



Rural Development

September 22, 2020

Housing Programs
Tennessee
State Office

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TO: Tennessee Rural Rental Housing Owners and Management Agents

RE: 2021 Management Fees
Rural Development Multi-Family Housing Properties

Dear Owners and Management Agents:

This is to advise you the present allowable management fee of \$54.00 will increase by \$2.00 to \$56.00 for Multi-family Housing properties in Tennessee. We are requesting that you prepare your 2021 budgets using the \$56.00 rate. The fee change has been posted to the Regulations website.

For proposed budgets, we recommend you budget the management fee based on 100 percent occupancy of revenue producing units. For actual budgets, the management fee should be based on the actual occupancy of revenue producing units achieved during the fiscal year.

We also encourage you to work closely with your Area Specialist when collecting and providing utility data. We understand there are some areas across the state that have excessive utility costs. If it is determined the THDA published utility rates are excessive, we request that you research and provide average costs that appear to be in line with actual utility rates at your property.

We appreciate your assistance and encourage you to contact the appropriate servicing office or the State Office if you have any questions.

DON HARRIS
Housing Program Director

Cc: Area Directors
Rural Development
Tennessee