Dear Executive Director or Program Representative:

Subject: Revised Guidance related to Remittances of Interest Earned on NRA and excess HAP funds

On March 19, 2014 the Financial Management Division issued a memorandum providing guidance related to the Treasury requirement to remit interest earned on NRA and excess HAP funds.

Part of that guidance included a provision for the public housing agencies (PHAs) to retain up to $100 annually for administrative expenses. It has since come to our attention that the Federal Register Vol. 78, No. 248 published, and effective, December 26, 2013 increased this amount to $500, stating, “Interest amounts up to $500 per year may be retained by the non-Federal entity for administrative expense.” Therefore, effective January 1, 2014 the PHA may retain up to $500 per year for administrative expenses. For the period 1/1/2012 through 12/31/2013, the PHA may retain up to $100 per year for administrative expenses.

Additionally, the Federal Register Vol. 78, No. 248 states remittances must be made annually rather than quarterly, as was previously required. Remittances shall be made within 30 days after the housing agencies’ fiscal year end.

The balance of the guidance provided in the March 19th memorandum (including the follow-up email on 3/26/2014) remains unchanged.

Finally, PHAs are reminded of the importance of complete and accurate reporting in the Voucher Management System (VMS). The VMS Guidebook, Appendix A, provides the following guidance related to reporting interest:

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<tr>
<th>TAB 2 – OTHER INCOME AND EXPENSE</th>
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<tr>
<td><strong>Form 52681-B Field Name</strong></td>
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<td>Memorandum Reporting</td>
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Thank you for your participation in the Department's programs.

Respectfully,
Miguel A. Fontánez, Director
Financial Management Division