

A large, stylized graphic of a house roof in shades of blue, composed of several overlapping geometric shapes, positioned in the upper half of the slide.

SOUTH CAROLINA STATE HOUSING FINANCE AND DEVELOPMENT AUTHORITY



Housing Opportunity Through Moderation Act (HOTMA)
Effective 10/01/2024 beginning enforcement on 1/1/2025

Income (Inclusions, exclusions, calculations)

24 CFR § 5.609 (C)

- Inclusions: HOTMA removed the sources of income listed in 24 CFR § 5.609 (b) and instead replaced with an expanded and clarified list of income exclusions found in 24 CFR § 5.609 (c)
 - Note: See Student Financial Assistance Section
 - Student Employment Income: Earned income of dependent full-time students in excess of the amount of the deduction for a dependent
 - Adoption Assistance: Include Adoption Assistance up to an amount equal to the current Dependent Deduction
- Exclusions
 - Non-monetary, in-kind donations, such as food, clothing, or toiletries, received from a food bank or similar organization
 - Lump-sum additions to net family assets, including but not limited to lottery and other contest winnings
 - Temporary, nonrecurring, or sporadic income
 - Income that will not be repeated in the coming year (12 months following) based on information provided by the family (example: Census takers)
 - Day laborers, independent contractors, and seasonal workers are NOT considered temporary, nonrecurring, or sporadic and are all specifically included in family income
 - Workman's Compensation 24 CFR § 5.609 (c) (5); except when periodic payments are made at regular intervals for more than 12 months then they are counted as regular income
 - Earned income of children under the age of 18 years

Assets (exclusions, verifications, calculations)

24 CFR § 5.659 (e)

- Asset Exclusion 24 CFR § 5.609 (b)(3)
 - Personal property
 - Retirement plans recognized as such by the IRS ([ww.irs.gov](http://www.irs.gov))
 - Annuities, Stocks, Bonds, CDs, etc. that are part of a retirement account are also excluded
 - If receiving a distribution, the distribution is considered income
- Real Property in SC:
 - Land/building or structure/permanent fixture: Always counted as an asset 24 CFR §§ 5.300
 - A single/double wide home: If local office deems it personal property, it is not included as an asset and not listed on TIC.
- Asset Verification:
 - Use the Under \$50,000 Certification Form:
 - HOME/NHTF must continue third party verification of ALL assets at move-in
 - Thereafter, asset can be self-certified using the Under \$50,000 asset form at recertification if the net family assets do not exceed \$50,000.
NOTE: Assets must be third party verified every 3 years.
 - When total household assets are below \$50,000, certify using the Under \$50,000 form
 - When total household assets exceed \$50,000, all assets must be 3rd party verified
- For ALL funding sources, the Under \$50,000 form is permissible at annual recertification
- Checking Accounts: 6-months average is no longer required. New requirement is the current balance, just as with a savings account

Assets (exclusions, verifications, calculations) continues

- Asset Income:
 - Impute assets income only when total assets exceed \$50,000
 - Actual income from assets is always included regardless of the total value of net assets
 - Impute using current HUD passbook rate
 - Example of imputed assets income: Land does not produce income but is an asset. Income for land will always be imputed
- No changes in disposed of assets
- Assets (necessary and non-necessary): Continue to include on the TIC as current guidelines require

Student Financial Assistance

- 24 CFR § 5.609 (b) (9)
- Applies to ALL households, not just those receiving Section 8 assistance
- All student financial assistance in excess of the actual covered cost of education is included in income, except HEA Title IV Assistance
 - Actual Covered Costs: Tuition, Fees, Books & Supplies, Room & Board
 - Example of HEA Title IV Assistance: Federal Pell Grants
 - Applies to both full-time and part-time students

Child Support

- 24 CFR § 5.609 (a)(1) - (a)(2)
- Annual income includes “all amounts received”, not the amount that a family may be legally entitled to receive but which they do not receive
 - If Child Support/Child Support Enforcement is not involved and no CSE printout is available, SC Housing will allow the use of the Child Support Certification to be used as a self-affidavit
 - When calculating income: Only the actual amount received is to be calculated

Foster Adult & Child

- 24 CFR § 5.609 (b)(8)
- To be considered a foster adult/child; that adult/child must be placed with the family by an authorized placement agency (e.g. public child welfare agency).
 - All income received by fosters is excluded from income
 - Any assets held by fosters must be excluded
 - Fosters must not be included when determining household size for income limits
 - Fosters are included when determining bedroom size

Forms Changes

- Tenant Income Certification (Required Form)
- Asset Self-Certification (Required Form)
- Student Self-Certification
- Affidavit of Student Financial Assistance (Required Form)