

**Public Housing Operating Fund
Explanation of Calendar Year (CY) 2016 Obligations for July and August**

Interim Project Eligibility Levels for CY 2016

The Department has obligated Operating Fund subsidies for the month of July and August 2016, in accordance with the information below. July and August obligations are based on the eligibility determined after processing the 2016 Operating Subsidy forms submitted. The July and August obligation amounts reflect cumulative adjustments related to previous project interim eligibility and funding to ensure that projects that have received excess funding or lesser funding are compensated based on their current eligibility. This round of funding is expected to be available in eLOCCS not later than June 28, 2016. The next round of funding is expected to be made available in eLOCCS no later than September 1, 2016, and will be based on updated eligibility derived from processing the Operating Subsidy forms.

Proration Levels

The Department undertakes a conservative methodology to determine proration levels prior to establishing final eligibility for all projects. For July and August funding, the Department used the interim total 2016 HUD 52723 eligibility to derive an interim proration level of 89.76%.

Office of Public and Indian Housing

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| CY 2016 Interim Proration Calculation (July and August) | | |
|---|--|------------------------|
| # | Description | Amount |
| 1 | CY 2016 Appropriation (1) | \$4,500,000,000 |
| 2 | RAD Reapportionment (2) | \$61,466,187 |
| | Correction of Prior Year Funding Error | |
| 3 | Amount Available for Distributions | \$4,438,533,813 |
| 4 | CY 2016 Actual Eligibility | \$4,904,912,287 |
| 5 | Add: Eligibility for HTK & MHP Submissions | \$250,000 |
| 6 | Add: Reserve for Revision and Appeals | \$40,000,000 |
| 7 | Total Estimated Eligibility (4 through 6) | \$4,945,162,287 |
| 8 | Proration (3) / (7) | 89.76% |

Notes:

1. Fund allotment as of 05/10/2016.
- ..
- 2.. Eligibility based on HUD-52723s as of 5/09/2016.

The proration rate for September funding will also be determined utilizing the eligibility derived from processing all the Operating Subsidy forms submitted at that point. The proration rate will continue to fluctuate during the year based on the submission of new and revised Operating Subsidy forms, until the final proration rate can be determined based on the final eligibility established for the calendar year 2016 funding cycle.