**ACOP Summary of Changes 2025**

The following changes are being implemented for compliance with updated HUD regulations due to HOTMA (Housing Opportunity through Modernization Act)

**Pg 127 - De minimis errors** - added policy describing how de mimimus errors will be handled – per HOTMA requirements.

De minimis errors occur when a PHA’s determination of a family’s income deviates from the correct income determination by no more than $30 per month in monthly adjusted income (or $360 in annual adjusted income). HUD may revise the amount of de minimis error though rulemaking.

Once the PHA becomes aware of the existence of an income calculation error, the error(s) will be corrected retroactive to the effective date of the action resulting in an error regardless of the dollar amount associated with the error. Families will not be required to repay the PHA in instances where the PHA miscalculated income resulting in a family being undercharged for rent. Once the PHA becomes aware of the error the family will be provided with a 30-day notice of the increase to their rent portion. The PHA will take corrective action to credit or repay a family if the family was overcharged tenant rent, including di minimis errors, in the income determination. In the case of public housing residents, the PHA will provide an immediate rent credit. If the amount of the credit would be more than the charges due in the next 30 days, the PHA will provide payment to the family within 30 days of becoming aware of the error.

**Pg 27 – HUD 9886-A** updated from “may” to “will” in two locations seen below.

Your failure to sign the consent form may result in the denial of eligibility or termination of assisted housing benefits, or both.

Revocation of consent may result in the denial of eligibility or termination of assisted housing benefits, or both.

## **Pg 41 –** **PHA Use of Enterprise Income Verification (EIV) System**

Highlighted sentence added.

In accordance with 24 CFR 5.236 and administrative guidance issued by HUD, the PHA will utilize HUD’s Enterprise Income Verification System, in its entirety, as a third-party source to verify tenant employment and income information during mandatory reexaminations or re-certifications of family composition and income. The PHA will not use the EIV system during interim reexaminations

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**Definitions – the following definitions have been updated in Appendix L.**

* Earned income – Earned Income is defined as income or earnings from wages, tips, salaries, other employee compensation, and net income from self-employment. Earned income does not include any pension or annuity, transfer payments (meaning payments made or income received in which no goods or services are being paid for, such as welfare assistance, Social Security, and other governmental subsidies/benefits), or any cash or in-kind benefits.
* Unearned income – Unearned income means any annual income, as calculated under 24 CFR § 5.609, that is not earned income.
* Family – An otherwise eligible youth who has attained at least 18 years of age and not more than 24 years of age and who has left foster care, or will leave foster care within 90 days, in accordance with a transition plan described in section 475(5)(H) of the Social Security Act (42 U.S.C. 675(5)(H)), and is homeless or is at risk of becoming homeless at age 16 or older; or
* Day laborer – An individual hired and paid one day at a time without an agreement that the individual will be hired or work again in the future.
* Independent contractor – An individual who qualifies as an independent contractor instead of an employee in accordance with the Internal Revenue Code Federal income tax requirements and whose earnings are consequently subject to the Self-Employment Tax. In general, an individual is an independent contractor if the payer has the right to control or direct only the result of the work and not what will be done and how it will be done.
* Dependent – A member of the family (which excludes foster children and foster adults) other than the family head or spouse who is under 18 years of age, or is a person with a disability, or is a full-time student.
* Foster child and foster adults – A member of the household who is 18 years of age or older and meets the definition of a foster adult under State law. In general, a foster adult is a person who is 18 years of age or older, is unable to live independently due to a debilitating physical or mental condition and is placed with the family by an authorized placement agency or by judgment, decree, or other order of any court of competent jurisdiction. *Foster child.* A member of the household who meets the definition of a foster child under State law. In general, a foster child is placed with the family by an authorized placement agency (*e.g.,* public child welfare agency) or by judgment, decree, or other order of any court of competent jurisdiction.
* Health and medical care expenses – Health and medical care expenses are any costs incurred in the diagnosis, cure, mitigation, treatment, or prevention of disease or payments for treatments affecting any structure or function of the body. Health and medical care expenses include medical insurance premiums and long-term care premiums that are paid or anticipated during the period for which annual income is computed.
* Minor – A member of the family, other than the head of family or spouse, who is under 18 years of age.
* Passbook Rate Calculation - The PHA will use the HUD established Passbook Rate that is in effect on the first day of the PHA’s fiscal year. The PHA will review the passbook rate annually and adjust it accordingly on the first day of the PHA’s fiscal year, to be effective for transactions dated on or after July 1.

**Pg 54 – Annual Income** – updated #1

1. Annual Income Includes, with respect to the family;
   1. All income that is not specifically excluded by HUD regulation, received from all sources by each member of the family who is 18 years of age or older or is the head of household or spouse of the head of household, plus unearned income by or on behalf of each dependent who is under 18 years of age, and
   2. When the value of net family assets exceeds $50,000 (which amount HUD will adjust annually in accordance with the Consumer Price Index for Urban Wage Earners and Clerical Workers) and the actual returns from a given asset cannot be calculated, imputed returns on the asset based on the current passbook savings rate.

**Pg 54 – Income Inclusions** – updated to

1. Temporarily and Permanently Absent

HUD regulations specify that the income of family members who are “temporarily absent” from the household is to be included in total family income. The PHA has determined that “temporarily absent” is defined as an absence for up to one-hundred eighty (180) days. An exception to the inclusion of that income is extended to members of the military and temporarily absent may exceed one year. Military absence can be confirmed with call-up orders. Other absences will be confirmed based on the circumstances of the absence.

Families must report in writing to the PHA any absence of the entire household from the unit of more than ninety (90) consecutive days, consistent with the lease provisions. Families must report any family members who have been or are expected to be absent from the household for more than fifteen (15) days. Any changes in family composition must be reported to the PHA within ten (10) days. Families will be counseled at briefing sessions and re-certification on the effect family composition may have in determining unit size and Total Tenant Payment as well as the PHA's policies for dealing with such changes. At times, situations may arise that result in the temporary or permanent absence of a family member or members from the household. Such situations will be handled in the following manner:

1. Absence of children for foster care

In instances in which the children have been removed from the home by a social service agency, the agency will be contacted to determine the approximate length of time the children are expected to be away from the home.

1. If the agency indicates that the children are expected to return to the home at some point during the next twelve (12) months, the children will remain a part of the family composition and will be counted in determining the family’s unit size.
2. If the children are not ever expected to be returned to the home, the children will be removed from the family composition and the family’s unit size may be reduced accordingly.
3. If the agency indicates that it is unknown whether the children will be returned to the home, the children will remain a part of the family composition.

Oral conversations with the social service agency must be thoroughly documented in the family file, including the date of contact, name and title of contact person, name of agency, and telephone number and the details of the conversation.

1. Absence of single parent; use of caretaker adult

When a single parent leaves the household for an extended period as a result of imprisonment, hospitalization, military service, etc., and another adult approved by the PHA moves into the home to care for the children, the rental assistance will not be terminated. The family composition will be modified to include the name of the caretaker as head of household. The caretaker's income will not be included in the family income. The single parent's name shall be temporarily removed, and the file documented to explain the circumstances. When the parent returns to the unit, the caretaker may leave or remain in the household. If the caretaker remains, his/her income will be included in the calculation of family income.

1. Absence of head of household, spouse or co-head due to military service or school

If the head of household, spouse or co-head is absent from the home to serve in the military or attend school, the individual will be considered temporarily absent and the income will be included in the calculation of family income. However, income received as a result of special hazardous duty pay when exposed to hostile fire will not be included.

1. Absence of other family member due to military service or school

If a family member other than the head of household, spouse or co-head is absent from the home to serve in the military or attend school, the family has the option of considering the person permanently absent (income not counted; not on lease) or temporarily absent (income counted; on lease). Income received as a result of imminent danger pay when exposed to hostile fire will not be included.

1. Absence due to hospitalization of sole member

When the family consists of only one member and that person leaves the home to go into a hospital or nursing home for a period of more than six (6) months, the assistance will be terminated. If a responsible medical professional verifies prior to the expiration that the confinement will be permanent, the PHA will terminate the assistance.

If a medical source documents that a family member who is residing in a nursing facility or hospital is expected to return to the unit in 180 days or less, the person shall be considered temporarily absent. If the person does not return to live in the unit within 180 days, the individual will be considered permanently absent.

1. Absence of All Household Members

If all members of the household are absent for ninety (90) consecutive days, but have not moved from the unit, assistance will be terminated. In order to determine if the family is absent from the unit, the PHA may write letters to the family at the unit, telephone the family at the unit, interview neighbors, and/or verify if utilities are in service. In cases in which the family has moved from the unit, assistance will be terminated in accordance with the PHA’s termination and eviction policies.

1. Adult visitors

An adult may visit a unit for no more than fourteen (14) cumulative days per year. Exceptions may be granted by the PHA if the visitor is providing care for a household member with a long-term illness. Adults exceeding this limit must be approved by the PHA before being considered a family member and added to the lease. Addition of such person may not be approved if they cannot be accommodated within the existing occupancy limits for the unit.

1. Child visitors

Children under the age of eighteen (18) may visit a unit for a maximum of ninety (90) accumulative days per year without being considered part of the family, provided the family has the written permission of the PHA.

1. Joint Custody of Children

Children who are subject to a joint custody agreement but live in the unit at least fifty-one percent (51%) of the time will be considered members of the household. The PHA defines 51% of the year as 186 days. If the family includes a child who is temporarily absent from the home due to foster care, the standards in paragraph “a” above will be used.

1. Earned Income

Earnings anticipated to be received in the twelve (12) months following the effective date of the certification will be annualized. To annualize income, the PHA will multiply:

1. Hourly income by the number of hours worked in a year;
2. Weekly income by 52 weeks, unless it is verified that less weeks will be worked;
3. Bi-weekly income by 26 pay-periods;
4. Semi-monthly by 24 pay-periods; and
5. Monthly by 12 pay-periods.

Where income is fluctuates as to hours or rates, such as for teachers, construction workers, farmers or migrant workers, the PHA will use an average for twelve (12) months based on past income history of the family and such anticipated income that can be verified.

1. Income from Assets
2. Assets Valued Under $50,000 (which amount HUD will adjust annually in accordance with the Consumer Price Index for Urban Wage Earners and Clerical Workers)

When assets owned by any family member (including minors) have a combined cash value of less than $50,000 (which amount HUD will adjust annually in accordance with the Consumer Price Index for Urban Wage Earners and Clerical Workers), actual income received from the asset(s) is counted as income. (For example, checking and savings accounts.) In determining the value of checking accounts, the PHA will use the lesser of the current balance or the average daily balance of the account for the most recent past three (3) months. Anticipated interest will be determined by multiplying the value of the checking account by the annual interest rate.

1. Assets Valued Over $50,000 (which amount HUD will adjust annually in accordance with the Consumer Price Index for Urban Wage Earners and Clerical Workers)

When assets owned by any family member (including minors) have a combined cash value of more than $50,000 (which amount HUD will adjust annually in accordance with the Consumer Price Index for Urban Wage Earners and Clerical Workers), the PHA will use actual income received from the asset(s). When actual returns from a given asset cannot be calculated, imputed returns on the asset, based on the current passbook savins rate will be used. Actual returns and imputed returns can be added together when some assets can be determined and some cannot.

1. Assets Disposed of for Less than Fair Market Value

The PHA will count as an asset the difference between the market value and the actual amount received for assets disposed of for less than market value for two (2) years from date of disposition.

1. Asset Calculations may change as a result of further HOTMA implementation. HAP will follow HUD regulations, even if it differs from this policy as additional HOTMA provisions are enforced.

Averaging Income

There are two ways to calculate income when the income cannot reasonably be anticipated for a full year:

1. Annualize current income (and subsequently conduct an interim reexamination if income changes); or
2. Average known sources of variable income to estimate an annual income (no interim adjustment is required if income remains as predicted).

Income from the previous year may be analyzed to determine the amount of anticipated income when future income cannot be clearly verified. If, by averaging, a reasonable estimate can be made, that estimate will be used to anticipate annual income over the next twelve (12) months, instead of changing the rent every month as the income fluctuates.

**Pg 58 - 63 - Income Exclusions** –added statement about “for all transactions with an effective date on or after July 1, 2025.

Updated to the following:

Some amounts are prohibited from being included in a family’s income for rent determination purposes. These amounts, called exclusions, are not part of Annual Income. See Section VIII: Verifications for verification and reporting requirements related to Fully Excluded and Partially Excluded Income. The federally mandated exclusions are as follows and will be applied to all transactions with an effective date on or after July 1, 2025 (until such date, the prior income exclusions will be used):

1. Any imputed return on an asset when net family assets total $50,000 or less (which amount HUD will adjust annually in accordance with the Consumer Price Index for Urban Wage Earners and Clerical Workers) and no actual income from the net family assets can be determined.
2. The following types of trust distributions:
   1. For an irrevocable trust or a revocable trust outside the control of the family or household excluded from the definition of net family assets under 24 CFR 5.603(b):
      1. Distributions of the principal or corpus of the trust; and
      2. Distributions of income from the trust when the distributions are used to pay the costs of health and medical care expenses for a minor.
   2. For a revocable trust under the control of the family or household, any distributions from the trust; except that any actual income earned by the trust, regardless of whether it is distributed, shall be considered income to the family at the time it is received by the trust.
3. Earned income of children under 18 years of age.
4. Payments received for the care of foster children or foster adults, or State or Tribal kinship or guardianship care payments.
5. Insurance payments and settlements for personal or property losses, including but not limited to payments through health insurance, motor vehicle insurance, and workers' compensation.
6. Amounts received by the family that are specifically for, or in reimbursement of, the cost of health and medical care expenses for any family member.
7. Any amounts recovered in any civil action or settlement based on a claim of malpractice, negligence, or other breach of duty owed to a family member arising out of law, that resulted in a member of the family becoming disabled.
8. Income of a live-in aide, foster child, or foster adult as defined in 24 CFR 5.403 and 5.603, respectively.
9. Student Financial Assistance (as described below)
   1. Any assistance that section 479B of the Higher Education Act of 1965, as amended (20 U.S.C. 1087uu), requires be excluded from a family's income; and
   2. Student financial assistance for tuition, books, and supplies (including supplies and equipment to support students with learning disabilities or other disabilities), room and board, and other fees required and charged to a student by an institution of higher education (as defined under Section 102 of the Higher Education Act of 1965 (20 U.S.C. 1002)) and, for a student who is not the head of household or spouse, the reasonable and actual costs of housing while attending the institution of higher education and not residing in an assisted unit.
10. Student financial assistance, for purposes of this paragraph (9)(ii), means a grant or scholarship received from—
    1. The Federal government;
    2. A State, Tribe, or local government;
    3. A private foundation registered as a nonprofit under 26 U.S.C. 501(c)(3);
    4. A business entity (such as corporation, general partnership, limited liability company, limited partnership, joint venture, business trust, public benefit corporation, or nonprofit entity); or
    5. An institution of higher education.
11. Student financial assistance , for the purposes of this paragraph (9)(ii), does not include—
    1. Any assistance that is excluded pursuant to paragraph (b)(9)(i) of this section;
    2. Financial support provided to the student in the form of a fee for services performed (*e.g.,* a work study or teaching fellowship that is not excluded pursuant to paragraph (b)(9)(i) of this section);
    3. Gifts, including gifts from family or friends; or
    4. Any amount of the scholarship or grant that, either by itself or in combination with assistance excluded under this paragraph or paragraph (b)(9)(i), exceeds the actual covered costs of the student. The actual covered costs of the student are the actual costs of tuition, books and supplies (including supplies and equipment to support students with learning disabilities or other disabilities), room and board, or other fees required and charged to a student by the education institution, and, for a student who is not the head of household or spouse, the reasonable and actual costs of housing while attending the institution of higher education and not residing in an assisted unit. This calculation is described further in paragraph (b)(9)(ii)(E) of this section.
12. Student financial assistance, for purposes of this paragraph (b)(9)(ii) must be:
    1. Expressly for tuition, books, room and board, or other fees required and charged to a student by the education institution;
    2. Expressly to assist a student with the costs of higher education; or
    3. Expressly to assist a student who is not the head of household or spouse with the reasonable and actual costs of housing while attending the education institution and not residing in an assisted unit.
13. Student financial assistance, for purposes of this paragraph (b)(9)(ii), may be paid directly to the student or to the educational institution on the student's behalf. Student financial assistance paid to the student must be verified by the responsible entity as student financial assistance consistent with this paragraph (b)(9)(ii).
14. When the student is also receiving assistance excluded under paragraph (b)(9)(i) of this section, the amount of student financial assistance under this paragraph (b)(9)(ii) is determined as follows:
    1. If the amount of assistance excluded under paragraph (b)(9)(i) of this section is equal to or exceeds the actual covered costs under paragraph (b)(9)(ii)(B)(4) of this section, none of the assistance described in this paragraph (b)(9)(ii) of this section is considered student financial assistance excluded from income under this paragraph (b)(9)(ii)(E).
    2. If the amount of assistance excluded under paragraph (b)(9)(i) of this section is less than the actual covered costs under paragraph (b)(9)(ii)(B)(4) of this section, the amount of assistance described in paragraph (b)(9)(ii) of this section that is considered student financial assistance excluded under this paragraph is the lower of:
       1. the total amount of student financial assistance received under this paragraph (b)(9)(ii) of this section, or
       2. the amount by which the actual covered costs under paragraph (b)(9)(ii)(B)(4) of this section exceeds the assistance excluded under paragraph (b)(9)(i) of this section.
15. Income and distributions from any Coverdell education savings account under section 530 of the Internal Revenue Code of 1986 or any qualified tuition program under section 529 of such Code; and income earned by government contributions to, and distributions from, “baby bond” accounts created, authorized, or funded by Federal, State, or local government.
16. The special pay to a family member serving in the Armed Forces who is exposed to hostile fire.
17. Amounts received by a person with a disability that are disregarded for a limited time for purposes of Supplemental Security Income eligibility and benefits because they are set aside for use under a Plan to Attain Self-Sufficiency (PASS);
18. Amounts received by a participant in other publicly assisted programs which are specifically for or in reimbursement of out-of-pocket expenses incurred (*e.g.,* special equipment, clothing, transportation, child care, etc.) and which are made solely to allow participation in a specific program;
19. Amounts received under a resident service stipend not to exceed $200 per month. A resident service stipend is a modest amount received by a resident for performing a service for the PHA or owner, on a part-time basis, that enhances the quality of life in the development.
20. Incremental earnings and benefits resulting to any family member from participation in training programs funded by HUD or in qualifying Federal, State, Tribal, or local employment training programs (including training programs not affiliated with a local government) and training of a family member as resident management staff. Amounts excluded by this provision must be received under employment training programs with clearly defined goals and objectives and are excluded only for the period during which the family member participates in the employment training program unless those amounts are excluded under paragraph (b)(9)(i) of this section.
21. Reparation payments paid by a foreign government pursuant to claims filed under the laws of that government by persons who were persecuted during the Nazi era.
22. Earned income of dependent full-time students in excess of the amount of the deduction for a dependent in 24 CFR 5.611.
23. Adoption assistance payments for a child in excess of the amount of the deduction for a dependent in 24 CFR 5.611.
24. Deferred periodic amounts from Supplemental Security Income and Social Security benefits that are received in a lump sum amount or in prospective monthly amounts, or any deferred Department of Veterans Affairs disability benefits that are received in a lump sum amount or in prospective monthly amounts.
25. Payments related to aid and attendance under 38 U.S.C. 1521 to veterans in need of regular aid and attendance.
26. Amounts received by the family in the form of refunds or rebates under State or local law for property taxes paid on the dwelling unit.
27. Payments made by or authorized by a State Medicaid agency (including through a managed care entity) or other State or Federal agency to a family to enable a family member who has a disability to reside in the family's assisted unit. Authorized payments may include payments to a member of the assisted family through the State Medicaid agency (including through a managed care entity) or other State or Federal agency for caregiving services the family member provides to enable a family member who has a disability to reside in the family's assisted unit.
28. Loan proceeds (the net amount disbursed by a lender to or on behalf of a borrower, under the terms of a loan agreement) received by the family or a third party (*e.g.,* proceeds received by the family from a private loan to enable attendance at an educational institution or to finance the purchase of a car).
29. Payments received by Tribal members as a result of claims relating to the mismanagement of assets held in trust by the United States, to the extent such payments are also excluded from gross income under the Internal Revenue Code or other Federal law.
30. Amounts that HUD is required by Federal statute to exclude from consideration as income for purposes of determining eligibility or benefits under a category of assistance programs that includes assistance under any program to which the exclusions set forth in [paragraph (b)](https://www.ecfr.gov/current/title-24/section-5.609#p-5.609(b)) of this section apply. HUD will publish a notice in the Federal Register to identify the benefits that qualify for this exclusion. Updates will be published when necessary.
31. Replacement housing “gap” payments made in accordance with [49 CFR part 24](https://www.ecfr.gov/current/title-49/part-24) that offset increased out of pocket costs of displaced persons that move from one federally subsidized housing unit to another Federally subsidized housing unit. Such replacement housing “gap” payments are not excluded from annual income if the increased cost of rent and utilities is subsequently reduced or eliminated, and the displaced person retains or continues to receive the replacement housing “gap” payments.
32. Nonrecurring income, which is income that will not be repeated in the coming year based on information provided by the family. Income received as an independent contractor, day laborer, or seasonal worker is not excluded from income under this paragraph, even if the source, date, or amount of the income varies. Nonrecurring income includes:
    1. Payments from the U.S. Census Bureau for employment (relating to decennial census or the American Community Survey) lasting no longer than 180 days and not culminating in permanent employment.
    2. Direct Federal or State payments intended for economic stimulus or recovery.
    3. Amounts directly received by the family as a result of State refundable tax credits or State tax refunds at the time they are received.
    4. Amounts directly received by the family as a result of Federal refundable tax credits and Federal tax refunds at the time they are received.
    5. Gifts for holidays, birthdays, or other significant life events or milestones (*e.g.,* wedding gifts, baby showers, anniversaries).
    6. Non-monetary, in-kind donations, such as food, clothing, or toiletries, received from a food bank or similar organization.
    7. Lump-sum additions to net family assets, including but not limited to lottery or other contest winnings.
33. Civil rights settlements or judgments, including settlements or judgments for back pay.
34. Income received from any account under a retirement plan recognized as such by the Internal Revenue Service, including individual retirement arrangements (IRAs), employer retirement plans, and retirement plans for self-employed individuals; except that any distribution of periodic payments from such accounts shall be income at the time they are received by the family.
35. Income earned on amounts placed in a family's Family Self Sufficiency Account.
36. Gross income a family member receives through self-employment or operation of a business; except that the following shall be considered income to a family member:
    1. Net income from the operation of a business or profession. Expenditures for business expansion or amortization of capital indebtedness shall not be used as deductions in determining net income. An allowance for depreciation of assets used in a business or profession may be deducted, based on straight line depreciation, as provided in Internal Revenue Service regulations; and
    2. Any withdrawal of cash or assets from the operation of a business or profession will be included in income, except to the extent the withdrawal is reimbursement of cash or assets invested in the operation by the family.

**Pg – 49 Self certification of Assets**- updated to

The PHA will obtain third-party verification of all family assets upon admitting a family to the Public Housing Program, and again at least every three (3) years thereafter.

The PHA will accept the family’s declaration that the family (including minor family members) has total net assets equal to or less than $50,000 (which amount HUD will adjust annually in accordance with the Consumer Price Index for Urban Wage Earners and Clerical Workers) and the total amount of income expected from all assets to be less than or equal to $50,000 (which amount HUD will adjust annually in accordance with the Consumer Price Index for Urban Wage Earners and Clerical Workers) at the family’s next interim or annual reexamination. Adult family members 18 years old or older must sign the family’s declaration of total assets. The PHA’s interim or annual reexamination documentation, which is signed by all adult family members, can serve as the declaration. The family’s declaration of total assets must:

a) Show each asset, and

b) The amount of income expected from each asset.

Where the family has net family assets equal to or less than $50,000 (which amount HUD will adjust annually in accordance with the Consumer Price Index for Urban Wage Earners and Clerical Workers), the PHA will not request supporting documentation (e.g. bank statements) from the family to confirm the assets or the amount of income expected to be received from those assets. Where the family has net family assets in excess of $50,000 (which amount HUD will adjust annually in accordance with the Consumer Price Index for Urban Wage Earners and Clerical Workers), the PHA must obtain supporting documentation (e.g. bank statements) from the family to confirm the assets. All assets will continue to be reported on HUD-50058.

The PHA will obtain third-party verification of assets for new additions to the family. At the next annual reexamination of income following the addition of the new family member, the PHA will obtain third-party verification of all family assets if the addition of the new family member’s assets puts the family above the asset threshold. If the addition of the new family member’s assets does not put the family above the asset threshold, the PHA will not obtain third-party verification of all family assets at the next annual reexamination of income following the addition of the family member; however, the PHA will obtain third-party verification of all family assets at least every 3 years.

If the PHA has adopted a previous self-certification of assets provision, the PHA will obtain third-party verification of all family assets at the family’s next income reexamination.

**Pg 66 – Appendix K** – updated to (and all references to IRS publication 502 changes to reference Appendix K)

**Eligible Unreimbursed Medical Expenses**

* **Services of health care professionals**: Physicians, nurses, dentists, opticians, mental health practitioners, chiropractors, etc.
* **Health care facilities**: Hospitals, clinics, outpatient facilities, HMOs, laser eye surgery.
* **Medical insurance premiums**: Payments to HMOs, Medicaid insurance payments, long-term care premiums.
* **Prescription and nonprescription medicines**: Aspirin, antihistamines (if prescribed for a specific condition).
* **Transportation and lodging**: Costs for travel to/from treatment, lodging expenses related to medical care.
* **Dental treatment**: Fees for dentists, x-rays, fillings, braces, dentures.
* **Eyeglasses and contact lenses**.
* **Medical equipment**: Hearing aids, wheelchairs, walkers, artificial limbs, oxygen equipment.
* **Attendant care**: Nursing services, assistance animals and their upkeep.
* **Payments on accumulated medical bills**: Scheduled payments for past medical expenses.

**Non-Eligible Medical Expenses**

* **Cosmetic surgery**: Procedures aimed at improving appearance without promoting proper body function or treating illness.
* **Health club dues**: Membership costs for clubs organized for business, pleasure, recreation, or social purposes.
* **Medical savings account contributions**: Such as amounts contributed to an Archer MSA.

These expenses must be anticipated for the 12 months following certification or recertification and exceed 3% of the household's gross income.

**Pg 124 - Q. Disclaimer Policy** – added

Anywhere the policy is found to be contradictory, HUD regulations will prevail, and changes will be made to correct the policy in the next revision.

Please note that the disclaimer policy allows the opportunity for HAP to make further changes to the policy without review if further regulations and implementation supersede our policy. This is specifically important to note because HUD has slowly forced the implementation of certain parts of HOTMA, while not allowing for implementations of other. HAP has worked diligently to implement portions of HOTMA as they have been dictated by HUD, but policies are complicated, so it is possible that some parts of the policy could contradict other sections because of all the changes. Anywhere the policy is found to be contradictory, HUD regulations will prevail, and changes will be made to correct the policy in the next revision.

**Pg. 129 Appendix D** – Income Limits – updated to current HUD Income Limits  
 **Pg. 130 Appendix E** – Table of Flat Rents - updated to current flat rents based on 80% the current FMR’s.