October 15, 2026

Implementation Guidance: Sections 102 and 104 of the Housing Opportunity Through Modernization Act of 2016 (HOTMA)
for
Low Income Housing Tax Credit Projects

Attention Owners:

Pursuant to HUD Notice H 2025-07, the compliance deadline stated in Notice H 2025-03 has been extended to **January 1, 2027**. The following guidance shall serve as NJHMFA's policy regarding LIHTC projects:

- Asset Self-Certification form will replace the Under $5,000 Asset Form.
- Third party verification of assets in the 3rd year will not be required since owners of 100% LIHTC projects are permitted to perform self-certifications after the 1st year full recertification.
- Employment income should be third party verified and include the last two (2) consecutive paystubs for all move in and first year recertification files in 100% LIHTC projects.
- Unemployment income should be third party verified and include the Benefit letter or computer printout for all move in and first year recertification files in 100% LIHTC projects.
- Alimony, Child, and Spousal Support income should not be counted if not received for the last three (3) consecutive months.
- All other income should be third party verified for all move in and first year recertification files in 100% LIHTC projects, with the exception of Social Security Retirement income, etc. where the annual benefit letter would be sufficient.
- Owners of mixed use LIHTC projects, in the Initial Compliance period, must continue to perform full recertifications with third party verification + last two (2) consecutive paystubs and/or Unemployment Benefit letter or computer printout for all LIHTC units per IRS regulation.

- Enterprise Income Verification (EIV) System Income Data cannot be used to verify income for the Low-Income Housing Tax Credit Program.

- Safe Harbor Method will not be adopted.

Although the HOTMA implementation date has been extended, if the changes have already been implemented at your property, the Agency will perform the Tenant File Audit per the HOTMA regulations and NJHMFA's specific policies as outlined above.

Questions? Need Help?

Please contact your Tax Credit Analyst, Jason T. Miller, Supervisor of Tax Credit Compliance at jmiller@njhmfa.gov or Natasha Solomon, Manager of Tax Credit Compliance at nsolomon@njhmfa.gov for more information or questions.

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