
**DEPARTMENT OF HOUSING AND
URBAN DEVELOPMENT**

[Docket No. FR-5323-N-02]

**Request for Comments on Ending
“Hold Harmless” Policy in Calculating
Income Limits Under Section 3 of the
United States Housing Act of 1937;
Correction**

AGENCY: Office of the Assistant
Secretary for Policy Development and
Research, HUD.

ACTION: Notice; correction.

SUMMARY: On September 14, 2009, HUD published a notice requesting public comment on whether HUD should discontinue its “hold harmless” policy with respect to Section 8 income limits. In its discussion of the impact discontinuing this policy, HUD included an erroneous statistic regarding the income levels of HUD assisted households. This notice corrects the statistic and extends the public comment period.

DATES: *Comments Due Date:* November 6, 2009.

ADDRESSES: Interested persons are invited to submit comments regarding this notice to the Regulations Division, Office of General Counsel, Department of Housing and Urban Development, 451 7th Street, SW., Room 10276, Washington, DC 20410-0500. Communications must refer to the above docket number and title. There are two methods for submitting public comments. All submissions must refer to the above docket number and title.

1. Submission of Comments by Mail. Comments may be submitted by mail to the Regulations Division, Office of General Counsel, Department of Housing and Urban Development, 451 7th Street, SW., Room 10276, Washington, DC 20410-0500.

2. Electronic Submission of Comments. Interested persons may submit comments electronically through the Federal eRulemaking Portal at <http://www.regulations.gov>. HUD strongly encourages commenters to submit comments electronically. Electronic submission of comments allows the commenter maximum time to prepare and submit a comment, ensures their timely receipt by HUD, and enables HUD to make them immediately available to the public. Comments submitted electronically through the <http://www.regulations.gov> Web site can be viewed by other commenters and interested members of the public. Commenters should follow the instructions provided on that website to submit comments electronically.

Note: To receive consideration as public comments, comments must be submitted through one of the two methods specified above. Again, all submissions must refer to the docket number and title of the rule.

No Facsimile Comments. Facsimile (FAX) comments are not acceptable.

Public Inspection of Public Comments. All properly submitted comments and communications submitted to HUD will be available for public inspection and copying between 8 a.m. and 5 p.m. weekdays at the above address. Due to security measures at the HUD Headquarters building, an advance appointment to review the public comments must be scheduled by calling the Regulations Division at 202-708-3055 (this is not a toll-free number). Individuals with speech or hearing impairments may access this number via TTY by calling the Federal Information Relay Service at 800-877-8339. Copies of all comments submitted are available for inspection and downloading at <http://www.regulations.gov>.

FOR FURTHER INFORMATION CONTACT: Marie L. Lihn or Lynn A. Rodgers, Office of Economic Affairs, Office of Policy Development and Research, Department of Housing and Urban Development, 451 Seventh Street, SW., Room 8208, Washington, DC 20410; telephone number 202-708-0590 (this is not a toll-free number). Hearing- or speech-impaired individuals may access this number via TTY by calling the toll-free Federal Information Relay Service at 1-800-877-8339.

SUPPLEMENTARY INFORMATION:

I. Background

On September 14, 2009 (74 FR 47016), HUD published a notice requesting public comment on whether HUD should discontinue its policy of maintaining Section 8 income limits at the previously published level in cases

where HUD's estimate of area median family income (MFI) or housing cost adjustment data, or changes in calculation methodology, would lead to a lower income limit than was previously published. Section 8 income limits determine whether a family meets the definition of "low-income family" or "very low-income family," which are families whose incomes are below 80 percent and 50 percent, respectively, of the median family income for the area, with adjustments for family size. These income limits are used by a number of other federal programs other than the Section 8 program to determine eligibility for various forms of assistance. In explaining that discontinuation of the "hold harmless" policy would not adversely affect families in Section 8 and other HUD assisted housing, HUD included the following statement in the September 14, 2009, notice:

"More than 99 percent of HUD assisted households have incomes below the extremely low-income level (30 percent of area median), so modest decreases in the Section 8 income limits resulting from this change would have minimal impact on families residing in assisted housing."

The statement was incorrect in that the percentage of households in HUD assisted housing that have incomes below the "extremely low-income" level is 75 percent, rather than 99 percent, and in any case, HUD believes a more instructive statistic is the percentage of households in HUD assisted housing that have incomes below the "very low-income" level, which is 95 percent.

Based on HUD administrative data as of June, 2009, the more complete affordability statistics are as follows:

	Percent of tenant based rental assistance households at 50% or less of area median income (VLI)	Percent of tenant based rental assistance households at 30% or less of area median income (ELI)	Percent of place based rental assistance households at 50% or less of area median income (VLI)	Percent of place based rental assistance households at 30% or less of area median income (ELI)
New Admits	97	76	96	75
All Households	95	75	96	75

Accordingly, HUD is correcting the statement and extending the public comment period.

Correction

In the **Federal Register** of September 14, 2009, on page 47017, in the second column, section "III. Other Programs," correct the fourth sentence to read as follows:

More than 95 percent of HUD assisted households have incomes below the very low income level (50 percent of area median), so modest decreases in the Section 8 income limits resulting from this change would have minimal impact on families residing in assisted housing.

Dated: September 30, 2009.

Raphael W. Bostic,
Assistant Secretary for Policy Development and Research.

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