



Special Attention of:

NOTICE PDR-2001-01

Secretary's Representatives,
Community Builders, Economists,
Public & Indian Housing Division Directors,
Multifamily Hub Directors, Multifamily
Program Center Directors

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Cross References:

Subject: Revised Income Limit Calculation Procedure

This notice announces a change in procedures for calculating very low-income limits for HUD programs. As a result of changes in the methodology for calculating Fair Market Rents (FMRs), the number of areas for which the very low-income limit is calculated on an exception basis (i.e., not based directly on 50 percent of the area median family income) has grown significantly. This was as unintended consequence of the FMR methodological changes. The new procedures bring the income limit calculations back in line with statutory intent by limiting exceptions to unusual circumstances.

HUD's 2001 income limits will make use of a new procedure to identify areas with "unusually high incomes," which is one of the exceptions to the calculation of very low-income limits provided in the statute. Under the new procedure, the four-person very low-income limit will not be reduced to below 50 percent of median unless this amount exceeds the greater of 80 percent of the U.S. median family income or the income needed to afford a unit renting at 100 percent of the FMR if 30 percent of income is spent on housing.

Because of special circumstances, the new procedures will be effective immediately for Codington County, South Dakota. The revised Codington County income limits are as follows:

	-----I N C O M E L I M I T S-----							
	1 PERSON	2 PERSON	3 PERSON	4 PERSON	5 PERSON	6 PERSON	7 PERSON	8 PERSON
30% OF MEDIAN	9650	11000	12400	13750	14850	15950	17050	18150
VERY LOW-INCOME:	16050	18350	20650	22950	24800	26600	28450	30300
LOW-INCOME	25700	29350	33050	36700	39650	42575	45500	48450

Andrew Cuomo, Secretary