Program Changes: Housing Opportunity through Modernization Act (HOTMA)

To better serve the needs of families/individuals, HUD has made changes to the regulations governing the program in 24 CFR part 984 via the Housing Opportunity through Modernization Act (HOTMA). The Bayonne Housing Authority (BHA) is in the process of transitioning to the new rules and will be effective **January 1, 2027**. As a result, any changes to your income and household composition processed after this date will be using the new rules. Some of the changes include:

Medical Expenses:

If your family qualifies as an elderly or disabled family, the **new rule increases the threshold** for the deduction of unreimbursed health and medical care expenses **to 10%** of annual income. Please be advised that the BHA will phase in the medical expense deduction based on its policies. (Information will provided on individual basis)

Mandatory Deductions:

Changes the mandatory deduction amounts to **$525** per **dependent** and **$575** per **elderly and disabled family**. These amounts are 2027 figures and will be adjusted annually for inflation.

Income from Assets:

In general, income from assets is considered income. The BHA will impute income from assets based on the current passbook savings rate as determined by HUD when the family has net assets over $54,898 (adjusted annually by CPI). (Information will provided on individual basis)

Interim Income Reexaminations:

A family may request an interim reexamination because of family income or composition changes since the last examination. An interim reexamination should be conducted when a family's adjusted income **decreases by 10%** or more.

An interim reexamination should also be conducted when a family's adjusted income **increases by 10%** or more; however, the BHA may not consider any increase in the earned income of the family when estimating or calculating whether the family's adjusted income has increased, unless the family has previously received an interim reduction during the certification period. (Information will provided on individual basis)

Annual Reexaminations:

The BHA will conduct a reexamination of family income and composition at least annually. This includes gathering and verifying current information about family composition, income, and expenses. Unlike when performing an interim reexamination or at intake, at annual reexamination, the BHA will determine the income of the family for the previous 12-month period. Income from assets, however, is always anticipated, irrespective of the income examination type.

Please do not hesitate to contact your caseworker if you have any questions as each case is different and will require a more detailed explanation of the new rules. For more information on the HOTMA changes, please visit our website at www.bayonneha.org.