



U.S. DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT  
PUBLIC AND INDIAN HOUSING

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**Special Attention of:**

Regional Directors: State and Area  
Coordinators; Regional Economists;  
Public Housing HUB Directors;  
Public Housing Agencies

**Notice**

PIH 2012-29

Issued:

June 21, 2012

Expires:

Effective until  
Amended, Superseded  
or Rescinded

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Cross References:

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**Subject:** Establishing the Passbook Savings Rate

**1. Purpose.**

This Notice clarifies program policy related to the passbook savings rate used to determine annual income from net family assets. Under 24 CFR §5.609(b)(3), when determining annual income for families who apply for or receive assistance in the Housing Choice Voucher (HCV) and public housing programs, a public housing agency (PHA) 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 \$5000. This Notice also minimizes the administrative burden on Field Offices and PHAs in conducting a survey of local banks, by relying on a rate that is publicly available and based upon recent market data.

**2. Applicability.**

This Notice applies to all PHAs and localities that operate a HCV program, public housing program, or Section 8 Moderate Rehabilitation program. Moving-To-Work (MTW) agencies, to the extent they have established an alternate policy in their MTW plan, are excluded from the provisions of this Notice.

**3. Passbook Savings Rate.**

This notice provides guidance to supplement information provided in the Form HUD-50058 Instruction Booklet, Public Housing Occupancy Guidebook, and the Housing Choice Voucher Program Guidebook on the passbook savings rate used to calculate imputed income from assets. The guidance in this notice supersedes any guidance included in the above referenced form and guidebooks.

**Safe Harbor**

The PHA may establish its own passbook rate that the PHA will apply in calculating imputed assets from income. The PHA should review its passbook rate at least annually to determine that it is within the safe harbor range. The PHA must apply its policy to calculate

imputed asset income consistently to all participants.

PHAs may establish a passbook rate within 75 basis points (plus or minus .75 percent) of the Savings National Rate in effect at the time the PHA establishes the passbook rate.<sup>1</sup> The passbook rate may not be less than 0 percent. The Savings National Rate is a simple average of rates by United States (US) depository institutions as calculated by the Federal Deposit Insurance Corporation (FDIC). The FDIC publishes this rate on a weekly basis. The PHA can access historical and current Savings National Rates at the following website:  
[www.fdic.gov/regulations/resources/rates/](http://www.fdic.gov/regulations/resources/rates/).

Examples: If the published FDIC Savings National Rate at the time the PHA establishes its passbook rate is .12%. Acceptable passbook rate would fall in the range between 0% and 0.87%. If the published FDIC Savings National Rate at the time the PHA establishes its passbook rate is .92%. Acceptable passbook rate would fall in the range between 0.17% and 1.67%.

#### **4. For Further Information.**

For further information regarding this Notice, please contact Brian Gage, in the Office of Public Housing and Voucher Programs at 202-402-4254.

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/s/  
Sandra B. Henriquez  
Assistant Secretary for Public and Indian Housing

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<sup>1</sup> The 75 basis points threshold is consistent with interest rate restrictions applicable to less than well capitalized institutions under Part 337.6 of the FDIC Rules and Regulations.