your current circumstances.

Reporting Income Changes (Interim Recertifications)

- Income Decreases: You may request an interim re-examination if your adjusted household income drops by 10% or more. Income decreases of **less than 10%** of the household's adjusted income will **not** be processed.
- Income Increases: You **must** report any increase in your household income. However, your rent will generally not increase between annual reviews unless your adjusted income goes up by 10% or more.

Changes to Income Deductions

- Elderly or Disabled Household Deduction: The annual deduction for households where the head, co-head, or spouse is elderly or disabled will increase from $400 to $575.
- Dependent Deduction: The annual deduction for each dependent will increase from $480 to $525.
- Health and Medical Expense Deductions: You can deduct only the portion of eligible, unreimbursed medical or disability-related expenses that exceed 10% of your annual income, rather than the previous 3% threshold. Households currently receiving this deduction will have two years to transition: in year one, expenses must exceed 5% of annual income, and in year two, they must exceed 7.5%. A temporary hardship exemption may be available if this change causes financial difficulty for your family.

New Rules on Household Assets

- Asset Limits: Households with net family assets that exceed $109,797 (adjusted annually for inflation) are no longer eligible to receive voucher assistance.
- Real Property: If a household member owns real property (such as a home) that is suitable for them to live in, the household is no longer eligible for assistance. This **does not** apply to families on the Housing Choice Voucher Homeownership Program.
- Income from Assets: If your household's net assets exceed $54,898, HUD's passbook savings rate is used to estimate income from any countable asset whose actual income cannot be calculated. The rate for 2027 is 0.38%. When actual asset income can be calculated that income is used instead.
- Self-Certification: If your total household assets are $54,898 or less, you may be able to self-certify your asset value and asset income during your annual recertification.

These new rules will be applied to your household during your next regularly scheduled annual recertification or during any interim recertification processed on or after **January 1, 2027.**

Please contact your Housing Worker at 218-233-8883 if you have questions about how these changes affect your household, or visit: **www.hudexchange.info/programs/hotma/hotma-income-and-assets/ and select Resident Resources**.

Thank you for your cooperation as we implement these federal updates.