August 14, 2020

GENERAL NEWS

HUD Publishes 2021 FMRs

In a *Federal Register* notice today, the Department of Housing and Urban Development (HUD) announced that it has published fair market rents (FMRs) for federal fiscal year (FFY) 2021 (October 1, 2020 through September 31, 2021). As explained in the notice:

Section 8(c)(1) of the United States Housing Act of 1937 (USHA), as amended by the Housing Opportunities Through Modernization Act of 2016 (HOTMA), requires the Secretary to publish FMRs not less than annually, adjusted to be effective on October 1 of each year. This notice describes the methods used to calculate the FY 2021 FMRs and enumerates the procedures for Public Housing Agencies (PHAs) and other interested parties to request reevaluations of their FMRs as required by HOTMA. The trend factors used in the FY 2021 FMRs include updated economic assumptions to reflect the economic downturn caused by the COVID-19 pandemic.

The deadline date for comments on the 2021 FMRs will be 30 days after the notice's publication. The revised FMRs will be effective on **October 1, 2020** (unless HUD receives a request for reevaluation of specific area FMRs).

Materials posted today on PD&R's FMR page include the FFY 2021 FMRs for all areas (see Schedule B) and the FFY 2021 small area FMRs (SAFMRs) for metropolitan FMR areas (see SAFMR schedule).

PH PROGRAM NEWS

FMD Issues Updated Guidance Regarding Shortfall Funds

Late yesterday on the Financial Management Division (FMD) email list, HUD's Office of Public and Indian Housing (PIH) made the following announcements with regard to the Shortfall program:

- The PIH Office has posted an updated SF-424 guidance document to provide instructions on requesting and certifying shortfall funds. PHAs who have not yet submitted applications should use this most current guidance. PHAs who have already submitted an application and SF-424 should resubmit the SF-424 using the updated guidance. PHAs who have already submitted the SF-424 using the updated guidance do not need to take any further action.

- PHAs that are requesting an eligibility amount that is different from the HUD published eligibility due to an error in their FDS must submit an appeal to change their eligibility amounts. A different eligibility amount could be an increase or decrease in eligibility relative to the amount published by HUD. Keep in mind that the SF-424 includes a certification that the FASS FDS data used to calculation the PHA's Operating Reserves is accurate.
- PHAs should remember to submit their SF-424 along with the Appendix A applications to the 2020ShortfallFunding@hud.gov Any incomplete applications as of the shortfall deadline will be rejected and not eligible to receive FY20 shortfall funding. An incomplete application is any application missing all required documents or documents not completed correctly.
- The deadline to submit all applications or appeals is **August 26, 2020**. For appealing PHAs, applications are due five business days following the appeal decision.

Further information on shortfall funding, including links to the recent shortfall notice and other resources, can be found in the Operating Fund Shortfall Funding webpage. To join the FMD email list, click here.

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