

RIHousing Affordable Housing Compliance Manual

Q&A's

On May 7, 2026, RIHousing staff and Costello Compliance offered a virtual training to discuss the changes and beneficial new features of RIHousing's new Affordable Housing Manual. Below you will find a list of questions that came in during this webinar, and RIHousing's and/or Scott Michael Dunn with Costello Compliance's response. If you were unable to attend this training, the [recorded version](#) is available on our website for you to watch and bookmark for future reference.

Questions are in blue.
Answers from RIHousing & Costello Compliance are in black.

Q: What is the effective date of the changes reflected in this manual?

A: All non-HOTMA changes included in the manual became effective March 1, 2026, when the manual was published. HOTMA changes (highlighted in yellow in the manual) cannot be implemented until the site has implemented HOTMA requirements. Please follow HUD's guidance on [implementing HOTMA without software updates](#). RIHousing has not yet established a required HOTMA implementation date beyond HUD's current deadline of January 1, 2027. Sites that are 100% LIHTC are able and encouraged to implement HOTMA in its entirety immediately. Please let your Asset Manager know when you implement.

Q: Will RIHousing host another HOTMA seminar?

A: There are no plans to host another HOTMA seminar at this time; however, the previous seminar, titled "[Housing Success HOTMA & HOME 2025](#)", which was held on June 3, 2025, was recorded and can be found on our website (Training and Opportunities page).

Q: Will this training be recorded, and will the questions and answers be distributed?

A: Yes, the "[RIHousing Compliance Manual Training](#)" along with a copy of this Q&A document have been posted to our website under the Property Managers + Owners section.

Q: Is there a grace period for sites to begin allowing self-certifications, specifically if recertifications are already underway?

A: Yes. You will not be written up for continuing to 3rd party verify unless it goes against the policies listed in your TSP and certification policies and procedures.

Q: How do I locate the asset self-certification of assets form on the RIHousing website?

A: 1.) Visit the Property Managers + Owners section of our website and navigate to either LIHTC Forms and Documents or New HOTMA Compliant Forms, depending on whether or not your development has implemented HOTMA.

Q: If a property is 100% LIHTC with ancillary layers, does RIHousing allow self-certifications every three years for the ancillary programs?

A: Income and asset recertifications are not required for 100% LIHTC properties – only student status. Please reference the program specific charts beginning on page 8 of the manual which list the self-certification requirements for each ancillary program. If you require additional information, please reach out to your Asset Manager.

Q: When a tenant self-certifies their assets, is it mandatory to also use the worksheet?

A: Owners/Agents are permitted to use their own worksheet in lieu of utilizing the RIHousing provided worksheet. It is mandatory to have a companion form/worksheet that shows the backup to your calculations. Since asset calculations are much more complicated post-HOTMA even though the final end result is simpler, having a worksheet that provides an explanation to the calculation is required.

Q: Are we still sending 3rd party verifications for the LIHTC program? What about if a site has LIHTC and HOME?

A: No. 3rd party verifications are now only required to be sent if the primary source is unavailable. For example, for earned income - two months' worth of consecutive paystubs, Equifax Work Number print-out, or a printout from another private or government database is required to determine employment income. If none of these sources are available, a letter from the employer/3rd party verification is acceptable.

Q: If we have not yet implemented HOTMA, should we still proceed with calculating assets via the updates in this manual or do we follow internal guidance from the Owner?

A: You may continue with the pre-HOTMA calculations until RIHousing mandates a required HOTMA implementation date.

Q: If we decide to continue itemizing assets which are under the threshold on the TIC after we've implemented HOTMA, would this be considered a finding during a RIHousing review?

A: The TIC must be completed accurately; however, as long as the calculations are correct and it does not affect eligibility, it would show up as an observation on the final report from RIHousing. Please note that we have seen some software companies automatically exclude assets from TIC if they are under the threshold. This is not a finding, but can cause confusion for an auditor if not informed prior to review.

Q: Is there a cap on assets for the LIHTC program?

A: No. Please reference page 79 of the manual which states, "Starting with HOTMA, Section 8 rental assistance programs have limits on the assets families can own at initial eligibility, but the actual value of assets is not crucial to eligibility for non-Section 8 programs and there is no limit on the assets a person may own." There is also no cap on assets for the HOME or NHTF programs.

Q: Once HOTMA is implemented, what happens to our tenants who have substantial amounts in assets?

A: Once HOTMA is implemented, move-ins must qualify under the asset limitations set forth by HUD; however, you do have a choice when it comes to existing tenants. You can establish through a discretionary policy whether recertifications will apply the limitation or not. HUD published a [HOTMA](#)

[Resident Fact Sheet on Asset and Real Property Limitations](#) which provides beneficial information regarding asset limitations and the process of establishing discretionary policies.

Q: For the LIHTC program, are assets required to be 3rd party verified? And if we are not able to verify via 3rd party, must the attempts be documented in the tenant's file?

A: During a LIHTC review, RIHousing staff will be looking for bank statements, investment statements, real estate listings from online sources, mortgage deed, or similar documentation for all household assets. If these documents are not available, 3rd party verification must be attempted. Please reference page 42 and 43 of the Manual for additional information.

Q: Are asset self-certifications allowed at a 100% HUD property with no LIHTC or HOME?

A: Although RIHousing is required by federal regulation and granted considerable discretion to create significant policies dictating how the LIHTC, HOME and other programs that RIHousing distributes and/or monitors work in Rhode Island, this manual does not reproduce applicable HUD guidance. For instance, Section 8 Project-Based Rental Assistance (PBRA) and other HUD Multifamily Housing programs are governed by the [HUD Multifamily Housing Handbook 4350.3](#). Please reference the HUD 4350.3 as it provides over 1,000 pages of guidance dictating all aspects of HUD programs. Asset self-certifications for 100% HUD properties are not yet permitted but will be accepted once HOTMA is in effect. If you decide to implement before HUD's deadline, please document all tenant files with a cover letter that clearly states what parts of HOTMA were implemented and when, and make sure you are following your HOTMA updated Tenant Selection Plan and EIV Policies and Procedures.

Q: Are we able to implement the new asset threshold or do we need to continue to use the Assets Less Than \$5k form?

A: You are able to implement the new asset threshold if your site has implemented HOTMA. Please reference [HUD guidance on implementing HOTMA prior to software updates](#), and review the HOTMA implementation bulletins on our website for further information.

Q: Is it required to verify internet-based asset accounts such as Cash App, Zelle, Venmo, and Apple Cash?

A: Yes. These assets are verified and calculated in the same way that you would treat a regular bank account. If the account is a checking account, you'll verify the 6 month average (pre-HOTMA), or the current balance (post-HOTMA), and if it is a savings account, you will need to verify the current balance. Most internet-based accounts do not have a number in which you can send a 3rd party verification, so the tenant must provide copies of their statements as verification. Please keep in mind that Zelle is just an interface between two accounts so the account that is linked to Zelle would need to be verified, but Zelle itself is not an asset.

Q: If a household member is receiving a required minimum distribution payment from a retirement account, would we verify the account and count it as income?

A: Under HOTMA, the remaining balance of the retirement account is entirely excluded as an asset. However, the actual Required Minimum Distribution (RMD) payments are counted as income at the time they are received

Q: If a household member withdrew from their 401(k)/IRA account previously, but is now self-certifying that they do not anticipate future withdrawals or any other distributions over the next 12 months, would we count what they have previously withdrawn?

A: Under HUD regulations, the self-certification would not be enough, and you would need to count this income unless proof is provided that the household member is *unable* to access or take another withdrawal out.

Q: I have a tenant who has \$40,000 in Non-Necessary Personal Property (NNPP) and \$20,000 in real property. Their assets would equal \$60,000 and would exceed the asset threshold, correct?

A: As long as the Non-Necessary Personal Property (NNPP) is below the current threshold, the NNPP would be excluded. Following the steps in order to verify assets is crucial post-HOTMA.

Q: If a household member has a savings account balance of \$15,000 and the income from that asset is \$3.00, we would count that \$3.00 as income, correct?

A: Yes. Total NNPP would be \$0; however, the \$3.00 would be considered income.

Q: Does HOME follow the HUD requirement to verify assets every 3 years?

A: No. Self-certification of assets is acceptable for all years under the HOME program. Please reference page 6 of the Multiple Housing Program Guide which describes the verification of assets in more detail.

Q: Are non-retirement investment accounts counted as assets?

A: Yes. Under HOTMA, non-retirement investment accounts (such as standard brokerage accounts, stocks, bond, and mutual funds) are counted as assets.

Q: HOTMA regulations state we can use 2-4 paystubs to verify income. Does RIHousing still require 2 months' worth?

A: Yes. RIHousing requires 2 months of paystubs, which is stricter than the HOTMA requirement. Always remember to follow the most restrictive rule.

Q: Does RIHousing still require 10 paystubs for the LIHTC program and 8 paystubs for the HOME program?

A: RIHousing requires 2 consecutive months of paystubs to verify income for all affordable housing programs. This means that there could be a varying amount of paystubs depending on the employer's pay schedule.

Q: Is the 2-month, consecutive paystub requirement only for the HOME program?

A: No. RIHousing requires 2 months of consecutive paystubs whenever paystubs are being used to determine income for all programs.

Q: If an applicant only has 4 paystubs due to new employment, do we need to obtain verification from the employer?

A: Yes.*

*Exception: If the hire date is listed on the paystub, you may use the 4 paystubs along with a note to file explaining new employment in lieu of 3rd party verification through employer.

Q: When calculating child support income, do we count what is actually received or what is listed on the court order?

A: You will count what is actually received. The court order is irrelevant unless the tenant provides the court order and certifies that they do in fact receive that amount.

Q: How many months of child support should we collect to calculate the income?

A: Child support income can be annualized using 6 months' worth of payments. Please reference our example on page 73 of this manual.

Q: If the applicant/tenant has answered the housing eligibility questionnaire that they do not receive recurring gifts, child support, or alimony, do the separate RIHousing forms need to be completed?

A: As long as the questions are asked and answered thoroughly on the questionnaire, separate forms are no longer required.

Q: How should we treat gambling income? Is it considered self-employment?

A: LIHTC regulations (following HUD Part 5's definition of annual income) count the gross winnings, not the winnings minus losses. Gambling winnings are not considered self-employment income. The tenant must provide bank statements or winnings statements to verify total income from gambling.

Q: If an applicant/tenant who is close to the income limit reports that they are no longer working, is in search of a similar job, and has historically made \$25,000 every year, would we count the \$25,000 as anticipated income to ensure they do not go over the income limit?

A: This income would only be counted if there was an offer of employment. Please reference page 44 of the manual which states, "If an applicant does not yet have two months of consecutive paystubs because they have recently started a job, the agent must thoroughly document the file explaining the situation and secure a new hire letter or verification of employment completed by the employer." Since job searching does not guarantee employment, this income would not be counted. If you suspect fraud, please follow your internal procedures to investigate.

Q: Would the income listed on prior years' tax returns be considered anticipated income?

A: No. Please reference page 59 in the manual for additional anticipated income information.

Q: Would work that occurs once a year (Santa Claus, Easter Bunny, etc.) be considered recurring income if the tenant intends to continue each year?

A: Yes. If the tenant plans to work that particular job every year, it would be considered recurring. Please reference page 61 of this manual which states, "HUD excluded income from sporadic and nonrecurring income. Upon implementation of HOTMA, only nonrecurring income is now excluded. Sporadic amounts received are counted based on historical amounts received, unless it can be proved that the amounts cannot recur".

Q: If a property has Project-Based Section 8 as well as LIHTC, and RIHousing recertifies the tenants for the Section 8 program, do we still need to recertify the tenants for the LIHTC program? How will this affect this year's audit if recertifications are already complete?

A: When using safe harbor or other means-tested program determinations of income, you must first confirm that these procedures have been described and adopted into your HOTMA updated Tenant Selection Plan and EIV Policies and Procedures, and the tenant files must contain a cover letter that clearly identifies which parts of HOTMA the Owner has implemented and when. A HUD "Safe Harbor" (or means-tested verification) allows housing providers to streamline income eligibility for assisted housing by accepting income determinations made by other federal public assistance programs. The documentation must be within 12 months of the effective certification. *Keep in mind that if you are using a safe harbor or means-tested verification from a HUD program for the LIHTC program, you will still need to check student status for the LIHTC program as the student rules differ from one another.* For further information regarding safe harbor and other means-tested determinations of income, please see page 46 of our manual.

Q: If we are using the PHA's determination of income, how old can that documentation be?

A: If you are using the PHA's determination of income, the documentation must be within 12 months of the effective certification.

Q: What if a household goes over-income within the first year of tenancy?

A: Once a tenant qualifies for a unit at an initial certification, they remain qualified even if they receive a raise or other form of income after moving in. If the property is not 100% LIHTC, the Vacant Unit Rule (VUR) would be utilized to remain in compliance.

Q: Can you terminate tenancy for a tenant who does not comply with supplying income information if the 3rd party verification form was not completed in its' entirety?

A: If the tenant will not provide the requested documentation and 3rd party verification is possible, Management should attempt 3rd party verification. Termination must be for good cause and language in Lease must be clear. If you are ever unsure of terminations, consult your attorney for legal guidance.

Q: Regarding the new HOME rules, can you confirm that the HOME rent limits can be exceeded if the tenant has a mobile voucher in a low-HOME unit?

A: Yes. If the tenant receives subsidy via a voucher (whether project-based or tenant-based), the Owner/Agent can now collect the full contract rents for a tenant in either a low or high HOME unit.

Q: Does the tenant's portion of rent need to follow HOME rent limits if they are a voucher holder?

A: Please reference page 32 of the manual which provides detailed information regarding HOME rent limits. Keep in mind that if the tenant no longer receives subsidy that the HOME rent limit will revert back to the rules described on page 32 of the manual.

Q: If we wanted to increase the Low HOME rents that have federal rent assistance, does RIHousing need to approve? What if the request goes over 5%?

A: If the HOME unit is layered with LIHTC, an annual rent increase of up to 5% is permitted. If that rent increase exceeds 5%, a request must be sent to RIHousing. The [Rent Increases for Non-Section 8](#) form is located on the Property Manager + Owners section of our website under LIHTC/HOME.

Q: What documents are required for an adult household member who is claiming a dependent, works full-time, and is a full-time student?

A: Tax returns showing the dependent was claimed, school records showing that the dependent is registered to the address, and/or custody paperwork would be required. Please reference page 48 of the manual for additional student rule and documentation information.

Q: Are there any major updates to the student exceptions?

A: No; however, there are updates to the student assistance income inclusions. For more information regarding student financial assistance, please reference pages 75-79 of this manual.

Q: How will HUD's proposed citizenship rule apply to our development?

A: Current requirements must be followed and can be found on page 17 of the Multiple Programs Guide section of the new Manual. If changes occur to these requirements, RIHousing will notify partners via our e-news. If you have not yet signed up to receive our newsletter, please do so by visiting the Property Managers + Owners section of [our website](#) (the newsletter sign up can be found near the bottom of the page).

Q: Should we always follow state laws rather than HUD?

A: You should always follow the most restrictive rule for each program associated with your developments.

Q: What is the difference between a RIHousing full file review and a desk review?

A: A full review can consist of both physical and file inspections, and a desk review is completed by your Asset Manager to review occupancy data, rent and income limits, and other information. Desk reviews are completed annually so even if your site is not due for a full inspection, your Asset Manager may reach out for rent and income limits, rent rolls, etc. in order to complete the desk review.

Q: If the programs at my development do not mirror LIHTC or HOME, and there are no specific regulations specified in this Manual, what should we use?

A: Please follow the requirements listed in the chart included in the Multiple Programs Guide section of the Manual, review and follow the legal agreements for the program, the regulatory agreement for the development, and reach out to your assigned Asset Manager for guidance when needed.