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## Homes and Community Renewal

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### OFFICE OF HOUSING MANAGEMENT MEMORANDUM #2016-B-01

**To:** All Federally Assisted Housing Companies  
Owners, Managing Agents and Site Managers

**From:** Linda Kedzierski, Federal Programs Coordinator

**Date:** February 4, 2016

**Subject:** Imputed Income from Family Assets over \$5,000

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HUD released a Notice modifying the language found in HUD Handbook 4350.3, Paragraph 5-7-F, which explains the rules for calculating the annual income generated from **family assets, when those assets exceed \$5,000.00:**

When net family assets are more than \$5,000, annual income includes the greater of the following:

- a) Actual income from assets; or
- b) A percentage of the value of family assets based upon the current passbook savings rate as established by HUD. This is called imputed income from assets. The passbook rate is currently set at 2%.

To begin this calculation, first add the cash value of all assets. Multiply the total cash value of all assets by .02. The product is the “imputed income” from assets. Then, add the actual income from all assets. The **greater** of the **imputed income** from assets, or the **actual income** from assets, is included in the calculation of annual income.

In 2014, HUD released HSG Notice 14-15 Passbook Savings Rate Effective February 1, 2015 and Establishing Future Passbook Savings Rates. In this Notice, HUD announced a reduction of the passbook savings rate to .06%. The effective date of this change was February 2015. HUD has indicated that Handbook 4350.3 will be updated in a future release.

This Notice introduced a much needed reduction in the passbook savings rate to more accurately reflect the current national average, which is provided by the Federal Deposit Insurance Corporation.

Last week, HUD issued a new Notice regarding the passbook savings rate - HSG Notice 16-01 Passbook Savings Rate Effective February 2016.

**The passbook savings rate has not changed since the 2014 Notice.** The passbook savings rate to be used for all move-in, initial, annual, and interim recertifications, when a family has net assets over \$5,000 is .06%. This .06% rate must be used until HUD Multifamily Housing publishes and makes effective a new passbook savings rate.

If you have any questions regarding this memorandum, please contact Linda Kedzierski at [Linda.Kedzierski@nyshcr.org](mailto:Linda.Kedzierski@nyshcr.org).



Linda Kedzierski