



U.S. DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT
WASHINGTON, DC 20410-5000

OFFICE OF PUBLIC AND INDIAN HOUSING

OCT 16 2017

Dear Executive Director:

Subject: Housing Choice Voucher Program (HCVP) Housing Assistant Payment (HAP) Renewal Disbursements – November and December 2017

This letter concerns the disbursement of HCVP renewal funds to your public housing agency (PHA) for the months of November and December 2017, under the cash management procedures. It is important that you review this letter and the Enclosure A included concerning the process by which HUD has calculated the disbursement of renewal housing assistance payments (HAP) funds to your PHA for these months. You are also encouraged to carefully review PIH Notice 2017-07, which sets out the cash management requirements.

November and December 2017 Disbursements

HUD has determined the funds needed for disbursements for November and December 2017 on the basis of PHA-reported HAP expenses in VMS for the month of July 2017, the most recent month for which we have validated VMS data. The date of the VMS download was September 12, 2017. The most recent month is used in lieu of the most recent three months as that is considered more accurate at this time, due to national leasing trends.

Enclosed are the calculation and data used to establish the November and December 2017 renewal disbursements for your PHA. PHAs are advised that the monthly disbursement is the calculated need plus a 2% margin.

Transition of Excess Cash

The Department continues to transition PHA-held restricted net position (RNP) to HUD-held funds until needed by the PHA, in order to comply with cash management requirements. Based on the completion of the CY 2016 HAP Cash Reconciliation, Excess Cash (from Line 19b of the CY 2016 HAP Reconciliation Enclosure) will be transitioned to HUD-held funds beginning in July 2017 and continuing until all excess has been transitioned.

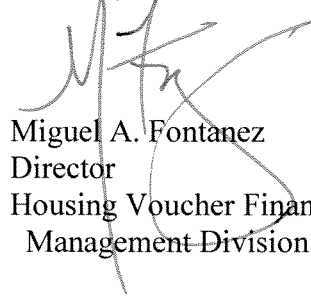
Due to systems limitations and timing of the reconciliation, the amounts shown as offsets for November and December 2017 are overstated with excess amounts already offset from your PHA's CY 2016 reconciliation. This limitation and timing constraint will no longer be an issue for CY 2018. If your PHA cannot cover the November (and December) HAP needs with available RNP accumulated from July through October 2017, and needs an additional HAP disbursement, please contact your FMC Financial Analyst (FA) by no later than 11:00 a.m., Friday, October 20, 2017, so they can schedule an additional HAP payment.

For a small number of PHAs, the 6/30/2017 HAP Reconciliation is being reviewed by the FMC Financial Analysts and the PHA will be provided the HAP Reconciliation Enclosure within the next several weeks. Any offset required as a result of the 6/30/17 will be scheduled on a future disbursement. If your PHA requires an additional disbursement after review of the final 6/30/17 HAP Reconciliation, please call your FMC FA to schedule a second day payment, if needed.

In closing, it is critical that participants are not placed at risk or payments delayed as a result of your PHA having insufficient funds to support HAP payments due to the cash management methodology or the transition of RNP-funds to HUD-held reserves. If your PHA does not have sufficient funds, please contact your FMC FA and your local Field Office representative.

Thank you for your attention to this matter. If you have any questions concerning this letter, please contact your FA at the FMC.

Sincerely,

A handwritten signature in black ink, appearing to read 'M. Fontanez', is written over the typed name and title.

Miguel A. Fontanez
Director
Housing Voucher Financial
Management Division