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Special Attention of:

## NOTICE PDR-2025-01

Regional Directors, Field Office Directors,  
Economists, Public & Indian Housing  
Division Directors, Multifamily Hub Directors,  
Multifamily Program Center Directors

Issued: April 1, 2025  
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Cross References:

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Subject: Estimated Median Family Incomes for Fiscal Year (FY) 2025

This memorandum transmits median family incomes for FY 2025. HUD uses the Section 8 program's Fair Market Rent (FMR) area definitions for its median family incomes, which means that HUD develops medians for each metropolitan area, parts of some metropolitan areas, and each nonmetropolitan county. For FY 2025, the geographic definitions incorporate all changes published by the Office of Management and Budget (OMB) through the July 21, 2023, bulletin for the first time.<sup>1</sup>

HUD uses the 2023 American Community Survey (ACS) and Puerto Rico Community Survey (PRCS) median family income data (as opposed to household income data) as the basis of FY 2025 income limits for all areas of geography, except for the U.S. Virgin Islands and the Pacific Islands (Guam, American Samoa, and the Northern Mariana Islands). In the past, HUD has used the Consumer Price Index (CPI) forecast published by the Congressional Budget Office (CBO) to bring the ACS and PRCS data forward from the year of the ACS to the current fiscal year. For FY 2025 and going forward, HUD will use an inflation factor based on the most recent projected change in national per capita wages published by the CBO in an attempt to improve the accuracy of its median family income estimates.<sup>2</sup> The inflation factor, representing the projected change in national per capita wages from FY 2023 through FY 2025, is approximately 1.08 (an 8 percent increase).

HUD bases the median family incomes and income limits for the U.S. Virgin Islands and the Pacific Islands on 2020 Decennial Census data which is the most current information available. The decennial data for the U.S. Virgin Islands and the Pacific Islands reports 2019 median family incomes. HUD trends these incomes forward using the change in national median family incomes between 2019 and 2023 (from the ACS). HUD then applies the same national per capita wages inflation adjustment used in ACS areas from FY 2023 to FY 2025.

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<sup>1</sup> OMB Bulletin NO. 23-01.

<sup>2</sup> For a recent assessment of median family income accuracy, please see here: <https://archives.huduser.gov/portal/pdredge/pdr-edge-spotlight-article-051424.html>. HUD will continue to assess its accuracy following this change.

HUD does not impose any limitations on the year-to-year change in an area's median family income. However, since FY 2010<sup>3</sup> HUD has limited annual decreases in the low- and very low-income limits to 5 percent and all annual increases to the greater of five percent or twice the change in the national median family income. Starting in FY 2024, HUD specified that the cap should be measured using the annual change in the unadjusted national median family income subject to an absolute cap of 10 percent. HUD first announced this methodology on January 10, 2024 in a [Federal Register Notice](#). For 2025, the annual change measured by the ACS from 2022 to 2023 is approximately 4.6 percent. Twice this change is approximately 9.2 percent, which is lower than the ten percent absolute cap. So, for FY 2025, the income limits "cap" is 9.2 percent.

An explanation of the procedures used to develop FY 2025 median family incomes accompanies this notice. Attachment 1 provides state-level median family income estimates. The Section 8 Income Limits and income limits for the Section 221(d)(3) Below Market Interest Rate (BMIR) rental program, the Section 235 program, and the Section 236 program are not part of this transmittal notice but are issued as separate notices.

Please note that the use of the HUD median family incomes is subject to individual program guidelines covering definitions of income and family, family size, effective dates, and other factors. If you have any questions concerning these matters, please refer them to our website at <http://www.huduser.gov/portal/datasets/il.html>.

HUD's median estimates are also available at the Department's Internet site, which provides a menu from which you may select the year and type of data of interest <https://www.huduser.gov/portal/datasets/il.html>.

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John Gibbs  
Principal Deputy Assistant Secretary for  
Policy Development and Research

Attachment

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<sup>3</sup> Prior to FY 2010, HUD maintained a "hold harmless" policy, whereby Section 8 income limits for certain areas were held at previously published levels when reductions would otherwise have resulted from changes in housing cost, median income, or income limit methodologies, or changes in metropolitan area definitions.

**ATTACHMENT 1**  
**FY 2025 Median Family Incomes for States,**  
**Metropolitan and Nonmetropolitan Portions of States**

Please see <https://www.huduser.gov/portal/datasets/il/il24/FY25-Median-Attachment-State-Medians.pdf>