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From: TRACMPROD
To: TRACM18938
Subj: TRACS Response Messages and/or Errors

TRACM18938

BROADCAST MESSAGE

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U.S. Department of Housing and Urban Development
Office of Housing
Washington, DC 20410-8000

March 8, 2013

Dear Section 8 Project Owner,

As you are likely aware, due to the inability of Congress to pass legislation on balanced deficit reduction to avoid sequestration, the President was required by law to issue a sequestration order on March 1, 2013, canceling approximately \$85 billion in budgetary resources across the Federal government for the remainder of the Federal fiscal year (FY). As partners with the Department of Housing and Urban Development, we are writing to provide you with timely and clear information about how these unfortunate budget cuts impact us, and in turn what it means for funds provided to the Section 8 Project-Based Rental Assistance program.

At this time, HUD is taking every step possible to mitigate the effects of these cuts. However, based on our analysis, funding for the Section 8 Project-Based Rental Assistance program would be \$8.9 billion. This represents a 5 percent (\$0.5 billion) reduction to the annualized funding level for HUD's Section 8 Program in the FY 2013 Continuing Resolution.

While the impact of this reduction will vary from case to case, it is possible that your project's ongoing funding may be affected. For example, HUD may determine it necessary to fund the contract for a shorter term. To the extent that your contract is affected due to these budget cuts, you will be contacted by the appropriate Office of Multifamily staff with additional details.

Thank you for your continued partnership with the Department of Housing and Urban Development and for your cooperation as we work together to manage these unfortunate circumstances.

Sincerely,

Carol J. Galante /S/
Assistant Secretary for Housing-Federal Housing Commissioner Housing

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