



PLANNING AND DEVELOPMENT SERVICES

CITY OF BOISE HOUSING AND COMMUNITY DEVELOPMENT

POLICY UPDATE – 12/21/23

Effective Jan. 1, 2024, the City of Boise will change its passbook savings rate to 0.4%, to align with the HOTMA 2016 Final Rule, as described in Notice H 2023-10 and PIH 2023-27.

May 15, 2023

HCD PASSBOOK SAVINGS RATE

The City of Boise's Housing and Community Development (HCD) Division establishes its own passbook savings rate¹ for use in its HUD-assisted programs and services.

Purpose: When determining household eligibility for HUD-assisted programs, net assets must be considered in the income calculation. If a household's asset(s) exceed the threshold established by HUD², the income calculation must include the greater of the actual income from the asset(s) or a percentage of the value of the asset(s), based on the passbook savings rate. The passbook savings rate represents the interest an asset would earn in a typical savings account.

Applicability: This rate applies to all HCD programs for which household income is calculated to determine eligibility. This includes the Home Improvement Program and City of Boise operated rental housing.

Publication: Annually in June, HCD will publish³ its passbook savings rate. The rate will be effective for one year from its publication, in alignment with the updated income guidelines published by HUD.

Rate Determination: The rate will be determined by taking the average from the previous six months' national savings rates, as published by the Federal Deposit Insurance

¹ Allowable per HUD Exchange FAQ ID: 2314

(<https://www.hudexchange.info/faqs/programs/home-investment-partnerships-program-home/income-determination/what-passbook-savings-rate-should-pjs-be-using-when-imputing-income/>)

² The threshold established by HUD in 24 CFR 5.609(b)(3) is \$5,000. When the HOTMA 2016 Final Rule goes into effect on 1/1/2024, the threshold will be raised to \$50,000 and adjusted annually for inflation. **Update:** per the Final Rule Notice issued 12/8/23, full compliance will now be required as of 1/1/2025.

³ Passbook Savings Rate information will be available on the HCD website here:

<https://www.cityofboise.org/departments/planning-and-development-services/housing-and-community-development/income-guidelines/>



Corporation (FDIC)⁴. HCD will ensure that its rate is always within 75 basis points of the National Savings Rate in effect at the time the rate is established and is always more than zero percent.

⁴ <https://www.fdic.gov/resources/bankers/national-rates/>

