

THA ACOP – HOTMA Section 103 Addendum:

Public Housing Over-Income Families [24 CFR 960.507(c); Notice PIH 2020-3; and Notice PIH 2023-27]

Pursuant to The Housing Opportunity Through Modernization Act of 2016 (HOTMA) Section 103, PHAs must implement HUD requirements for over-income families. Over-income is defined as household income exceeding 120 percent of the Area Median Income (AMI) and an over-income family is defined as a family occupying a Public Housing unit whose annual income exceeds the over-income limit.

PHAs are required to conduct income examinations of public housing families who have been determined to exceed the over-income limit at specific intervals.

When a PHA makes an initial determination that a family is over-income during an interim reexamination, the PHA must conduct a second interim reexamination 12 months after the over-income determination, and then again 12 months after the second over-income determination, unless the family's income falls below the over-income limit during the 24-month period. This continued evaluation of the family's over-income status requires the PHA to notify any family that exceeds the over-income limit that they remain over the income limit [24 CFR 960.253]. An interim income reexamination to determine if a public housing family remains over-income does not reset the family's normal annual reexamination date.

PART II: TERMINATION BY PHA – MANDATORY

13-II.J. OVER_INCOME FAMILIES [24 CFR 960.507; FR Notice 7/26/18; Notice PIH 2019-11; FR Notice 2/14/23]

In the public housing program, an over-income family is defined as a family whose income exceeds the over-income limit for 24 consecutive months. When this occurs, the PHA must either:

- Terminate the family's tenancy within six months of the PHA's final notification of the end of the 24-month grace period; or
- Within 60 days of the PHA's final notification of the end of the 24-month grace period or the next lease renewal (whichever is sooner), have the family execute a new lease that is consistent with 24 CFR 960.509 and charge the family a monthly

rent that is the higher of the applicable fair market rent (FMR) or the amount of monthly subsidy for the unit, including amounts from the operating and capital funds.

However, a PHA that owns or operates fewer than 250 public housing units may continue to lease public housing units to families whose incomes exceed the low-income limit at initial occupancy in accordance with 24 CFR 960.503. Otherwise, the PHA must establish a continued occupancy policy for over-income families in the ACOP indicating which of the above will occur.

Over-Income Limit [Notice PIH 2023-03]

The PHA must publish over-income limits in their ACOP and update them no later than 60 days after HUD publishes new income limits each year. The over-income limit is calculated by multiplying the very low-income limit (VLI) by 2.4, as adjusted for family size.

PHA Policy

THA will rely on the following formula to determine the over-income limits in its public housing units: For families larger than eight persons, the over-income limit will be calculated by multiplying the applicable very low-income limit (as defined in 24 CFR 5.603(b)) by 2.4 (i.e., 120 percent of the AMI).

THA will publish the over-income limits on THA's website no later than 60 days after HUD publishes new income limits each year and will be effective for all annual and interim reexaminations once these policies have been adopted.