



U.S. DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT
WASHINGTON, DC 20410-5000

OFFICE OF PUBLIC AND INDIAN HOUSING

Special Attention of:

Office Directors of Public
Housing; Regional Directors;
Public Housing Agencies

Notice PIH 2024-09pihn

Issued: April 8, 2024

Expires: This notice remains in effect until
amended, superseded, or rescinded.

Cross References: Notices PIH 2021-14; PIH
2020-33; PIH 2020-13; PIH 2020-05; PIH 2011-
13, 24 CFR Parts 901, 902, and 907, PIH 2022-
02

**SUBJECT: Extension of the Adjustment to Tenant Accounts Receivable (TAR)
Sub-indicator under the Management Assessment Subsystem (MASS) Indicator for
the fiscal year 2023 Public Housing Assessment System (PHAS) assessment cycle**

1. Purpose

This notice extends the adjustment of the standard under the Management Assessment Subsystem (MASS) indicator for the Tenant Accounts Receivable (TAR) sub-indicator for the fiscal year 2023 Public Housing Assessment System (PHAS) assessment cycle that was initially implemented in Notice PIH 2022-02.

2. Background

In February 2022, HUD published notice PIH 2022-02¹, which provided guidance to public housing agencies (PHAs) on the end of the COVID-19 waiver authority for PHAS assessments granted to HUD as a part of the Coronavirus Aid, Relief and Economic and Security (CARES) Act.² PHAS is the annual assessment process by which HUD fulfills its statutory requirement to assess PHA administration of the Public Housing program.³ The notice also communicated an adjustment to the Tenant Accounts Receivable sub-indicator under the MASS indicator due to the impact of various local, State, and Federal eviction moratoria. Nationally, PHAs reported

¹ Notice [PIH 2022-02](#) communicated the return to PHAS assessment scoring for fiscal year 2022 and introduced the TAR adjustment due to the eviction moratoria in response to the COVID-19 pandemic.

² [CARES Act Public Law 116-136](#).

³ Under Section 6 of the U.S Housing Act of 1937 [42 U.S.C. 1437 and 76 FR 10136, Public Housing Evaluation and Oversight: Changes to the Public Housing Assessment System (PHAS) and Determining and Remediating Substantial Default; Interim Rule.

that the eviction moratoria impacted rent collections, which impacted their financial status and reduced their scores under the TAR sub-indicator of MASS.

HUD anticipated that the fiscal year 2022 adjustment to the TAR sub-indicator would more fairly assess performance in the sub-indicator during the return to normal operations, and that an adjustment just for fiscal year 2022 would be sufficient. TARs balances began to stabilize in 2022 though they remained high: From 2019 to 2021, 1,775 PHAs reported increased TARs. From 2021 to 2022, the number of PHAs with increasing TARs dropped to 1,405. However, in fiscal year 2023, PHAs continued to experience unprecedented TARs balances, despite the return to normal operations. As of December 31, 2022, TARs reached \$615 million—over three times higher than prior to the COVID-19 pandemic. The total TARs balance began to decrease in 2023 but remained above its pre-pandemic level.

These trends reflected a nationwide issue in the rental market, not a problem limited to public housing. Rent payment rates in LIHTC properties at the end of 2022 were still more than 3 percentage points lower than in 2019.⁴ Analysis of the conventional rental market found that while rent payment rates improved in 2023, they remained 1.5 percentage points below the pre-pandemic level.⁵ This evidence suggests that PHAs were continuing to struggle with exceptional circumstances related to rent collection in fiscal year 2023.

3. MASS Indicator for the TAR Sub-Indicator for PHAS Scoring in Fiscal Year 2023

The Public Housing Evaluation and Oversight: Changes to the Public Housing Assessment System (PHAS) and Determining and Remediating Substantial Default (“PHAS Interim Rule”), published on February 23, 2011, at [76 FR 10136](#), became effective for PHAs with FYE March 31, 2011. Scoring for the MASS indicator is described in the Public Housing Assessment System (PHAS): Management Operations Scoring Notice (Management Assessment Subsystem, “MASS Scoring Notice”) published on February 23, 2011, at [76 FR 10050](#). The MASS Scoring Notice explains that PHAs can receive up to five points for TAR, which generally measures the performance of a PHA’s ability to collect rents and other charges.

While PHAs have largely returned to normal operations and PHAS regulatory requirements after the COVID-19 pandemic emergency, PHAs continue to experience challenges with collecting rent and managing rent collection activities, which have impacted the PHAs’ performance under the TAR sub-indicator.

Due to the continued challenges PHAs are facing with TAR, this notice advises that for PHAs with fiscal years ending March 31, 2023, June 30, 2023, September 30, 2023, and December 31, 2023, *only*, HUD is continuing a temporary revision to the scoring methodology for TAR. HUD determined that this extended temporary adjustment to the scoring notice will appropriately score PHAs as they continue to return to normal operations and requirements. Specifically, PHAs will receive points for TAR as provided in the table below:

⁴ [Fannie Mae 2023 Multifamily Affordability Outlook](#).

⁵ [MRI Software Market Insights 2023 in Review: Trends Both Familiar and New](#).

| Tenant Accounts Receivable (TAR) Points Awarded | |
|--|--|
| 5 Points | TAR is 80 percent or greater |
| 2 Points | TAR is between 60 percent and 79 percent |
| 0 Points | TAR is below 60 percent |

HUD intends to return to the regular scoring methodology for TAR for PHAs with fiscal years ending in 2024. The long-term sustainability of the Public Housing program depends on families paying and PHAs collecting rent, so it is important that PHAs continue to work to improve tenant rent collection.

4. Additional Information

Questions about this notice? Please contact the Office of Policy and Partnerships, Real Estate Assessment Center, Office of Public and Indian Housing, Department of Housing and Urban Development, 550 12th Street SW, Suite 100, Washington, D.C. 20410-4000, telephone number 202-708-1112 (this is not a toll-free number) or PHAS@hud.gov. PHAs that need assistance with PHAS or other systems should email REAC_TAC@hud.gov or call REAC Technical Assistance Center (TAC) at 1-888-245-4860, between the hours of 7:00 a.m. – 8:30 p.m. Eastern Time. Office of Real Estate Assessment Center, Office of Public and Indian Housing, Department of Housing and Urban Development, Attention: Technical Assistance Center, 550 12th Street SW, Suite 100, Washington, D.C. 20410-5000.

HUD welcomes and is prepared to receive calls from individuals who are deaf or hard of hearing, as well as individuals with speech and communication disabilities. To learn more about how to make an accessible telephone call, please visit:

<https://www.fcc.gov/consumers/guides/telecommunications-relay-service-trs>.

5. Paperwork Reduction Act

The information collection requirements contained in this notice have been approved by the Office of Management and Budget (OMB) under the Paperwork Reduction Act of 1995 (44 U.S.C. 3520) and assigned OMB Control Numbers 2577-0237, 2535-0106, 2502-0369 and in accordance with the Paperwork Reduction Act, HUD may not conduct or sponsor, and a person is not required to respond to, a collection of information unless the collection displays a currently valid OMB control number.



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