Changes to the Housing Choice Voucher Program

Effective 1/1/2027

Dear Participant:

Many of HASCO's programs adhere to policies laid out by the Department of Housing and Urban Development (HUD). With that in mind, changes to those policies are expected to happen from time to time. Effective January 1, 2027, there are several changes coming to the voucher assistance programs as part of the Housing Opportunities Through Modernization Act (HOTMA). Highlights will be listed below:

Minimum Rent:

All families will be required to contribute a minimum of $50 towards the utilities and rent of their unit.

Self-reporting Assets and New Asset Categories:

Families with total assets less than $54,898 will be eligible to self-certify their assets for two out of every three years. Every three years, HASCO must get verifications of all assets. Families with more than $54,898 will still need to provide verification of all assets each year.

HUD has new criteria for Necessary vs. Non-necessary personal property. Necessary personal property is not included in family assets and are items necessary for employment, education, or health and wellness. Non-necessary personal property may include boats, RV, bank accounts, or collectibles and their value is included in family assets.

Medical Expense Threshold Changing:

Prior to 2027, verified medical expenses that exceeded 3% of a qualified family's annual income were eligible for deduction. Starting January 1, 2027, the standard medical expense threshold is changing to 10%. Verified medical expenses that exceed 10% of a qualified family's annual income will be eligible for deduction. Families that were utilizing the deduction at 3% will be phased-in. These families will have eligible expenses deducted that exceed 5% of annual income for 12 months, and 7.5% for another 12 months. After the phase-in period, all families will have a 10% medical threshold.

Standard Deductions Changing:

The standard annual deduction for having either an elderly (62 years or older) or verified disabled Head of Household, Spouse, or Cohead is going from $400 to $575 per family.

The standard annual deduction for having dependents in the household is going from $480 per dependent to $525 for dependent.

Interim Policy Shift:

If a family has an income change that results in a decrease in income, an interim examination will be processed if the decrease is 10% or more of the full household's income.

If a family has an income change resulting in an increase in income, an interim examination will be made if the increase in 10% or more of the full household's income (with an exemption for increased EARNED income if the family has not had an interim reduction since their last annual).

If a member is being added or removed from a household, all changes to income, assets and expenses will be applied.

Asset Limit and Real Property Ownership Restriction for New Applicants:

For new applicants only, there will be an asset limit for eligibility. Families with assets over $109,797 will not be eligible.

If a new applicant family owns real property that is suitable for occupancy, they will not be eligible for a voucher (with several exemptions available).

Hardship Policies for Medical Expenses, Childcare Expenses, and Minimum Rent:

If the changes in medical expense threshold create a severe financial hardship, families can request a hardship waiver for a lower medical expense threshold for 90-days at a time.

A family whose eligibility for childcare expenses is ending may request a hardship exemption to continue receiving the child-care expenses for 90-days at a time.

Families that have a qualifying hardship paying the minimum rent may request a suspension of the minimum rent for 90-days at a time. At the end of the suspension period the minimum rent is reinstated and the family will be offered a repayment agreement for the suspended minimum rent.

Use of HUD's Published Passbook Rate:

HUD will publish an annual passbook rate based on the Federal Deposit Insurance Corporation (FDIC) National Deposit Rate. This passbook rate is used to calculate asset income in some circumstances when actual asset income cannot be determined.