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Special Attention of:

## NOTICE PDR-2023-01

Regional Directors, Field Office Directors,  
Economists, Public & Indian Housing  
Division Directors, Multifamily Hub Directors,  
Multifamily Program Center Directors

Issued: May 15, 2023  
Expires: Effective until superseded

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Cross References:

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Subject: Estimated Median Family Incomes for Fiscal Year (FY) 2023

This memorandum transmits median family incomes for FY 2023. HUD uses the Section 8 program's Fair Market Rent (FMR) area definitions for its median family incomes, which means that HUD develops medians for each metropolitan area, parts of some metropolitan areas, and each nonmetropolitan county. For FY 2023, the geographic definitions incorporate all changes published by the Office of Management and Budget (OMB) through the September 14, 2018 bulletin.<sup>1</sup> HUD first implemented these changes through the calculation and publication of FY 2022 Fair Market Rents, issued August 6, 2021. See Section III of the *Federal Register* [notice](#) for a discussion of changes to metropolitan area definitions.

HUD uses the 2021 American Community Survey (ACS) and Puerto Rico Community Survey (PRCS) median family income data (as opposed to household income data) as the basis of FY 2023 median family incomes and income limits for all areas of geography, except for the U.S. Virgin Islands and Guam, American Samoa, and the Northern Mariana Islands (the Pacific Islands). HUD uses an inflation forecast from the Congressional Budget Office (CBO) in updating ACS estimates. For FY 2023, CBO has produced a forecast CPI of 303.948, which divided by the annual 2021 CPI of 270.971 is approximately 1.122 (a 12.2-percent increase).

HUD bases the median family incomes and income limits for the U.S. Virgin Islands and the Pacific Islands on 2020 Decennial Census data which is the most current information available. The decennial data for the U.S. Virgin Islands and the Pacific Islands reports 2019 median family incomes. HUD trends these incomes forward using the change in national median family incomes between 2019 and 2021 (from the ACS). HUD then applies the same CPI adjustment used in ACS areas from 2021 to fiscal year 2023.

HUD does not impose any limitations on the year-to-year change in an area's median family income. However, since 2010 HUD has limited the amount an area's low or very-low income limit as calculated from its median family income can increase or decrease. For FY 2023, an area's low or very low income limits may not increase by the greater of 5 percent or twice the annualized change

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<sup>1</sup> OMB Bulletin NO. 18-04

from ACS 2019 to ACS 2021 in the national median family income, which is 5.92 percent. The limitation on decreases in an area's low and very-low income limits remains 5 percent.

An explanation of the procedures used to develop FY 2023 median family incomes accompanies this notice. Attachment 1 provides state-level median family income estimates. The Section 8 Income Limits and income limits for the Section 221(d)(3) Below Market Interest Rate (BMIR) rental program, the Section 235 program, and the Section 236 program are not part of this transmittal notice, but are issued as separate notices.

Please note that the use of the HUD median family incomes is subject to individual program guidelines covering definitions of income and family, family size, effective dates, and other factors. If you have any questions concerning these matters, please refer them to our website at <http://www.huduser.gov/portal/datasets/il.html>.

HUD median estimates are also available at the Department's Internet site, which provides a menu from which you may select the year and type of data of interest <https://www.huduser.gov/portal/datasets/il.html>.

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Solomon J. Greene  
Principal Deputy Assistant Secretary for  
Policy Development and Research

Attachment

**ATTACHMENT**  
**FY 2023 Median Family Incomes for States,**  
**Metropolitan and Nonmetropolitan Portions of States**

Please see <https://www.huduser.gov/portal/datasets/il/il23/FY23-Median-Attachment-State-Medians.pdf>