

**Office of Public and Indian Housing**

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**Explanation of Calendar Year (CY) 2022 Public Housing Operating Subsidy Obligations for March and April****Initial Estimate of Project Eligibility Levels for CY 2022**

The Department is in the process of obligating Operating Subsidy grants for the months of March and April 2022, in accordance with the information below. At the beginning of the year, before Operating Subsidy forms are processed and current year eligibility determined, HUD normally estimates eligibility. March and April obligations are based on the selected elements of final 2021 Operating Fund eligibility and 2022 HUD-52723 Prepopulated Data.

At the portfolio level, the estimate is generally very accurate. However, once HUD changes from funding based on estimates to funding based on actual HUD-52723 data submitted by PHAs, project level funding eligibility may fluctuate significantly.

All Operating Subsidy obligations are cumulative. As such, to the extent that excess amounts were cumulatively obligated to a project previously, its next obligation (and possibly future obligations depending upon the amount of the overfunding) will reflect a relative decrease. To the extent that insufficient amounts were cumulatively obligated to a project previously, its next obligation (and possibly future obligations depending upon the amount of the underfunding) will reflect a relative increase.

This round of funding is expected to be available in eLOCCS not later than February 18, 2022. The next round of funding is expected to be made available in eLOCCS no later than May 1, 2022. Obligation Letters and project level Detailed Calculation Reports will be available on the FMD website for 2022:

[Calendar Year \(CY\) 2022 Operating Fund Grant Processing | HUD.gov / U.S. Department of Housing and Urban Development \(HUD\)](#)

Where a PHA finds that the estimate funding does not reflect its actual eligibility to be reported on the 2022 HUD-52723, and would result in overfunding, the PHA is expected to refrain from drawing any excess funds and notify the HUD Field Office. If a PHA received an obligation for a project that is ineligible for funding in CY 2022, the PHA shall notify its Field Office by immediately. PHAs should not draw funding for any project that fully converted to RAD with a HAP effective date in 2021 or before, that is not eligible for funding.

**Estimate Proration Levels for CY 2022 using an Interim Eligibility**

The Department undertakes a conservative methodology in determining proration levels prior to a determination based on actual eligibility and an Appropriation Act. For the March and April funding, the Department considered estimate eligibility to set an interim proration level of 95%.

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The final proration will reflect the difference in the amount of the final approved PHA eligibility and the 2022 Appropriation Act.