



Rural Development

Joaquin Altoro
Administrator

Rural Housing Service
1400 Independence Ave, SW
Room 5011-S
Washington, D.C. 20250

TO: All RHS MFH National Office Directors
Field Office Staff
Rural Development

ATTN: Leadership Designees
Field Operations Division Program Staff
Rural Development

FROM: Joaquin Altoro
Administrator
Rural Housing Service

SUBJECT: Changes in Multifamily Housing Program's Passbook Savings Rate
Effective January 1, 2024

PURPOSE

This Unnumbered Letter (UL) provides additional guidance on the Department of Housing and Urban Development's (HUD) recent Notice to owners of Multi-Family Housing (MFH) subsidized properties related to the passbook savings rate used to determine annual income from net family assets.

[Notice H 2023-10](#) was issued on September 29, 2023, by the Department of Housing and Urban Development, and among other things, provides for a change in the passbook savings rate.

BACKGROUND

Annual income is defined in [7 CFR 3560.153](#) and is calculated in accordance with [24 CFR 5.609](#), which further defines which sources of income to count and which to exclude. Borrowers of all MFH properties must verify and document in the tenant's file all income, assets, expenses, deductions, family characteristics, and any other factors that affect family eligibility or level of assistance. HUD had previously set the passbook savings rate at 0.06 percent.

EXPIRATION DATE:
November 30, 2024

FILING INSTRUCTIONS:
Housing Programs

IMPLEMENTATION

Effective January 1, 2024, Rural Development's MFH programs will implement the passbook savings rate of **0.40 percent** for all tenant income certifications with an effective date on or after January 1, 2024. This 0.40 percent rate must be used until HUD publishes and makes effective a new passbook savings rate.

We are in the process of updating the Multi-Family Information System (MFIS) with the new passbook savings rate of 0.40 percent by the effective date of January 1, 2024. We will also post a message on the Management Interactive Network Connection (MINC) website.

If you have any questions, please contact Deb Reed, Finance & Loan Analyst, Asset Management Division, Policy & Budget Branch (deb.reed@usda.gov) or telephone 712-254-4365.