HOTMA Resident Worksheet: Asset and Real Property Limitations

This worksheet is for families who live in public housing or have Housing Choice Vouchers from Section 8 (HCV). There are new rules that limit the assets and property that families can have when applying to and, in some cases, participating in these housing programs. The new rules are based on a federal law, the Housing Opportunity Through Modernization Act of 2016 (HOTMA). Your local public housing agency (PHA) will start using these rules by January 1, 2025. Your PHA will tell you before the changes begin. This worksheet is not official guidance or required by HUD or your PHA.

Use this worksheet to organize information related to your assets and to understand if the new asset limitations will affect your family.

Background

New HUD rules state that families living in public housing and housing choice voucher programs (Section 8) may not have over $100,000* worth of assets. Also, participating families may not own a home that they could live in. There are notable exceptions to these rules.

These new rules apply to **all new applicants** to public housing and Section 8. PHAs must deny applicants with assets or property that are over the limit.

PHAs can decide how they will apply the rules to **existing residents** at annual and interim reviews. Through a written policy, the PHA can choose to:

- Not enforce the limits at all for existing residents.
- Strictly enforce the limits.
- Enforce the limits but allow residents time to fix any issues.
- Have exceptions to the asset limitation.

Most families will not be impacted by the asset limitation rules. If you're not sure, ask your PHA if these new rules apply to you.

** As adjusted annually for inflation.*

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Calculate your Assets

Step 1. Enter the dollar value of any non-necessary personal items. If you do not know the exact value of a given item, give your best estimate, but try to be as accurate as possible. Assets for a business (including self-employment) should not be included.

Non-necessary items of personal property include: bank accounts, a recreational boat, coin collection, or antique jewelry. This will include most assets that are not a home (which will be in another section) or a necessary item.

If the value of all of your family's non-necessary personal items are not more than $50,000*, they are excluded from your assets. That means, you will not include them when adding up your net family assets. In this case, depending on the PHA policy, you may be able to self-certify your non-necessary personal assets.

Necessary items are excluded from asset calculations and therefore do not need to be listed or added up.

Necessary items: Items you need to keep up, use, and live in your home or items that you need for work, education, or health. This might be a car that you use to get to work, an expensive medical device, or a laptop you use for school. Whether a specific item is considered "necessary" will depend on the family's circumstances. HUD has provided guidance in **Notice PIH 2023-27**.

Non-necessary personal items	Value in U.S. Dollars
Checking account(s)	$
Savings account(s)	+ $
Stocks, bonds, investment accounts, trusts *Exclude: IRS-recognized retirement accounts such as 401k or IRA, education savings accounts (529, 530, Coverdell), ABLE accounts, non-revocable trusts*	+ $
Expensive jewelry without religious or cultural value *Exclude: wedding rings and jewelry used in religious / cultural traditions*	+ $
Recreational vehicles such as a boat, ATV, or camper.	+ $
Vehicles not necessary for commuting, such as a motorcycle that you do not use for work or school.	+ $
Other: *Example: collectibles (e.g. coins, stamps), items such as gems/precious metals, artwork*	+ $
Other:	+ $
Other:	+ $
Subtract tax returns from the last year	- $
TOTAL VALUE OF NON-NECESSARY ITEMS *Exclude: funds from a tax return received in the last 12 months*	= $ 0.00 ***Value 1***

** As adjusted annually for inflation.*

Step 2. Add up the value of all of the non-necessary personal items above.

If the total, **Value 1 (above), is equal to or less than $50,000* then Value 2 (below) is $0.** (This is because when a family's total non-necessary personal items are not more than $50,000*, they are not included in calculating net family assets.)

If Value 1 is **more than $50,000***, put the total amount (Value 1) in the Value 2 box below.

Step 3. Enter the value of any real property (a home, building, or land) that any member of your household owns. Add this to Value 2 and put the new total in Value 3.

Total Net Assets	Value in Dollars
Total Value of Non-Necessary Items *Enter $0 if Value 1 is $50,000* or less,* *or the amount in the Value 1 box.*	$ ***Value 2***
Real property (land and/ or a building). ***Subtract the mortgage/other loans and costs to sell.*** *Exceptions: Property that you cannot legally sell, interest in Indian trust land, or equity in a home owned through the HCV homeownership program.*	+ $
TOTAL NET ASSETS	= $ 0.00 ***Value 3***

Step 4. Determine if you are likely over the asset limit. Look at Value 3.

If the total net value of your assets is equal to or less than $100,000* you are not at risk of being terminated from the program. You may need to show documentation to your PHA about certain items. The PHA may accept self-certification of certain facts (such as total non-necessary personal items being valued under $50,000* and that you do not own any real property).

If the total net value of your assets is above $100,000* and your PHA enforces this limitation, you may no longer be eligible for continued assistance. Your PHA may allow you up to 6 months to fix things so that you are not over the limit. And, your PHA may have a policy that includes exceptions to the asset limitation.

Coming into compliance

If your PHA determines at an annual or interim reexamination that your assets total more than $100,000* or that you own a home you can live in that does not qualify for one of the exceptions, your PHA may allow you to take steps to come into compliance. Check with your PHA to see if they allow time for you to fix any issues.

You can reduce your net total assets below $100,000* by purchasing a necessary item. For example, you may be able to purchase a car to use for everyday transportation. Assets could also be moved to a type of account that is not included in determining the limit. For example, you might transfer money into an eligible retirement account. Or you may move funds into an irrevocable trust for the benefit of someone in your family.

** As adjusted annually for inflation.*

Be aware that selling or giving away an asset for less than it is worth (below its fair market value) is not a useful strategy for following the new rules. For two years from when you sold or gave away that asset, your PHA will include the fair market value minus the amount you received as part of your net family assets. For example, if you have a boat that is worth $10,000 and sell it to your friend for $1,000, the PHA will include $9,000 as part of your net family assets in addition to the $1000 (unless the money was spent on a necessary item or put into an excluded account).

If you currently own real property that your family could live in, you may also be ineligible for continued assistance. You might be able to come into compliance and avoid losing your assistance by showing that you either no longer own the property or that it should now be excluded (for example, it is now being offered for sale). For more information on the new rules around owning real property and what exclusions apply, please see the **HOTMA Resident Fact Sheet: Asset and Real Property Limitations**.