Asset Management Notice

To: All Owners and Managers **Notice # 2026-10**

From: Sheryl Peavey, Director of Asset Management **Issued: November 20, 2026**

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I. HOTMA Compliance Date Extended to January 1, 2028

HUD has officially delayed the mandatory compliance date for Sections 102 and 104 of HOTMA for Multifamily Housing (MFH) programs from January 1, 2027, to January 1, 2028. HUD allows PBCA properties to implement parts of HOTMA. Partial HOTMA implementation means an owner or agent applies some provisions of the Housing Opportunity Through Modernization Act of 2016 (HOTMA) before HUD's full compliance deadline, using allowable workarounds such as the TRACS "rent override" function. Owners would calculate family incomes and tenant rents manually, then enter the resulting information into TRACS current version 202D using the rent override function.

Owners who implement HOTMA prior to the release of TRACS version 203A must annotate tenant files with the following information:
1. Which HOTMA and other Notice H 2023-10 provisions were implemented, regardless of whether they resulted in a different tenant rent than would have resulted using pre-HOTMA rules (owners are cautioned that many aspects of HOTMA are interrelated; implementation of some without others may be infeasible and/or may affect tenant rents);
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.

As a reminder, the development's Tenant Selection Plan (TSP) and Enterprise Income Verification (EIV) policies and procedures must match any HOTMA provisions implemented. Some HOTMA topics being implemented are:
• Asset verification: single statement for checking accounts and use of new list of asset exclusions (including retirement accounts)
• Self-certification for assets under the new threshold

• Child support/alimony requirement: only count what is received
• New deductions for dependents and the elderly (published annually)
• Safe harbor certifications for income determinations based on means-tested federal assistance programs
• Adjust definition of fosters
• Adopt new list of income inclusions
• Interim recertifications – now only required for increases of unearned income exceeding 10% of household adjusted income. Interim recertifications are not required when an AR will be occurring within 3 months
• EIV reports – now only required at annual examinations

For Management and Occupancy Reviews conducted prior to January 1, 2028, HUD has indicated that owners will not be penalized for HOTMA-related tenant file errors. Instead, the Contract Administrator will issue observations with corrective actions.

While MaineHousing has delayed HOTMA implementation to align with HUD's timeline, we will continue to evaluate our approach as additional factors are considered. Please follow the attached link for more information:

HOTMA Compliance Date Extended to January 1, 2028

II. Escrow accounts held at MaineHousing

Have you been considering where to maintain your property's escrow funds? We wanted to highlight the option of keeping these accounts in-house with MaineHousing. Funds held in MaineHousing's in-house escrow accounts currently earn interest at a rate of **3.83%**. Please follow the attached link for more information:

Federated Hermes Government Obligations Fund Fact Sheet

In addition to earning interest, maintaining your escrow funds with MaineHousing offers a convenient alternative to managing separate accounts with an outside financial institution and can help simplify account administration. If you currently maintain escrow funds with an outside bank, we encourage you to consider how moving those funds to MaineHousing may be a good option for your property. If you are interested in learning more or would like to move your escrow account in-house, please contact ttaylor@mainehousing.org.

III. Update on 2027 Operating Cost Adjustment Factors

We wanted to provide a brief update regarding the upcoming Operating Cost Adjustment Factor. At this time, the OCAF has not been published for any contracts with an anniversary date after February 11, 2027.

Once the OCAF is published and available, MaineHousing will reach out to affected partners with the applicable information and next steps. No action is needed from you at this time.

Please note that MaineHousing provides notices as a service to our partners. Notices are not intended to replace ongoing training and do not encompass all compliance and regulatory changes that may occur on the wide arrange of housing programs in which we work. MaineHousing recommends partners establish an ongoing training program for their staff. All information provided in this newsletter is provided 'as is' and in good faith. MaineHousing makes no representation or warranty of any kind, express or implied, regarding the accuracy, adequacy, validity, reliability, availability, or completeness of any information contained in this newsletter.

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