

**April 2025 General Management Review Discussion Points:**

- **Social Security Fairness Act** was signed into Law on January 5, 2025. The Act ends the Windfall Elimination Provision (WEP) and Government Pension Offset (GPO). These provisions reduced or eliminated the Social Security benefits of over 3.2 million people who receive a pension based on work that was not covered by Social Security (a “non-covered pension”) because they did not pay Social Security taxes. This law increases Social Security benefits for certain types of workers, including, but not limited to, some:
  - Teachers, firefighters, and police officers in many states;
  - Federal employees covered by the civil service retirements system; and
  - People whose work had been covered by a foreign social security system.

Starting February 25, 2025, The Social Security Administration began to pay retroactive benefits and will increase monthly benefit payments to people whose benefits have been affected by the WEP and GPO.

Refer to HUD Handbook (HH) 4350.3 Exhibit 5-1 for how to treat the one-time lump sum payment.

If a resident is due retroactive benefits because of the Act, they will receive a one-time retroactive lump-sum payment by the end of March. Most affected individuals will begin receiving the new monthly benefit amount in April 2025. The new monthly benefit amount is expected to result in an average increase of \$360 per month. Refer to HH 4350.3 Paragraph 7-10-A-4 for Interim recertification processes.

- **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 HUD's 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](https://www.hud.gov/program_offices/housing/mfh/hotma)

- **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.**

## **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>

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