

**Public Housing Assessment System (PHAS)  
Financial Condition Components**

**Current PHAS vs PHAS II**

Changes to Financial Condition Scoring	Current PHAS	PHAS II
1. Convert the component scores and the overall Financial Condition Indicator score from points to grades of A, B, C, D, and F (A = 4.0, B = 3.0, C = 2.0, D = 1.0 and F = 0).		
Current Ratio Months Expendable Fund Balance Tenant Receivables Outstanding Occupancy Loss Expense Management Net Income	Worth 9 out of 30 points Worth 9 out of 30 points Worth 4.5 out of 30 points Worth 4.5 out of 30 points Worth 1.5 out of 30 points Worth 1.5 out of 30 points	PHAs receive either A, B, C, D, or F PHAs receive either A, B, C, D, or F
2. The grading scale for the six Financial Condition Indicator Components has been redistributed to allow equal weight for the financial condition and the financial management of a PHA.		
Current Ratio Months Expendable Fund Balance Tenant Receivables Outstanding Occupancy Loss Expense Management Net Income	30% of total FASS points 30% of total FASS points 15% of total FASS points 15% of total FASS points 5% of total FASS points 5% of total FASS points	Equal weight for financial condition and financial management
3. Reinststitute the peer group and threshold assessment methodologies for CR and MEFB.		
Current Ratio Months Expendable Fund Balance	(Under Interim PHAS) PHA Score = 0 or 9 (Under Interim PHAS) PHA Score = 0 or 9	PHAs receive letter grade of A, B, C, D or F PHAs receive letter grade of A, B, C, D or F
4. Eliminate penalty points for PHAs with high liquidity or reserves.		
Current Ratio Months Expendable Fund Balance	PHAs' CR scores reduced for high CR values (high liquidity) PHAs' MEFB scores reduced for high MEFB values (high reserves)	PHAs no longer penalized for high CR values PHAs no longer penalized for high MEFB values
5. Establish an additional Peer group by dividing the Large peer group into two groups.		
Peer groups	Very Large = 10,000+ units	Extra Large = 10,000+ units

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Changes to Financial Condition Scoring	Current PHAS	PHAS II
	Large = 1,250 – 10,000 units High Medium = 500 – 1,249 units Low Medium = 250 – 499 units Small = 50 – 249 units Very Small = 0 – 49 units	Very Large = 5,000 – 9,999 units Large = 1,250 – 4,999 units High Medium = 500 – 1,249 units Low Medium = 250 – 499 units Small = 50 – 249 units Very Small = 0 – 49 units
6. Update thresholds to reflect changes in distribution of component values and relax thresholds for the Very Small (0-49 units) and the Small (50-249 units) peer groups.		
		The assessment thresholds for four of the financial condition components (Current Ratio, Months Expendable Fund Balance, Tenant Receivables Outstanding, and Occupancy Loss) are less stringent for Very Small and Small PHAs.
7. Remove Section 8 Housing Choice Vouchers and Section 8 certificates from Occupancy Loss (OL) financial condition component.		
	OL assessed entity-wide (includes Section 8 units).	Changes to SEMAP already include an OL assessment for Section 8 units. Therefore, the assessment of Section 8 Choice Vouchers and Section 8 certificates has been eliminated from the OL component.