Explanation of
April Obligations under Operating Fund Program
for Calendar Year (CY) 2013

This document describes the April obligations under the Operating Fund program for CY 2013. The funds under these obligations are expected to be available in eLOCCS by March 29, 2013. The April obligations for CY 2013 cover 1 month, and the obligating letters reflecting the amounts will be posted by the Financial Management Division (FMD) on the Calendar Year 2013 Subsidy Processing website at:


Interim Proration

The Congress adopted a Continuing Resolution (CR) through March 2013 and provided for a sequestration. The Continuing Resolution and sequestration served as the basis for the interim proration used for the April obligations. The current funding for April is at a 73% proration level.

The House and Senate have recently passed a CR covering the remainder of FY 2013 that would bring annual appropriations for the Public Housing Operating Fund to $4,262,010,000. After factoring in the 5% sequestration, this represents a proration of 82% for the year. Because PHAs were funded at a proration level of 92% in January and February (based on, at the time, the lower of the House and Senate Mark), and 81% in March (based on the 2012 Appropriation level), we will have to fund them at a proration level of 79% for the remainder of the year, beginning in April, to reach an overall proration of 82% for the year. This is all in accordance with the three letters concerning 2013 Operating Fund pro-rations and sequestration sent out to PHAs by the Assistant Secretary. Given the new C.R., HUD is working to provide the additional funding to PHAs as quickly as possible. HUD plans to issue a second funding for the month of April bringing the April proration level up to 79%.

Once all CY 2013 operating subsidy eligibility forms have been finalized, proration may either increase or decrease compared with the interim proration level. PHAs should structure their financial planning for revenues and expenditures for CY 2013 with the consideration of possible changes in proration. Once all CY 2013 operating subsidy forms have been finalized, the final proration may either increase or decrease as compared with the interim proration level.