

March 2025 General Management Review Discussion Points:

- **The majority of Minnesota Housing staff are teleworking. Please inform tenants that request contact info that phone and email are best contact and that in person meetings are available by appointment only.**
- **NSPIRE common findings**
We want to share a few common findings we are seeing on NSPIRE inspections to help you prepare for your upcoming inspection.
 - All bedrooms require an operable smoke detector.
 - GFCI outlets must test properly and outlets cannot have reverse polarity.
 - Emergency pull cords must be operable and free hanging.
- **Crime Free/Drug Free Addendum**
After review and discussion, the local HUD office has determined that the Crime Free Drug Free Lease Addendums are not to be used in Project Based Section 8 tenant files that are monitored by Minnesota Housing as they are not approved by HUD, which is required of lease addendums. They feel the pertinent information from the addendum is covered in the lease and some of the language may conflict with the lease or HUD's rules and regulations.
- **Lease Addendums, Attachments, Agreement, Riders, Disclosures, etc**
Any document that's intended use is to modify or add to the lease must be done in the form of an addendum (per the Handbook) and must be approved by HUD (per the Handbook). Going forward during MORs, documents that are seen to fit into this category shall be a finding with the following corrective action: In order to continue use, please submit all unapproved addendums/attachments in the tenant file(s) to HUD for approval. If not approved, remove from tenant file(s) and discontinue use. If language is not in conflict with the lease and/or applicable laws, it can be incorporated into house rules. In response, submit steps taken.
- **HOTMA Partial Implementation**
Effective immediately, owners and agents are required to follow the guidance outlined in the HUD document linked below. According to HUD's HOTMA FAQ released in December 2024 and HUDs Rent Override one-pager, "an owner who implements HOTMA prior to the release of Tenant Rental Assistance Certification System (TRACS) version 203A must utilize the 'rent override' function in TRACS if a family's HOTMA-calculated tenant rent differs from their pre-HOTMA calculated tenant rent." This requirement applies to, but is not limited to, the passbook rate.

Please note that beginning April 1, any vouchers not using the rent override function under partial HOTMA implementation, **including the passbook rate**, will result in a fatal error and will require correction and resubmission. Minnesota Housing will no longer manually change the passbook rate in our software to bypass errors.

In addition, owners who implement HOTMA prior to the release of TRACS version 203A must annotate tenant files with the following information:

1. Which HOTMA provisions were implemented
2. How the family's income, assets, and mandatory deductions were determined under the implemented HOTMA provisions; and
3. If applicable, what the tenant rent would have been under the pre-HOTMA rules, and the HOTMA tenant rent amount that was entered using the "rent override" function.

These requirements will be monitored during the management and occupancy review (MOR) process.

[HUD HOTMA FAQ Link](#)

[HUD Rent Override One-pager Link](#)

Should you have any questions or need further clarification, please contact your TRACS Data Analyst for TRACS related questions or your Housing Management Officer for MOR related questions.

- **Housing Optimization Through Modernization Act (HOTMA)**

Final Rule Effective Date & HOTMA Implementation All provisions for Multifamily Housing programs will become effective on January 1, 2024 with implementation by 7/1/2025. HUD issued **Notice H 2024-04** extending the deadline for PHA/MFH to have Tenant Selection Plans updated to include HOTMA provisions to May 31, 2024. HMOs are required to cite HOTMA findings as observations at this time. Please have a clear implementation plan available for the HMO to review on the day of the MOR to show them you understand the changes that are coming and when they are effective. There are a lot of changes to eligibility, rent calculations and guidelines therefore training staff is highly recommended. Here is a link to HUD's HOTMA website https://www.hud.gov/program_offices/housing/mfh/hotma

- **Energy and Water Benchmarking Service opportunity through HUD**

HUD's Office of Multifamily Housing Program's new [energy and water benchmarking service](#) is available at no cost to owners of properties participating in eligible Multifamily project-based rental assistance programs. This new service is designed to help owners understand their energy and water usage and identify where they can make upgrades for the greatest cost savings. Contact us at MFBenchmarking@HUD.gov to participate or to get answers to your benchmarking questions.

- **Sending private data**

Minnesota Housing utilizes the secure upload tool (Leapfile) to send any documents that may contain private data. Private data is not only things like social security numbers and dates of birth, it is also tenant addresses and other personally identifiable information. If you are sending anything to Minnesota Housing that contains private data, please send it via the secure upload tool. Each team of the PBCA division has a separate email address to send the files to:

HMO: PBCA-MOR.MHFA@state.mn.us

HAP: mhfa.hap@state.mn.us

TRACS: mhfa.tracs@state.mn.us

Please note, you do not need to set up an account. Click <https://mnhousing.leapfile.net/> then enter the RECIPIENT email (one of the above) to send or receive files.

Secure Upload

Recipient Email

- **Medical Insurance Debit Card Benefit**

We are seeing more and more insurance companies offering a benefit to qualified individuals that provides them a debit card that is loaded with a set amount of money each month. This use-it-or-lose-it benefit can be used for a variety of expenses, depending on the company. After confirming with HUD, **this is to be counted as income**. The method of calculation is to take an average of the amount the individual has used, then annualize and count as other income. (Do not count the full amount without proof they are using it).

Training Opportunities:

Ross Business Development (RBD)

<https://www.rbdnow.com/online-training>

National Center for Housing Management (NCHM)

<https://www.nchm.org/online-training/>

Quadel

<https://quadel.com/training-and-certification/online-training-calendar/>

Minnesota Multi Housing Association (MHA)

<https://www.mmha.com/Certifications>

<https://www.mmha.com/Online>

To view past issues of MOR Hot Topics, visit <https://www.mnhousing.gov/rental-housing/property-managers/section-8---811-contracts.html>.