

MOR HOT TOPICS

July 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:
 - o Teachers, firefighters, and police officers in many states.
 - o Federal employees covered by the civil service retirements system; and
 - o 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.

Updated VAWA Forms

HUD has updated the Violence Against Women Act (VAWA) forms. The new forms were presented for public approval in 2022, after the reauthorization of the Violence Against Women's Act. These forms have been updated to meet the legislative changes implemented in 2013 and 2016 and to provide additional data collection. The new forms now have an expiration date of January 31, 2028 and can be found on the HUD website: Violence Against Women Act (VAWA) | HUD.gov / U.S. Department of Housing and Urban Development (HUD). Implementation details have not yet been released by HUD.

• 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: 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 implementation date

HUD release notice $\underline{\text{H-}2025-03}$ on 5/29/2025 announcing that the HOTMA final rule compliance date has been extended to January 1, 2026.

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• 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 if you choose to implement updated passbook rates, then the updated imputed asset limits should coincide with the applicable rates based on the certification dates.

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.

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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.

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