



U.S. DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT

WASHINGTON, DC 20410-5000

OFFICE OF PUBLIC AND INDIAN HOUSING

SPECIAL ATTENTION OF:

Office Directors of Public Housing;
Regional Directors; Public Housing
Agencies; Property Owners and
Landlords Participating in any HCV
Program

NOTICE PIH 2024-19

Issued: June 5, 2024

Expires: This notice remains in effect until
amended, superseded or rescinded.

Cross References: 24 CFR 5, 8, 42, 50, 91, 92, 93,
247, 290, 882, 888, 891, 903, 908, 943, 945, 960,
972, 982, 983, and 985, and 1000

Notice PIH 2023-13

Notice PIH 2023-06

Notice PIH 2018-01

Notice PIH 2017-18

Notice PIH 2017-20

Notice PIH 2017-21

Notice PIH 2016-22

Notice PIH 2011-28

SUBJECT: HOTMA HCV and PBV Final Rule – Guidance on Effective and Compliance Dates and PHA Implementation Preparation

1. Purpose

The purpose of this notice is to provide initial guidance to Public Housing Agencies (PHAs) administering Housing Choice Voucher (HCV) and Project-Based Voucher (PBV) programs on the final rule entitled “Housing Opportunity Through Modernization Act of 2016—Housing Choice Voucher (HCV) and Project-Based Voucher Implementation; Additional Streamlining Changes” (hereinafter, the “HOTMA voucher final rule”). The HOTMA voucher final rule was published in the Federal Register on May 7, 2024, and can be found at 89 FR 38224.

This notice provides information on the various effective dates and compliance dates set forth in the HOTMA voucher final rule. Additionally, this notice provides guidance to PHAs regarding necessary administrative preparation required for timely implementation of changes brought about by the HOTMA voucher final rule.

2. Background

The Housing Opportunity Through Modernization Act of 2016 (HOTMA)¹ made significant changes to statutes that govern HUD programs, including the authorizing statute for the HCV and PBV programs found at Section 8 of the United States Housing Act of 1937 (42 U.S.C. 1437f). HUD implemented several of HOTMA's HCV and PBV provisions through Federal Register notices issued in 2016 and 2017.² In 2020, HUD issued a proposed rule to update its voucher program regulations in accordance with HOTMA.³ Additionally, HUD issued a final rule on Sections 102, 103, and 104 of HOTMA related to income and assets, which is outside the scope of this Notice.⁴

On May 7, 2024, HUD published the HOTMA voucher final rule. The HOTMA voucher final rule amends HUD's regulations to incorporate HOTMA provisions HUD had previously implemented via Federal Register notice, implements additional changes to HCV and PBV programs required by HOTMA, and makes additional regulatory changes that are intended to reduce the burden on PHAs.

3. Effective Dates

The HOTMA voucher final rule is effective June 6, 2024, except for the provisions for which the effective date has been delayed indefinitely as provided below in paragraphs 3.a and 3.b. PHAs must not implement any changes due to the HOTMA voucher final rule prior to the effective date of the provision at issue.

- a. *PHA-owned certification and PHA-owned agreement certification:* The HOTMA voucher final rule establishes regulations permitting a PHA to execute HUD-prescribed certifications in lieu of a Housing Assistance Payments (HAP) contract (for HCV or PBV) or agreement to enter into a HAP contract (AHAP) (for PBV) in the case of certain PHA-owned units. HUD has delayed the effective dates of these provisions indefinitely in order to publish the required certification forms. As a result, PHAs must not begin to use the flexibilities provided in the following regulations until they become effective on the date published with the required certification forms: 24 CFR 982.451(c); 24 CFR 983.154(h), and 24 CFR 983.204(e).
- b. *PBV HAP contract rider:* The HOTMA voucher final rule establishes regulations permitting a PHA to execute a HAP contract, subject to a rider, for rehabilitated housing before the rehabilitation is complete. HUD has delayed the effective dates of these provisions indefinitely in order to publish the required rider. As a result, PHAs must not begin to use the flexibilities provided in the following regulations until they become effective on the date published with the required rider: 24 CFR 983.154(g) and 24 CFR 983.157.

¹ Public Law 114–201, 130 Stat. 782.

² 81 FR 73030 (Oct. 24, 2016); 82 FR 5458 (Jan. 18, 2017); 82 FR 32461 (Jul. 14, 2017); additional guidance was provided in Notices PIH 2017-18, PIH 2017-20, and PIH 2017-21.

³ 85 FR 63664 (October 8, 2020).

⁴ 88 FR 9600 (February 14, 2023).

4. Compliance Dates

Compliance with the HOTMA voucher final rule is required on the same date as the effective date (June 6, 2024), except for the provisions described below in paragraphs 4.a, 4.b, and 4.c. The compliance date is the date by which the PHA must operate according to the new regulatory provisions. If a regulatory provision has a compliance date that differs from the provision's effective date, the PHA may choose whether to begin to follow the new provision beginning on the effective date or to follow the prior provision (the provision that existed before the HOTMA voucher final rule provision became effective) for a period until the PHA is ready to follow the new provision (no later than the compliance date). The amount of time between the effective dates and the compliance dates is intended to afford PHAs sufficient time to prepare for timely compliance.

The provisions with compliance dates that are after the applicable effective date are as follows:

- a. *90 days after effective date* (September 4, 2024).
 - i. Information when family is selected: 24 CFR 982.301 and 24 CFR 983.252. The HOTMA voucher final rule changes certain requirements for the PHA to brief families selected for assistance. PHAs must update briefing procedures and materials in order to comply, no later than September 4, 2024.
 - ii. Payment standards: 24 CFR 982.503. The HOTMA voucher final rule changes certain requirements for establishing payment standards. HUD provides for a compliance date of September 4, 2024, in order for PHAs to update policies and procedures to effectively implement changes to payment standard policies. HUD intends to publish consolidated payment standard guidance prior to the compliance date.
 - iii. Homeownership program: 24 CFR 982.625 to 982.641. The HOTMA voucher final rule changes certain requirements for the homeownership program. HUD provides for a compliance date of September 4, 2024, to provide time for PHAs to update policies and procedures to effectively implement changes in the homeownership program.
 - iv. PBV analysis of impact: 24 CFR 983.58(b). The HOTMA voucher final rule requires a PHA to perform an analysis of the impact prior to selecting a project for PBV assistance, if the PHA is project-basing 50 percent or more of the PHA's authorized voucher units. HUD provides for a compliance date of September 4, 2024, in order to allow the PHA to transition to the new requirement without disrupting PBV planning efforts that are already underway.
 - v. Overcrowded, under-occupied, and accessible PBV units: 24 CFR 983.260. The HOTMA voucher final rule updates the procedures and timeframes applicable when a PHA determines that a family is occupying a wrong-size unit or is occupying a unit with accessibility features that the family does not require, and the unit is needed by a family that requires the accessibility features. On the effective date of this provision, PHAs may have made such determinations for some families and be processing those families' moves to other continued assistance. The September 4, 2024, compliance date for this provision serves to provide PHAs adequate time to update their procedures and to ensure families whose moves are in process have adequate notice of any change to the amount of time available to move. To prepare for impacted

- families' moves to be compliant with newly applicable timeframes no later than the compliance date, PHAs will need to complete procedural updates and family notifications well in advance of the compliance date. As a reminder, PHAs are also subject to Section 504 of the Rehabilitation Act (Section 504) and HUD's Section 504 regulation, which among other obligations, requires PHAs to take reasonable nondiscriminatory steps to maximize the utilization of accessible units in accordance with the requirements in part 8, and which applies in addition to this PBV provision.
- vi. Section Eight Management Assessment Program (SEMAP): 24 CFR 985.3. The HOTMA voucher final rule makes changes to certain SEMAP indicators that require changes to the HUD verification method, including the clarification that any move into a PBV unit is included for purposes of scoring the initial inspections indicator. HUD intends to issue separate guidance on how SEMAP will be conducted after IMS/PIC is shut down and before there is an active SEMAP module in the Housing Information Portal (HIP), as previously discussed in PIH Notice 2024-12, Housing Information Portal (HIP) Implementation, issued April 24, 2024. HUD provides for a compliance date of September 4, 2024.
 - b. *180 days after effective date* (December 3, 2024). Payment standard changes: 24 CFR 982.505. The HOTMA voucher final rule makes changes to the required procedure to calculate the HAP for tenant-based HCVs based on changes in the payment standards. HUD provides for a compliance date of December 3, 2024, in order for PHAs to update policies and procedures to effectively implement payment standard changes. HUD intends to publish consolidated payment standard guidance prior to the compliance date.
 - c. *One year after the effective date* (June 6, 2025).
 - i. Independent entities for PHA-owned units: 24 CFR 983.57 and 24 CFR 983.155(b). The HOTMA voucher final rule changes the functions of an independent entity for PHA-owned units. Most notably: the independent entity must approve substantial improvement to PBV units under a HAP contract; the independent entity must confirm completion of development activity for or substantial improvement to PBV units; and the independent entity no longer needs to agree upon the term or extensions of the PBV HAP contract. To afford PHAs sufficient time to update contracts with independent entities (or select new independent entities in some circumstances), PHAs must comply with these provisions no later than June 6, 2025. However, PHAs must not permit substantial improvement to PBV units under a HAP contract until an independent entity is in place to make approvals in accordance with 24 CFR 983.212.
 - ii. Removal of families from PBV waiting list: 24 CFR 983.251(e). The HOTMA voucher final rule addresses the impact of a family's rejection of the offer of PBV assistance or the owner's rejection of the family on the family's position on the PBV waiting list. PHAs must update waiting list procedures in order to comply, no later than June 6, 2025.
 - iii. Occupancy of PBV units under the increased program cap and project cap excepted units: 24 CFR 983.262. This provision of the HOTMA voucher final rule explains the occupancy requirements applicable to both excepted units and units under an increased program cap, including the permissible PHA actions if a unit is no longer qualified for its excepted status or the increased program cap. To afford PHAs sufficient time to review PBV units' compliance with this provision, make any needed updates to procedures for addressing changes to units' status, and complete

the necessary actions for any units that do not comply, HUD provides for a compliance date of June 6, 2025, for this provision.

- iv. Administrative Plan. Many changes in the HOTMA voucher final rule require PHAs to update their Administrative Plans, depending on the circumstances of each PHA. While HUD's regulations contain a centralized list of minimum voucher program-wide Administrative Plan policies (24 CFR 982.54) and PBV-specific Administrative Plan policies (24 CFR 983.10), details are located throughout 24 CFR parts 982 and 983. PHAs may also establish additional local policies in their Administrative Plans, so long as the policies are consistent with voucher program rules. As a result, the HOTMA voucher final rule does not list the specific Administrative Plan provisions with a delayed compliance date.

PHAs must update their Administrative Plans to comply with the HOTMA voucher final rule if their existing policies do not already comply with the HOTMA voucher final rule provisions or if they are implementing discretionary program flexibilities that require a local policy for the first time (i.e., if the PHA's Administrative Plan did not previously have a policy on the subject). To allow PHAs sufficient time to complete the formal adoption process, PHAs must make all revisions needed to bring existing Administrative Plan policies into compliance with the HOTMA voucher final rule no later than June 6, 2025. However, when PHAs desire to use program flexibilities requiring adoption of new local policies not already present in the PHA's Administrative Plans, PHAs must add those policies to their Administrative Plans, in a manner consistent with the HOTMA voucher final rule, before using those program flexibilities. This is also the case when the PHA's existing Administrative Plan policy is not out of compliance with the HOTMA voucher final rule, but the PHA wishes to implement a different PHA policy in accordance with the HOTMA voucher final rule. **Important Note: the delayed compliance date (June 6, 2025) for revisions to existing Administrative Plan policies does not authorize delayed compliance with any other provisions of the HOTMA voucher final rule.** In other words, PHAs that choose not to bring existing Administrative Plan policies into compliance with the HOTMA voucher final rule until June 6, 2025, must still operate in a manner consistent with all provisions of the HOTMA voucher final rule as of each provision's compliance date. HUD recommends that PHAs make updates to their Administrative Plans at their earliest opportunity.

Examples:

- A PHA wishes to implement the new program flexibility at 24 CFR 983.251(c)(7) of the HOTMA voucher final rule, in order to allow an owner to maintain a waiting list for a PBV project. The PHA must adopt required Administrative Plan policies related to this waiting list change before the PHA may implement the change, because this is a new program flexibility never before available and for which no PHAs previously had Administrative Plan policies.
- A PHA's Administrative Plan policy with respect to PBV families' right to move is not compliant with the HOTMA voucher final rule requirements of 24 CFR 983.261(c) because the PHA's policy omits procedures for the family to contact the PHA. The PHA must update this Administrative Plan policy no later than

June 6, 2025. However, the PHA must operate in a manner consistent with the HOTMA voucher final rule starting on the compliance date for 24 CFR 983.261 (June 6, 2024). This means the PHA must operate using procedures for the family to contact the PHA that are consistent with the HOTMA voucher final rule from June 6, 2024 forward, even if it does not update its Administrative Plan until June 6, 2025.

- A PHA wishes to operate a PBV program and has never adopted Administrative Plan policies regarding the PBV program. The PHA must adopt any needed Administrative Plan policies for operating a PBV program before the PHA may take any action with respect to PBVs, because this PHA will be using program flexibilities requiring adoption of new local policies not already present in the PHA's Administrative Plan.
- A PHA's Administrative Plan policy with respect to a PHA's offer of continued assistance for PBV families moving from wrong-size units is not compliant with the HOTMA voucher final rule requirements of 24 CFR 983.260(b) because the PHA's policy provides for an offer of tenant-based assistance in a program that cannot be used in any other PHA's jurisdiction. Therefore, the program does not meet the definition of "comparable tenant-based rental assistance" in 24 CFR 983.3(b) of the HOTMA voucher final rule). The PHA must update this Administrative Plan policy no later than June 6, 2025. However, the PHA must operate in a manner consistent with the HOTMA voucher final rule starting on the compliance date for 24 CFR 983.260 (September 4, 2024). This means the PHA must offer continued assistance using a form of assistance allowable under 24 CFR 983.260(b) and must not offer continued assistance using a program that is not comparable (the tenant-based assistance program that cannot be used in any other PHA's jurisdiction), from September 4, 2024, forward, even if it does not update its Administrative Plan until June 6, 2026.

5. Notes Concerning Application of the HOTMA Voucher Final Rule to PBV Projects Underway

No change pursuant to the HOTMA voucher final rule requires a PHA, or any other party, to repeat any stage in the selection or development process which has already been completed for a PBV project prior to any applicable compliance date set forth in the HOTMA voucher final rule (or as described in this notice). If, for instance, a PHA has selected a site under the prior site selection standards (at 24 CFR 983.57, which were moved to 24 CFR 983.55 in the HOTMA voucher final rule) before June 6, 2024, the PHA is not required to complete a new selection.

Similarly, an AHAP signed before June 6, 2024, does not need to be amended to incorporate changes required by the HOTMA voucher final rule. If both parties wish to amend an existing AHAP to take advantage of changes made by the HOTMA voucher final rule, such as the changes made to include a description of broadband infrastructure work in the AHAP, nothing prevents such an amendment after June 6, 2024. However, HUD notes that if a project is under an AHAP as of June 6, 2024, the parties to the AHAP cannot nullify the AHAP to proceed without an AHAP as may otherwise be allowed under the HOTMA voucher final rule when 24 CFR 983.154(f) and (g) take effect.

6. Notes Concerning Enforcement of the Housing Quality Standards (HQS)

As required by section 101(a)(3) of HOTMA, changes to provisions regarding enforcement of HQS (24 CFR 982.404 and 983.208) apply only to HAP contracts that are either executed, extended, or renewed after the effective date of the HOTMA voucher final rule.

For tenant-based HCV HAP contracts, 24 CFR 982.404(f), as amended by the HOTMA voucher final rule, specifies how to implement the changes to the HQS enforcement provision. The revised 24 CFR 982.404 appearing in the HOTMA voucher final rule is applicable to HAP contracts that were either executed on or after or renewed after June 6, 2024. As provided in the HOTMA voucher final rule, a HAP contract is “renewed” if the HAP contract continues beyond the initial term of the lease. For all other HAP contracts, 24 CFR 982.404 as in effect on June 5, 2024, remains applicable (until renewal).

For PBV HAP contracts, 24 CFR 983.208(f), as amended by the HOTMA voucher final rule, specifies how to implement the changes to the HQS enforcement provision. The revised 24 CFR 983.208 appearing in the HOTMA voucher final rule is applicable to HAP contracts executed on or after or extended on or after June 6, 2024. As provided in the HOTMA voucher final rule, a HAP contract is “extended” the earlier of the effective date of the next extension period or the date the PHA and owner agree to the next extension. For all other HAP contracts, 24 CFR 983.208 as in effect on June 5, 2024, remains applicable (until extension). However, the PHA and owner may agree to apply the revised 24 CFR 983.208 appearing in the HOTMA voucher final rule to a HAP contract executed before June 6, 2024, prior to extension.

7. Notices, Guidebook Chapters, and Forms Impacted by the HOTMA Voucher Final Rule

The HOTMA voucher final rule makes changes to the HCV and PBV programs. As a result, certain provisions of HUD notices that were issued prior to publication of the HOTMA voucher final rule, listed below, are outdated. HUD will issue one or more comprehensive HOTMA voucher final rule implementation notice(s) at a later date. HUD will also update the notices listed below to conform to the HOTMA voucher final rule. Until that time, PHAs are responsible for compliance with the HOTMA voucher final rule provisions as described in section 3, 4, 5, and 6 of this notice. PHAs may continue to reference the notices listed below but must not rely on any provisions of the notices that conflict with the HOTMA voucher final rule. Additionally, HUD will update the Housing Choice Voucher Program Guidebook Chapters impacted by the rule, which are listed below.

Impacted notices:

- Notice PIH 2023-13
- Notice PIH 2023-06
- Notice PIH 2018-01
- Notice PIH 2017-18
- Notice PIH 2017-20
- Notice PIH 2017-21

- Notice PIH 2016-22
- Notice PIH 2011-28

Impacted HCV Guidebook Chapters:

- Payment Standards
- Reexaminations
- Special Housing Types
- Utility Allowances

Exception payment standards based on the FY 2024 Fair Market Rents that were approved through the waiver process set forth in PIH Notice 2023-29, “Certain Regulatory Waivers for the Housing Choice Voucher (including Mainstream) Program and Streamlined Review Process,” remain in effect until the approved expiration date, which may not exceed December 31, 2024. Waivers provided under that notice to allow the PHA to apply an increase in the payment standard during the term of the HAP contract prior to the effective date of the family’s first regular reexamination that have not yet expired will be superseded on the HOTMA voucher final rule compliance date for 24 CFR 982.505, which is December 3, 2024. (The HOTMA voucher final rule changes the date by which the PHA must apply the increase in the payment standard for units under HAP contract and allows the PHA to apply the increased payment standard amount at any time earlier than the required date.)

Many of the changes to the HCV and PBV programs in the HOTMA voucher final rule will also make it necessary for HUD to make updates to existing program forms (including forms submitted electronically through HUD systems). PHAs must continue to use the existing program forms until updated forms are published, unless directed otherwise by HUD through written guidance. If there is an inconsistency between the language of a form and a provision in the HOTMA voucher final rule for which the effective and compliance dates have passed, the HOTMA voucher final rule controls.

Note: HUD recognizes that PHAs prepare PHA plans, as required by 24 CFR part 903, well in advance of the beginning of the PHAs’ fiscal years. The HCV Annual Plan Template (form HUD-50075-HCV) and the 5-Year Plan Template (form HUD-50075-5Y) do not contain spaces for the PBV information required by 24 CFR 903.7(r) and 903.6(c), as they appear in the HOTMA voucher final rule, respectively. The revised 24 CFR 903.7(r) and 903.6(c) will become effective June 6, 2024, which may be after some PHAs have submitted PHA plans to HUD or begun to prepare PHA plan submissions. PHAs that have submitted or begun preparations for submitting the applicable form on their existing PHA plan submission schedule are not required to amend the submissions if there is no new PBV activity to report. In the case of a PHA that does have new PBV activity to report, the PHA has two options. First, the PHA may attach the PBV information required by 24 CFR 903.7(r) and 903.6(c), as applicable, with the PHA’s regular submission using the template (in which case all part 903 requirements apply, including requirements for Resident Advisory Board participation and public comment). Second, the PHA may undertake an amendment to the PHA plan (see 24 CFR 903.21) prior to proceeding with the PBV activity.

8. HUD Resources

HUD appreciates that implementation of the changes in the HOTMA voucher final rule will involve significant effort on the part of PHAs. HUD is prepared to support PHAs to successfully implement these changes and continue to best serve assisted families. As indicated above, HUD will issue comprehensive implementation guidance on the HOTMA voucher final rule.

Please check regularly for updates on the [HOTMA Resources webpage](#).

9. Questions

PHAs and stakeholders of the HCV and PBV programs may send HOTMA-related questions to HOTMAVoucher@hud.gov.



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