



# SOUTH CAROLINA STATE HOUSING FINANCE AND DEVELOPMENT AUTHORITY



**Housing Opportunity Through Moderation Act (HOTMA)**  
**Effective 10/01/2024 beginning enforcement on 1/1/2025**

# Income (Inclusions, exclusions, calculations)

## 24 CFR § 5.609 (C)

- Inclusions: HOTMA removed the sources of income listed in 24 CFR § 5.609 (b) and instead replaced with an expanded and clarified list of income exclusions found in 24 CFR § 5.609 (c)
  - Note: See Student Financial Assistance Section
  - Student Employment Income: Earned income of dependent full-time students in excess of the amount of the deduction for a dependent
  - Adoption Assistance: Include Adoption Assistance up to an amount equal to the current Dependent Deduction
- Exclusions
  - Non-monetary, in-kind donations, such as food, clothing, or toiletries, received from a food bank or similar organization
  - Lump-sum additions to net family assets, including but not limited to lottery and other contest winnings
  - Temporary, nonrecurring, or sporadic income
    - Income that will not be repeated in the coming year (12 months following) based on information provided by the family (example: Census takers)
    - Day laborers, independent contractors, and seasonal workers are NOT considered temporary, nonrecurring, or sporadic and are all specifically included in family income
  - Workman's Compensation 24 CFR § 5.609 (c) (5); except when periodic payments are made at regular intervals for more than 12 months then they are counted as regular income
  - Earned income of children under the age of 18 years

# Assets (exclusions, verifications, calculations)

24 CFR § 5.659 (e)

- Asset Exclusion 24 CFR § 5.609 (b)(3)
  - Personal property
  - Retirement plans recognized as such by the IRS ([www.irs.gov](http://www.irs.gov))
    - Annuities, Stocks, Bonds, CDs, etc. that are part of a retirement account are also excluded
    - If receiving a distribution, the distribution is considered income
- Real Property in SC:
  - Land/building or structure/permanent fixture: Always counted as an asset 24 CFR §§ 5.300
  - A single/double wide home: If local office deems it personal property, it is not included as an asset and not listed on TIC.
- Asset Verification:
  - Use the Under \$50,000 Certification Form:
    - HOME/NHTF must continue third party verification of ALL assets at move-in
      - Thereafter, asset can be self-certified using the Under \$50,000 asset form at recertification if the net family assets do not exceed \$50,000.  
NOTE: Assets must be third party verified every 3 years.
    - When total household assets are below \$50,000, certify using the Under \$50,000 form
    - When total household assets exceed \$50,000, all assets must be 3<sup>rd</sup> party verified
- For ALL funding sources, the Under \$50,000 form is permissible at annual recertification
- Checking Accounts: 6-months average is no longer required. New requirement is the current balance, just as with a savings account

## Assets (exclusions, verifications, calculations) continues

- Asset Income:
  - Impute assets income only when total assets exceed \$50,000
  - Actual income from assets is always included regardless of the total value of net assets
    - Impute using current HUD passbook rate
    - Example of imputed assets income: Land does not produce income but is an asset. Income for land will always be imputed
- No changes in disposed of assets
- Assets (necessary and non-necessary): Continue to include on the TIC as current guidelines require

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## Student Financial Assistance

- 24 CFR § 5.609 (b) (9)
- Applies to ALL households, not just those receiving Section 8 assistance
- All student financial assistance in excess of the actual covered cost of education is included in income, except HEA Title IV Assistance
  - Actual Covered Costs: Tuition, Fees, Books & Supplies, Room & Board
  - Example of HEA Title IV Assistance: Federal Pell Grants
  - Applies to both full-time and part-time students

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## Child Support

- 24 CFR § 5.609 (a)(1) - (a)(2)
- Annual income includes “all amounts received”, not the amount that a family may be legally entitled to receive but which they do not receive
  - If Child Support/Child Support Enforcement is not involved and no CSE printout is available, SC Housing will allow the use of the Child Support Certification to be used as a self-affidavit
  - When calculating income: Only the actual amount received is to be calculated

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## Foster Adult & Child

- 24 CFR § 5.609 (b)(8)
- To be considered a foster adult/child; that adult/child must be placed with the family by an authorized placement agency (e.g. public child welfare agency).
  - All income received by fosters is excluded from income
  - Any assets held by fosters must be excluded
  - Fosters must not be included when determining household size for income limits
  - Fosters are included when determining bedroom size

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## Forms Changes

- Tenant Income Certification (Required Form)
- Asset Self-Certification (Required Form)
- Student Self-Certification
- Affidavit of Student Financial Assistance (Required Form)