



U.S. DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT
WASHINGTON, DC 20410-8000

ASSISTANT SECRETARY FOR HOUSING-
FEDERAL HOUSING COMMISSIONER

Special Attention of:

Notice: 2016-01

Multifamily Regional Center/Hub Directors
Multifamily Satellite/Program Center Directors
Rural Services (RHS) Directors
Supervisory Housing Project Managers
Housing Account Executives
Contract Administrators
Multifamily Owners and Management Agents

Issued: January 19, 2016

Expires: This notice remains in effect
until amended, revoked, or
superseded.

Subject: Passbook Savings Rate Effective February 1, 2016

I. Purpose: This notice supersedes Notice H 2014-15 addressing the passbook savings rate used to determine annual income from net family assets.

II. Applicability: This notice applies to the following programs:

- A. Project-based Section 8
 - 1. New Construction
 - 2. State Agency Financed
 - 3. Substantial Rehabilitation
 - 4. Section 202/8
 - 5. Rural Housing Services (RHS) Section 515/8
 - 6. Loan Management Set-Aside (LMSA)
 - 7. Property Disposition Set-Aside (PDSA)
- B. Section 101 Rent Supplement
- C. Section 202/162 Project Assistance Contract (PAC)
- D. Section 202 Project Rental Assistance Contract (PRAC)
- E. Section 202 Senior Preservation Rental Assistance Contracts (SPRAC)
- F. Section 811 PRAC
- G. Section 811 Project Rental Assistance Demonstration units under a Rental Assistance Contract (PRA)
- H. Section 236
- I. Section 236 Rental Assistance Payments (RAP)
- J. Section 221(d) (3) Below Market Interest Rate (BMIR)

III. Background: Under 24 CFR §5.609(b)(3), when determining annual income for families who receive assistance in a Multifamily Housing subsidized unit, the owner includes in annual income the greater of either: (1) actual income resulting from all net family assets; or (2) a percentage of the value of such assets based upon the

current passbook savings rate as determined by the U.S. Department of Housing and Urban Development (HUD) when a family has net assets in excess of \$5,000. As interest rates may fluctuate, Multifamily Housing acknowledges the need to adjust the passbook savings rate at least annually to represent current national averages.

- IV. Passbook Savings Rate:** The passbook savings rate is based on the national average provided by the Federal Deposit Insurance Corporation. The passbook savings rate (unchanged from last year) to be used for all move-in, initial, annual, and interim recertification when a family has net assets over \$5,000 is .06%. This .06% rate must be used until Multifamily Housing publishes and makes effective a new passbook savings rate.
- V. Environmental Impact:** In accordance with § 50.19(c)(6) of the HUD regulations, this Notice sets forth rate determinations which do not constitute a development decision that affects the physical condition of specific project areas or building sites, and therefore is categorically excluded from the requirements of the National Environmental Policy Act and related Federal laws and authorities.
- VI. Paperwork Reduction Act:** There are no information collection requirements in this Notice and therefore the Paperwork Reduction Act of 1995 (44 U.S.C. 3501-3520) does not apply. In accordance with the Paperwork Reduction Act, an agency may not conduct or sponsor, and a person is not required to respond to, a collection of information unless the collection displays a currently valid OMB control number.
- VII. Inquiries:** Questions about this notice should be directed to Michael Sharkey in the Office of Asset Management and Portfolio Oversight at Michael.A.Sharkey@hud.gov.

Edward Golding
Principal Deputy Assistant Secretary for Housing