

WASHINGTON STATE **HOTMA UPDATES** – EFFECTIVE JANUARY 1, 2025

Memo emailed to LIHTC Owners, Managers and Compliance Consultants on 9/3/2024

The Commission is providing this update to help you and your staff prepare for the implementation of HOTMA-related changes at your LIHTC property(ies) **as of January 1, 2025**.

TIMELINE:

- All recertifications and new move-ins being processed between now and 12/31/24 can be done using current compliance guidance, even if the certification effective dates are 1/1/25 or after.
- All recertifications and new move-ins started as of 1/1/25 and forward must be done according to HOTMA-updated guidance.
- The Commission will publish revised LIHTC Compliance Procedures Manual, FAQs and forms in late November/early December 2024.
- HOTMA updates will be included in the virtual Tax Credit Fundamentals training scheduled for November 2024.

PRIMARY CHANGES:

1. All updated income/asset exclusions in 24 CFR (Code of Federal Regulations) Part 5.609 will be implemented
2. The \$50,000 threshold for assets will be implemented, as well as the latest passbook rate
3. Note that the \$100,000 asset ceiling and prohibition on owning real property do NOT apply to the LIHTC program and will not be implemented for the LIHTC program
4. The updated rules for how to count student financial assistance for non-Section 8 households will be implemented
5. The Commission will implement HUD's verification hierarchy with upfront verification being the highest form of income/asset verification (does NOT include EIV)

What about WBARS?

The only change in WBARS will be the removal of the passbook rate percentage calculation, and the current/imputed and cash value fields. This update will also include removing the Current/Imputed and CashValue fields from the XML schema. This is because imputing asset income will only be necessary when total household net assets exceed \$50,000 and one or more of the individual assets do not generate actual income. Properties will need to calculate total asset actual income outside of WBARS and add the final amount to WBARS. More details will be provided soon.

As we approach the publication of our revised compliance guidance materials, additional updates will be shared. In the meantime, we strongly encourage all owners and management companies to have their staff trained in HOTMA updates through a reputable tax credit industry consultant.

Thank you for your attention to these changes and for your commitment to providing affordable housing to the citizens of Washington State.

Sincerely,

[Melissa Donahue](#), Manager

Asset Management & Compliance Division

Washington State Housing Finance Commission