Subject: Amending Section 8 Annual Contribution Contracts to Add Budget Authority for Additional Authorized Units

1. Purpose: This Notice provides communication to public housing agencies, PIH HUBs, and Program Centers notifying them that the Department is implementing contract amendments in support of additional authorized units that HUD permitted HAs to lease prior to August, 1996, using program reserves. In addition, this Notice also provides notification that the Department is also implementing contract amendments that fund additional authorized units that were appropriately leased within a HA’s 1997 budget authority calculated at 100% of FMRs, but not adequately supported beginning in FY 1998, under HUD’s revised reservation pricing policies based on actual per unit costs. Nationwide, the total number of additional authorized units to be contracted under this notice and supported by the amount of the amended annual budget authority is estimated at 52,000.

2. Applicability: This Notice is applicable to HAs that appropriately leased additional authorized units in conjunction with HUD policy directives Nos. 96-68 and 97-59.

3. Notification to Housing Agencies: Each HA affected by the policy will receive a notification letter from the local HUD office, an amendment to the ACC, and a new funding exhibit. The ACC should be signed and returned to HUD in an expeditious manner.

4. Contact: Questions should be addressed through the Section 8 Finance Hotline, supervised by Mary C. Conway, Director, Section 8 Finance Division at 1-800-955-2232. The Public and Indian Housing Resource Center can also be contacted to answer questions via E-mail. The E-mail address is pihirc@jbsl.com.

/s/
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