



U.S. DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT
WASHINGTON, DC 20410-5000

OFFICE OF PUBLIC AND INDIAN HOUSING

Special Attention of:

Office Directors of Public Housing;
Regional Directors; Public Housing
Agencies

Notice PIH 2025-13

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Expires: This notice remains in effect until
amended, superseded, or rescinded.

Cross References:

PIH Notices: 2024-21, 2024-16, 2023-04,
2022-18, 2022-14, 2021-10, 2021-08, 2020-
04, 2020-01, 2019-08, 2019-01, 2018-12,
2018-09, 2017-06, 2015-17, 2013-28, 2011-
28

24 Code of Federal Regulations: §§
982.152(d), 982.155982.404(e)(3),
982.405(j), 982.635, 982.643, 983.51(f),
983.154(f), 983.156(c), 983.261

Statutes: Public Law 119-4, Public Law
118-42, Public Law 105-276, 42 U.S.C.
1437, 42 U.S.C. 5170 et seq., 44 U.S.C.
3501-3520, 18 U.S.C. §§ 287, 1001, 1010,
1012; 31 U.S.C. §3729, 3802

**Subject: Implementation of the Federal Fiscal Year (FFY) 2025 Funding Provisions for the
Housing Choice Voucher Program**

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I. Purpose

This notice implements the Housing Choice Voucher (HCV) program funding provisions of the Full-Year Continuing Appropriations and Extensions Act, 2025 (Public Law 119-4), referred to hereafter as “the 2025 Act,” enacted on March 15, 2025. The 2025 Act establishes the methodology for calculating and allocating housing assistance payments (HAP) renewal funds, new incremental vouchers, and administrative fees.¹

II. Summary

The HCV program is HUD’s largest rental assistance program. The 2025 Act provides program funding, which HUD allocates to PHAs in accordance with the Act as described in this notice. Table 1 summarizes the 2025 Act appropriations for the HCV program.

Table 1: Calendar Year 2025 Appropriations for the HCV Program

Funding Category	Amount
HAP Renewal Funding	\$31,937,624,000
HUD-Veterans Affairs Supportive Housing Program (VASH)	\$15,000,000
Family Unification Program (FUP)	\$30,000,000
Tenant Protection Vouchers (TPV)	\$337,000,000
HAP Set-aside	\$200,000,000
Mainstream Vouchers	\$742,941,000
Administrative Fees	\$2,770,935,000
Total Available CY 2025 Appropriations	\$36,033,500,000

III. Summary of Changes from Prior Year Notice

This year’s notice makes changes from [Notice PIH 2024-16](#), “Implementation of the Federal Fiscal Year (FFY) 2024 Funding Provisions for the Housing Choice Voucher Program.” While the content largely remains the same, the notice has been re-organized for readability and conciseness. Additionally, some policy changes have been made, including the following:

Housing Assistance Payments

- Due to significant shortfall projections, HUD has adjusted its HCV program reserves offset protections to protect only amounts up to 4, 6, or 12 percent of PHAs’ calculated 2025 renewal funding eligibility, for PHAs administering 500 or more, 250 to 499, or fewer than 250 authorized vouchers, respectively. That is typically the extent of the HCV program reserves offset protections. The associated appendix that in previous years detailed additional protections has been removed.
- The 2025 Act allows for the use of carryover amounts from the 2024 Appropriations Act for TPVs, Administrative Fees, HUD-VASH, and FUP for 2025 shortfall category needs under both the HAP Set-aside and the Mainstream Vouchers HAP

¹ The provisions implemented by this notice do not apply to renewal funding for the Emergency Housing Voucher (EHV) program, Moderate Rehabilitation or Single Room Occupancy, or Tribal HUD-VASH. No funding for the EHV program is provided under this notice. While Tenant-Based Rental Assistance (TBRA) funding is provided for Tribal HUD-VASH, the notice does not cover this program. Rather, guidance on the Tribal HUD-VASH program is provided separately by HUD’s Office of Native American Programs.

Set-aside.

- Policies related to shortfall have been updated for clarity and to incorporate policy changes made in [Notice PIH 2024-21](#), “HCV 2024 HAP Funding – Revised HAP Set-aside shortfall Funding Requirements.”
- To reflect changes brought about by the Housing Opportunity through Modernization Act (HOTMA), the HAP Set-aside category for Project-based Vouchers (PBV) has been updated.

Administrative Fees

- A new category of Special Fees for PHAs that transition Emergency Housing Voucher families to the regular HCV program has been created.
- The following Special Fees categories are no longer available:
 - Small area fair market rent (SAFMR) community of practice
 - Housing mobility planning funds²
 - Voluntary use of SAFMR-based exception payment standards
 - Funds to supplement prior year Foster Youth to Independence (FYI)/FUP awards

IV. Housing Assistance Payments

This section provides information on HAP for calendar year (CY) 2025, including the renewal calculation, HAP Set-aside, new voucher funding, Tenant Protection Vouchers (TPVs), Mainstream Vouchers, and policy reminders.

A. Renewal Calculation

To calculate each PHA’s renewal allocation for CY 2025, the 2025 Act requires HUD to re-benchmark renewal formula eligibility based on validated Voucher Management System (VMS) leasing and cost data for the prior CY (January 1, 2024 – December 31, 2024). The renewal provisions of the 2025 Act are provided in Appendix A, from the Consolidated Appropriations Act, 2024 (Public Law 118-42), as continued by the Full-Year Continuing Appropriations and Extensions Act, 2025 (Public Law 119-4).

Each PHA has received or will receive a funding letter with the individual PHA’s specific funding calculations attached. If a PHA has questions related to the calculations or this notice, the PHA should contact its Financial Analyst at the Financial Management Center (FMC).

HUD uses the following steps to calculate HAP renewal eligibility for all non-MTW PHAs (a description of HAP renewal for MTW Initial and Expansion PHAs is provided in subsections 1 and 2).

² One cohort of PHAs was awarded housing mobility planning funding in prior years, and HUD is working with those PHAs to complete plans. Under Notice PIH 2024-16, HUD reserved the ability to award Special Fees for housing mobility planning funding. HUD did not publish a notice outlining the process to make PHAs eligible for that category of Special Fees in CY 2024. Remaining Administrative Fees will be awarded in accordance with the process outlined in this Notice.

Step 1: Establish Funding Baseline

A new HAP funding baseline is established based on all validated leasing and cost data for calendar year 2024.³ This baseline may not exceed the unit months available (UMA) under the Annual Contributions Contract (ACC) in VMS for calendar year 2024.⁴

Step 2: Adjust for First-time Renewals

Allocations are adjusted for first-time renewals⁵ of some TPVs and special purpose vouchers (SPVs) such as HUD-VASH, FYI, and FUP vouchers for which the initial increment expires in calendar year 2025. For first-time renewal of increments not initially funded for 12 months, impacted PHAs' renewal funding allocation enclosures will indicate the amount of additional funding provided for calendar year 2025.

Step 3: Apply Renewal Funding Inflation Factor (RFIF)

After all adjustments under step 2 have been applied to the funding baseline established in step 1, HUD applies the RFIF to account for inflation. The [RFIF](#) is published by HUD's Office of Policy Development and Research.

Step 4: Proration Factor

HUD determines the total HAP renewal funding eligibility (steps 1-3) for all PHAs and compares that amount to the total HAP renewal funds available per the 2025 Act to determine a proration factor. This proration factor is then applied to each PHA's CY 2025 eligibility. A proration of less than 100 percent is applied if the nationwide eligibility exceeds the available HAP renewal funding. The CY 2025 proration factor for HCV is estimated to be 100 percent, although it is subject to change.

Step 5: Offset of Excess HAP Reserves

The 2025 Act provides that HUD may offset PHAs' CY 2025 allocations based on the excess amount of HAP reserves to include PHAs' restricted net position (RNP) and HUD-held program reserves (in accordance with VMS data in CY 2024 that is verifiable and complete), as determined by the Secretary. The 2025 Act further provides that the offset may be used to prevent the termination of rental assistance for families as the result

³ Leasing and cost data includes expenditures using abated and withheld HAP for moving expenses under 24 CFR 982.404(e)(3) and for homeownership assistance payments under 24 CFR 982.635 or 982.643.

⁴ In rare instances where vouchers were transferred from one PHA to another during the re-benchmarking period, the leasing and cost data of the PHAs will be adjusted to ensure that the leasing and costs represented by the transferred vouchers are properly accounted for in the eligibility determinations.

⁵ The reissuance of relocation TPVs (see section 6 of [Notice PIH 2018-09](#), "Implementation of the Federal Fiscal Year (FFY) 2018 Funding Provisions for the Housing Choice Voucher Program") and of vouchers originally issued to families under the Disaster Voucher Program/Disaster Housing Assistance Payments-IKE (DVP/DHAP-Ike) is not permitted. PHAs Consolidated ACC will be reduced by the number of DVP/DHAP-Ike vouchers and relocation TPVs that sunset in calendar year 2024. The calendar year 2024 costs associated with these units will also be reduced from the HAP funding baseline in Step 1: Establish Funding Baseline.

of insufficient funding, as determined by the Secretary, and to avoid or reduce the proration of renewal funding allocations.

HUD will perform an offset impacting a limited number of Moving to Work (MTW) Expansion PHAs and non-MTW PHAs for reallocation in CY 2025. Offsets will come from excess program reserves reconciled through December 31, 2024. Detailed calculations of the offsets will be provided to impacted PHAs in the renewal allocation enclosure. HUD will protect only amounts up to 4, 6, or 12 percent of PHAs' calculated 2025 renewal funding eligibility, for PHAs administering 500 or more, 250 to 499, or fewer than 250 authorized vouchers, respectively.

1. MTW Initial PHAs

The 39 MTW Initial Agencies' renewal funding is determined pursuant to their Standard MTW Agreements and appropriations requirements. HUD is directed by the 2025 Act to apply the same proration factor to the HCV HAP renewal allocations for MTW Initial PHAs as is applied to all other PHAs. The MTW Initial PHAs may utilize their funds in accordance with their Standard MTW Agreements.

2. MTW Expansion PHAs

HAP renewal funding eligibility for MTW Expansion PHAs will be calculated based on their actual expenses for the previous calendar year (known as the re-benchmark year). Consistent with the provisions of the [MTW Operations Notice](#), MTW Expansion PHAs' actual expenses include: 1) the previous CY's HAP expenses reported in VMS, and 2) the previous CY's eligible non-HAP MTW expenses reported in VMS. For both HAP and non-HAP MTW expenses, the reported expenses must have been paid from an eligible source of funds as described in paragraph 5(b)(iii)(c) of the MTW Operations Notice to be included in the HAP renewal funding baseline.

In addition, MTW HAP renewal funding is subject to an MTW renewal eligibility cap derived from the number of units authorized under the MTW Expansion PHA's Annual Contributions Contract (ACC), as described in paragraph 5(b)(iii)(d) of the MTW Operations Notice. Except in those cases described in the next paragraph, the lower of the total combined HAP and non-HAP expenses or the MTW renewal eligibility cap will then be adjusted by the RFIF and any national HCV renewal proration factor to determine the MTW Expansion PHA's actual CY HAP renewal funding.

In cases where the PHA's actual 2024 HAP expenses alone (excluding non-HAP expenses and any HAP expenses attributable to over-leased units where applicable) exceed the MTW renewal eligibility cap, HUD will use the actual HAP expenses instead of the MTW renewal eligibility cap as the baseline for calculating the PHA's 2025 renewal funding eligibility.⁶ This adjustment is to ensure that HUD's policy is consistent with the statutory requirement that the amount of HCV assistance is not diminished by the PHA's participation in the MTW demonstration.

⁶ [Operations Notice for the Expansion of the Moving to Work Demonstration Program Technical Revisions](#), 90 FR 13189.

Additional information and examples can be found within the MTW Operations Notice. MTW Expansion PHAs are subject to offset based on the same methodology as HUD applies to non-MTW agencies. MTW Expansion PHAs may utilize their funds in accordance with the MTW Operations Notice.

B. HAP Set-aside

1. Overview, Application, and Award Process

The 2025 Act provides up to \$200,000,000 for the HAP Set-aside, under which HUD makes available additional funding to PHAs beyond their HAP renewal calculation. There are nine categories for HAP Set-aside. The order in which categories are presented does not reflect priority. PHAs may apply for more than one category of funding and the funding provided within categories 2-9 does not impact the award amount of the other categories (applicable only to categories 2-9). Mainstream Vouchers are not eligible for the HAP Set-aside funding described in this section; however, Mainstream Vouchers are eligible to apply for the \$10 million Mainstream Vouchers HAP Set-aside described in section IV, subsection E, 2. Emergency Housing Vouchers (EHVs) are not eligible for any HAP Set-aside categories.

PHAs must apply for each HAP Set-aside category using the instructions in this section and the applicable application appendices. PHAs must apply by the deadline listed in Table 2. Further application instructions follow Table 2.

Table 2: HAP Set-aside Categories, Deadlines, and Application Links

HAP Set-aside Category	Deadline	Application Link
Category 1: Prevention of Terminations Due to Insufficient Funding (shortfall)	Friday, January 30, 2026 no later than 5 pm local time	Category 1 Application
Category 2: Unforeseen Circumstances	Friday, June 27, 2025 no later than 5 pm local time	Category 2 Application
Category 3: Portability	Friday, June 27, 2025 no later than 5 pm local time	Category 3 Application
Category 4: Project-based Vouchers	Friday, June 27, 2025 no later than 5 pm local time	Category 4 Application
Category 5: MTW Expansion PHAs Development Adjustment	Friday, June 27, 2025 no later than 5 pm local time	Category 5 Application
Category 6: HUD-VASH	Friday, September 26, 2025 no later than 5 pm local time	Category 6 Application
Category 7: Lower-than-average Leasing	N/A	N/A
Category 8: Disaster	Friday, December 19, 2025 no later than 5 pm local time	Category 8 Application
Category 9: Non-life Threatening Inspection Withheld HAP	Friday, June 27, 2025 no later than 5 pm local time	Category 9 Application

All requests must be submitted through DocuSign, which is an online electronic document management platform. PHAs must complete all fields within the applicable DocuSign form, as

well as provide all required documentation and calculations, as applicable. Incomplete requests, requests received after the deadline, and requests not submitted through DocuSign will not be considered. PHAs are encouraged to review detailed [DocuSign instructions](#), including a video tutorial, on the HAP Set-aside application process.

PHAs are urged to confirm application data and attachments for completeness and accuracy prior to submission to avoid having to resubmit applications, per instructions and/or requirements provided within each category's application appendix. If more than one application is submitted by a PHA for a specific category, the system will automatically overwrite older applications and keep the most recent application received. Only the last application received by the deadline date will be reviewed.

Failure to provide any of the required documents and information within DocuSign as instructed will result in denial of the application. Please be aware that DocuSign will not process applications without signatures; therefore, HUD will not receive them for review. Upon a successful submission, Executive Directors will receive a confirmation email from the DocuSign system within the same day as the submission.

Awards will be made to eligible PHAs in accordance with need, as determined by HUD, following an application by the PHA as described throughout this section of the notice. HUD has the authority to provide adjustments to PHAs' allocation for all HAP Set-aside categories. Awards could be reduced, in whole or in part, if PHAs have available reserves (RNP and HUD-Held Program Reserves) above a reasonable threshold, as determined by the Secretary, or prorated if the \$200 million is insufficient to cover all awards, or both. Additionally, HUD reserves the right to fund one, some, or all categories. HUD reserves the right to prioritize categories with the greatest need and prorate the remaining categories depending on the amount of funds remaining.

HAP Set-aside funding awarded to the PHA is specific to either regular HCVs or Mainstream Vouchers and may not be used interchangeably by the PHA. For example, shortfall funding awarded for Mainstream Vouchers may not be used for regular HCVs. HUD will indicate the specific amount and the type of voucher the funding is designated for in the award letter.

Reporting and recording of awarded HAP set-aside are included as part of the PHA's HCV administrative financial records under Assistance Listing 14.871.

HAP Set-aside application links through DocuSign will be active on June 2, 2025. All award announcements will be made via email.

a. Category 1: Prevention of Terminations Due to Insufficient Funding (Shortfall)

HAP Set-aside Category 1: Prevention of Terminations Due to Insufficient Funding (shortfall) is for PHAs that, despite taking reasonable cost savings measures as determined by the Secretary, would otherwise be required to terminate participating families from the program due to insufficient funds, also known as funding shortfalls. This category may also be funded in whole

or in part through the offset described in section IV, subsection A, step 5, but the requirements, application process, and appendices of this notice apply regardless of the funding source, and use of the term “\$200,000,000 HAP Set-aside.” The 2025 Act allows for the use of carryover amounts from the 2024 Appropriations Act for TPVs, Administrative Fees, HUD-VASH, and FUP, for the shortfall category under the 2025 HAP Set-aside.

Depending on the number of applications and amount of total eligibility, HUD may prioritize awards for Category 1: Prevention of Terminations Due to Insufficient Funding (shortfall) and may not fund or may need to prorate eligibility for other categories of the HAP Set-aside.

PHA Eligibility: A PHA must be determined by HUD to be in shortfall for the HCV program to be eligible for this category.⁷ In determining a PHA’s shortfall for HCV and the amount of funding to be provided under this category, HUD will use the [HCV Two-Year Projection Tool](#). PHAs should refer to Appendix B of the notice, which provides the criteria HUD will use to determine if the PHA has a HUD-confirmed shortfall, the policies associated with PHAs in shortfall, and the calculation of the shortfall amount.

Application and Award Process: PHAs must complete and sign the application for Category 1: Prevention of Terminations Due to Insufficient Funding (shortfall) by the deadline and through the DocuSign link provided in Table 2.⁸ An example of the application is in Appendix C.

PHAs that are awarded HAP Set-aside funds based on their current HAP costs and find additional funding is needed later in the year do not need to reapply to receive additional funding. The Shortfall Prevention Team (SPT) will automatically determine the PHA’s eligibility for additional funding and HUD will provide additional funding in accordance with its established HAP Set-aside funding priorities and available funding. PHAs that have concerns about potential shortfalls should be in contact with the HUD Field Office or SPT, regardless of whether they are currently in a shortfall situation.

b. Category 2: Unforeseen Circumstances

HAP Set-aside Category 2: Unforeseen Circumstances is for PHAs that experience an unforeseen circumstance within or after the re-benchmarking period that the PHA could not reasonably have anticipated and was out of the PHA’s control.

PHA Eligibility: The 2025 Act provides that the PHA must experience a significant HAP cost increase, as defined by the Secretary. HUD is establishing the following criteria for significant cost increase to be eligible for this category of funding:

- The PHA’s latest validated 2025 per unit cost (PUC) per VMS must exceed the PUC

⁷ PHAs with specific questions related to the calculation and determination of a HUD-confirmed shortfall should contact the Shortfall Prevention Team (SPT) at: ShortfallInquiries@hud.gov. The subject line of the email should include the PHA’s number (for example, TX001).

⁸ Instructions detailing the DocuSign application process as well as a link to the video tutorial on this process, can be accessed by clicking on the following link: [HCV HAP Set-aside Applicant DocuSign Instructions](#).

HUD used to determine the PHA's CY 2025 renewal funding (the CY 2025 Renewal PUC) by two percent or more.

HUD will use the most recent validated VMS data available at the time of calculation to calculate PHA eligibility. PHAs with two months or more of reserves will not be considered for funding under this category at this time.

Application and Award Process: PHAs must complete and sign the application for Category 2: Unforeseen Circumstances by the deadline and through the DocuSign link provided in Table 2.⁹ An example of the application is in Appendix D.

For PHAs (both Non-MTW and MTW Initial and Expansion), the funding award amount will be calculated as follows, using the most recent validated VMS data available:

- HUD determines the difference between the increased PUC and the PHA's CY 2025 HAP renewal PUC.
- The increased PUC is calculated by dividing total HAP costs by unit months leased (UMLs) for the most recent month.
 - For non-MTW PHAs, the HCV CY 2024 HAP renewal PUC is located in the 2025 HCV renewal Enclosure A, line 29, described as CY 2025 Inflated Per Unit Cost.
 - For MTW Expansion PHAs, the HCV CY 2025 HAP renewal PUC is located in the 2025 HCV renewal Enclosure A, line 31, described as CY 2025 Inflated Per Unit Cost.
 - For MTW Initial PHAs, the PUC information is located by the prorated eligibility amount on the PHA's renewal enclosure.
- The difference is then multiplied by the PHA's most recent month's UMLs and then by the remaining months in 2025 to determine the total funding amount.

An example of this calculation is in Table 3. In this example, the PHA's PUC increased 23 percent, which meets the eligibility criteria for application review due to significantly increased costs. The PHA is eligible for \$142,500.

Table 3: Example Calculation for Unforeseen Circumstances HAP Set-aside Award

Step	Action	Amount	Notes
1	Most recent month's PUC (in this example, July's PUC)	\$500	HUD will use the most recent validated month of VMS reporting
2	PHA's CY 2025 PUC (2025 HCV Renewal Enclosure A, line 29 for non-MTW PHAs and line 31 for MTW Expansion PHAs, described as CY 2025 Inflated Per Unit Cost)	\$405	MTW Initial PHA renewal enclosures have a different format. PUC information can be found by the prorated eligibility amount.

⁹ Instructions detailing the DocuSign application process as well as a link to the video tutorial on this process, can be accessed by clicking on the following link: [HCV HAP Set-aside Applicant DocuSign Instructions](#).

Step	Action	Amount	Notes
3	Difference between the PUCs	\$95	
4	Is the difference between the 2 PUCs 2% or more than the CY 2025 PUC (Line 1 divided by Line 2, must be greater than 1.02)?	23%	
5	Most recent month's unit months leased	300	HUD will use the most recent validated month of VMS reporting
6	Unit months leased (Line 5 * 5 Months)	1,500	Multiplied by the number of months remaining in CY 2025.
7	Total Request/Eligibility (Line 3 * Line 6)	\$142,500	

c. Category 3: Portability

HAP Set-aside Category 3: Portability is for PHAs that experience a significant increase in HAP renewal costs due to portability.

PHA Eligibility: To be eligible for funding under this category, the PHA must have experienced a significant increase in renewal costs due to portability for tenant-based rental assistance under Section 8(r) of the U.S. Housing Act of 1937.

To determine eligibility, HUD will compare the average HAP PUC for the re-benchmarking period (January 1, 2024 to December 31, 2024) to the average Port-out Vouchers HAP PUC based on year-to-date reporting in the Inventory Management System (IMS)/Public and Indian Housing Information Center (PIC)¹⁰ as of March 28, 2025. The difference between the portability average PUC and 110 percent of the program-wide average PUC is multiplied by the year-to-date total UMLs for the “Port Vouchers Paid” reported in IMS/PIC, extrapolated to 12 months. If the portability average HAP exceeds 110 percent of the HCV program-wide average HAP PUC for the re-benchmarking period, the PHA will be eligible under this category.

Application and Award Process: PHAs must complete and sign the application for Category 3: Portability by the deadline and through the DocuSign link provided in Table 2.¹¹ An example of the application is in Appendix E.

d. Category 4: Project-based Vouchers

HAP Set-aside Category 4: Project-based Vouchers is for PHAs, including MTW PHAs, that withheld vouchers from use during the CY 2024 re-benchmarking period to meet a commitment for Project-based Vouchers (PBV) to make an adjustment to account for those units.

¹⁰ HUD is in the process of transitioning from IMS/PIC to the Housing Information Portal (HIP), which will replace IMS/PIC. At such time that HIP is available, HUD will use information from that system rather than IMS/PIC. This applies to all IMS/PIC references in this notice.

¹¹ Instructions detailing the DocuSign application process as well as a link to the video tutorial on this process, can be accessed by clicking on the following link: [HCV HAP Set-aside Applicant DocuSign Instructions](#).

PHA Eligibility: To be eligible for funding under this category, a PHA must show that vouchers were withheld from use during the CY 2024 re-benchmarking period to be available to meet a commitment for PBV assistance under Section 8(o)(13) of the U.S. Housing Act of 1937. In previous years, eligibility for this category was tied to vouchers withheld under a PBV Agreement to Enter into a HAP Contract (AHAP) for newly constructed or rehabilitated housing. However, as of June 6, 2024, under 24 CFR 983.154(f), PHAs are no longer required to use an AHAP for such projects. Therefore, adjustments may now apply to vouchers withheld pursuant to either an AHAP or a notice of selection under 24 CFR 983.51(f) for newly constructed or rehabilitated housing. Adjustments do not apply to existing housing, as there is no waiting period for existing housing PBV commitments and accordingly, there is no need to withhold vouchers for such commitments. Adjustments will not be made under any circumstances for units under an AHAP commitment or notice of selection that, when added to units under lease for CY 2024, exceed the PHA's baseline units under ACC for CY 2024. (The PHA would not have been able to lease those withheld vouchers during CY 2025 due to the restriction on over-leasing.) As for all HAP Set-aside categories, EHV's and Mainstream Vouchers are not eligible for funding under this category. RAD PBV units are not eligible under this category either.

To be eligible for HAP Set-aside funding, the HAP contract must be executed within CY 2025. If the HAP Contract has not been executed by the application submission date, the PHA must state when the HAP contract will be executed.

Application and Award Process: PHAs must complete and sign the application for Category 4: Project-based Vouchers by the deadline and through the DocuSign link provided in Table 2.¹² An example of the application is in Appendix F.

e. Category 5: MTW Expansion PHAs Development Adjustment

HAP Set-aside Category 5: MTW Expansion PHAs Development Adjustment is for eligible MTW Expansion PHAs that can demonstrate a need for adjustment funding. MTW Expansion PHAs may receive this adjustment for an MTW-eligible commitment/activity to develop affordable housing that is not a PBV commitment. For PBV commitments, MTW Expansion PHAs should apply under Category 4 above.

PHA Eligibility: Only MTW Expansion PHAs are eligible under this category. The PHA must have received their MTW designation prior to the date of obligation and demonstrate funds were obligated by the PHA, but not expended during CY 2024, and provide supporting documentation that the obligated funds are for an MTW-eligible commitment/activity for the development of affordable housing. "MTW designation" is defined as the date the MTW Expansion PHA's MTW ACC Amendment is fully executed. The date of MTW ACC Amendment execution is the date that HUD countersigns the MTW ACC Amendment.

Adjustments only apply to obligations made and not expended in CY 2024 and support planned expenditures in CY 2025. As for all HAP Set-aside categories, EHV's and Mainstream Vouchers are not eligible for funding under this category. RAD PBV units are not eligible under this

¹² Instructions detailing the DocuSign application process as well as a link to the video tutorial on this process, can be accessed by clicking on the following link: [HCV HAP Set-aside Applicant DocuSign Instructions](#).

category either.

Application and Award Process: MTW Expansion PHAs must complete and sign the application for Category 5: MTW Expansion PHAs Development Adjustment by the deadline and through the DocuSign link provided in Table 2.¹³ An example of the application is in Appendix G.

Eligible applications will be funded at the lower of the requested amount and the delta between the PHA's 2025 renewal eligibility based on the re-benchmarking formula, and the CY 2025 maximum renewal eligibility based on total authorized units at the inflated PUC. These two totals are provided within Renewal Funding Enclosures, Line 20 in the CY 2024 Renewal Funding Enclosure and Line 16 of the CY 2025 Renewal Funding Enclosure, respectively. Awards will be capped at \$2,500,000 per PHA. Finally, for PHAs submitting obligations for more than one project, the adjustment per project may receive a proration if the total funding adjustment for the PHA exceeds the delta and/or cap.

f. Category 6: HUD-VASH

HAP Set-aside Category 6: HUD-VASH is for PHAs that administer HUD-VASH vouchers and can demonstrate a need for adjustment funding.

PHA Eligibility: Only PHAs that administer HUD-VASH are eligible under this category. The PHA can demonstrate eligibility in one of two ways:

PUC Increase

For PHAs whose current HUD-VASH PUC per the most recent month's VMS reporting is higher than their CY 2025 HUD-VASH funded HAP PUC. HUD will calculate eligibility under this category.

Eligibility is determined by comparing the average VMS reported HUD-VASH PUC for the current year (through the latest month for which data has been reported at the time of calculation) to the CY 2025 HUD-VASH funded HAP PUC, then multiplying the difference between the PUCs by the funded UMLs.

Leasing Increase

For PHAs whose total HUD-VASH leasing for CY 2025 will exceed the leasing level included in their renewal funding, plus the leasing that will be supported by the RNP and HUD-Held Program Reserves, HUD will calculate eligibility under this category.

Eligibility is determined by adding UMLs for all the CY 2024 validated VMS data available to a projection for the remainder of the CY and comparing that total to the initial funded HUD-VASH UMLs (limited to 100 percent of the PHA's UMAs), then multiplied by the CY 2025 PUC.

¹³ Instructions detailing the DocuSign application process as well as a link to the video tutorial on this process, can be accessed by clicking on the following link: [HCV HAP Set-aside Applicant DocuSign Instructions](#).

Application and Award Process: PHAs must complete and sign the application for Category 6: HUD-VASH by the deadline and through the DocuSign link provided in Table 2.¹⁴ An example of the application is in Appendix H.

g. Category 7: Lower-than-average Leasing

Due to anticipated Category 1: Prevention of Terminations Due to Insufficient Funding (shortfall) funding needs, HUD does not expect to have any available HAP Set-aside funding for the Lower-than-average Leasing category. As a result, HUD will not review applications for funding under this category in CY 2025.

h. Category 8: Disaster

HAP Set-aside Category 8: Disaster is for PHAs that have experienced increased costs or loss of units in an area for which the President declared a disaster under title IV of the Robert T. Stafford Disaster Relief and Emergency Assistance Act (42 U.S.C. 5170 et seq.) in CY 2024 or CY 2025.

PHA Eligibility: To be eligible for funding under this category, the PHA must have experienced increased costs or loss of units in an area for which the President declared a disaster under title IV of the Robert T. Stafford Disaster Relief and Emergency Assistance Act (42 U.S.C. 5170 et seq.) in CY 2024 or CY 2025. The funding provided through this category will address the impact disasters have had on CY 2025 expenses. There are two ways the PHA can be eligible under this category:

- **Loss of Units Due to Disaster**
 - This adjustment is provided to assist the PHA in increasing the number of families under lease, not to exceed 100 percent of the PHA's authorized units, to help address housing needs in the impacted community. HUD will use the most recently reported and validated month's VMS data to determine the number of units currently under lease. HUD will use the higher of: (1) the PHA's most recently reported and validated month's VMS data or (2) the three-month average for the most recent reported and validated VMS data to determine the PUC to calculate the funding adjustment. However, if the PHA requests and HUD approves the PHA's request for an increased PUC, the approved PUC will be used to calculate the increased leasing adjustment, as well as to make the increased PUC adjustment for the PHA's HCV program as a whole.
- **Increased Costs**
 - The PHA may request an adjustment for a higher PUC. The requested PUC must be higher than the higher of the most recent reported and validated PUC in VMS or the most recent three-month average reported and validated in VMS. The requested adjustment must be supported by documentation that the PHA is required to include with their application. For example, the PHA may provide

¹⁴ Instructions detailing the DocuSign application process as well as a link to the video tutorial on this process, can be accessed by clicking on the following link: [HCV HAP Set-aside Applicant DocuSign Instructions](#).

data supporting the higher requested PUC by providing IMS/PIC data for recent new admissions and/or recent movers or other data supporting its request for a funding adjustment.

Application and Award Process: PHAs must complete and sign the application for Category 8: Disaster by the deadline and through the DocuSign link provided in Table 2.¹⁵ An example of the application is in Appendix I.

i. Category 9: Non-life Threatening Inspection Withheld HAP

HAP Set-aside Category 9: Non-life Threatening (NLT) Inspection Withheld HAP¹⁶ is for PHAs that have withheld HAP during the CY 2024 re-benchmarking period as part of their implementation of the NLT inspection option under Section 8(o)(8)(A)(ii) of the U.S. Housing Act of 1937 and to make an adjustment to account for HAP payments that were subsequently paid after the re-benchmarking period.¹⁷

PHA Eligibility: To be eligible for funding under this category, a PHA must have adopted the NLT Inspection option within its Administrative Plan and withheld HAP in CY 2024. The PHA must demonstrate that after January 22, 2025, when HUD established the PHA's HAP renewal funding baseline to calculate the CY 2025 renewal allocation (Step 1 described in section IV, subsection A, of this notice), the PHA subsequently paid the owner housing assistance payments that were withheld during CY 2024 in accordance with the requirements of the NLT initial inspection option.

Because these HAP costs that were withheld under the NLT inspection option in CY 2024 and paid retroactively after HUD established the PHA's HAP renewal baseline for the CY 2024 renewal allocation are not currently reflected in the PHA's renewal funding, the PHA is eligible for a funding adjustment under this HAP Set-aside category.

To be eligible, PHAs must enter their HAP expense amounts for NLT Inspection Withheld HAP in VMS. For entries made after January 22, 2025 the PHA must include a Prior Month Correction (PMC) in the month which the HAP expense was incurred. Additionally, the PHA must enter a comment into the "Comments" field located in the "Expense/Comments" tab. The comment will reflect the amount of the HAP expenses entered. Examples of PMC comments include:

Example 1: NLT withheld HAP expenses for July 2024 is \$1,000 (this would be entered in the July 2024 Comments field)

Example 2: NLT HAP expenses for November 2024 is \$1,250 (this would be entered in the November 2024 Comments field)

¹⁵ Instructions detailing the DocuSign application process as well as a link to the video tutorial on this process, can be accessed by clicking on the following link: [HCV HAP Set-aside Applicant DocuSign Instructions](#).

¹⁶ The 2025 Act specifies that this adjustment is for retroactive payments under the NLT initial inspection option. Accordingly, a retroactive payment that a PHA may have made under any other circumstance is not covered and the PHA is not eligible to apply for HAP Set-aside funding to cover that retroactive payment.

¹⁷ For detailed guidance on the NLT initial inspection option, please see 24 CFR 982.405(j)

In calculating the amount of HAP funding for which the PHA is eligible, HUD will adjust the retroactive HAP amount identified by the PHA by the applicable RFIF and the proration factor used to determine the PHA's CY 2025 renewal allocation in section IV, subsection A, steps 3 and 4 of this notice.

Application and Award Process: PHAs must complete and sign the application for Category 9: Non-life Threatening Inspection Withheld HAP by the deadline and through the DocuSign link provided in Table 2.¹⁸ An example of the application is in Appendix J.

HUD will confirm that the prior month corrections entered into VMS match the information provided by the PHA.

C. HAP Funding for New Vouchers

The 2025 Act provides HAP funding for new incremental vouchers for HUD-VASH and FUP. The details of these new incremental vouchers and associated HAP funding are described in this section.

1. HUD-VASH

The 2025 Act provides \$15,000,000 for the HUD-VASH program. Of the \$15,000,000 total, \$5,000,000 will be used for new incremental HUD-VASH vouchers, and \$10,000,000 will be made available for administrative fees and other HUD-VASH program costs. The \$5,000,000 in new incremental funding will be added to the approximately \$29 million available from prior year funding for a total of approximately \$34 million to be made available for PHAs in 2025. As provided by the 2025 Act, vouchers will be awarded based on geographic need and PHA administrative performance. HUD will issue comprehensive guidance on both the 2025 HUD-VASH voucher allocation and the HUD-VASH administrative funding at a later date. All PHAs are responsible for tracking new units and funding for SPVs, such as HUD-VASH vouchers, to include new incremental vouchers and renewals. HUD-VASH funds can only be used for the intended purposes and are not subject to MTW fungibility provisions.

2. Family Unification Program

The 2025 Act provides \$30,000,000 for new incremental voucher assistance for the FUP. Of this amount, HUD plans to award \$5,000,000 for FUP through the FY2024 FUP Notice of Funding Opportunity (NOFO) (FR-6800-N-84).¹⁹ The remaining \$25,000,000 is limited to use on behalf of FUP-eligible youth under the FYI initiative. In accordance with the 2025 Act, HUD will make these FYI funds available on a non-competitive basis under [Notice PIH 2023-04](#) or any subsequent notice.

¹⁸ Instructions detailing the DocuSign application process as well as a link to the video tutorial on this process, can be accessed by clicking on the following link: [HCV HAP Set-aside Applicant DocuSign Instructions](#).

¹⁹ HUD reserved the right to fund applicants to the FY2024 FUP NOFO using FY 2025 funds to the extent Congress provided funding for new incremental voucher assistance under the Family Unification Program (FUP) authorized under Section 8(x) of the U.S. Housing Act of 1937 (42 U.S.C. 1437f(x)).

The 2025 Act also provides that any PHA administering voucher assistance appropriated in a prior Act under the FUP, or competitively under the 2025 Act, that determines that it no longer has an identified need for such assistance upon turnover, shall notify the Secretary, and the Secretary shall recapture such assistance from the agency and reallocate it to any other PHA(s) based on need for FUP voucher assistance. This includes assistance made available under the FYI initiative. In addition, HUD will review PHAs' utilization of any non-competitive amounts and awards and will recapture and reallocate any unused amounts in accordance with the 2025 Act. HUD will implement these provisions through guidance at a later date.

All PHAs are responsible for tracking new units and new funding for SPVs. FUP funds, including those made available under the FYI initiative, can only be used for the intended purposes and are not subject to MTW fungibility provisions.

D. Tenant Protection Vouchers

1. Definition

TPVs are provided to protect HUD-assisted families from hardship as the result of a variety of actions that occur in HUD's Public Housing (Low-Rent), Multifamily Housing portfolios, and Moderate Rehabilitation properties.²⁰ Therefore, if the PHA applies for and is awarded replacement TPVs, it must offer the replacement TPVs in the form of tenant-based assistance (or as project-based assistance for certain conversion actions) to eligible families impacted by the conversion.²¹ While the PHA is required to offer the replacement TPV to the eligible impacted family, in the context of Public Housing conversions, the PHA has discretion, at the time of the TPV offer, to inform all families that the family is not required to accept the TPV, and that, if the family chooses, at the family's sole discretion, not to accept the TPV, the PHA intends to offer the family another form of housing.

HUD's current policy also provides replacement TPVs for vacant units that were occupied by an assisted family in the previous 24 months. However, depending on demand and funding availability, HUD may subsequently suspend the allocation of replacement TPVs for vacant units, or may reduce the initial increment term and associated funding to cover a period that is less than 12 months. These actions, if necessary, would only apply to future TPV funding allocations. HUD will inform PHAs in writing should any of these cost-saving measures need to be implemented.

2. Funding

The 2025 Act provides \$337 million for TPVs.

²⁰ TPV allocations qualify as either "replacement" or "relocation" vouchers. TPV allocations for relocation vouchers must only be used by the family impacted by the conversion action and not for vacant units. For information on replacement and relocation TPV allocations, see Section 6 of Notice PIH 2018-09.

²¹ This statement supersedes the last sentence in footnotes 5 and 6 of Notice PIH 2018-09, which stated that a PHA cannot offer impacted residents another form of comparable housing (i.e., another public housing unit, a RAD unit) if it applies for and receives TPVs for the Public Housing action.

3. Continued Applicability of Notice PIH 2018-09

The programmatic and policy guidance in Section 6 of Notice PIH 2018-09 continues to apply to TPVs except as specifically revised in section IV, subsection D, 1 and 2 of this notice or a superseding TPV notice.

4. Eligibility for Replacement TPVs (Vacant Units)

Under Notice PIH 2018-09, replacement TPVs were only provided for occupied units.²² As in CY 2024, this policy is revised for purposes of the CY 2025 funding available under this notice so that, in addition to providing replacement TPVs for occupied units, HUD will also provide replacement TPVs for vacant units that were occupied by an assisted family within the previous 24 months that are no longer available as assisted housing (although, as discussed in subsection D, 1 above, HUD may subsequently need to suspend this policy). The examples below demonstrate how this policy works:

- ***For Public Housing actions***, vacant units that were occupied by an assisted family within the previous 24 months from the time of the Special Application Center (SAC) approval or the Choice Neighborhoods Initiative award date. For example: on February 1, 2024, PHA A was approved for demolition/disposition of 25 public housing units. Of the 25 units in property A, 5 units were last occupied on February 1, 2022. The remainder of the units continue to be occupied. Replacement TPV funding may be provided for all 25 units (vacant and occupied) because the 5 vacant units were last occupied within 24 months from the SAC approval.
- ***For Multifamily Housing actions***, vacant units that were occupied within the previous 24 months from the eligibility event. For example: on February 1, 2024, the prepayment of a section 236 mortgage in property A triggered eligibility for TPVs. Of the 25 units in property A, 5 were last occupied on February 1, 2022. The remainder of the units continue to be occupied. Replacement TPV funding may be provided for all 25 units (vacant and occupied) because the 5 vacant units were last occupied within 24 months from the eligibility event.

5. TPV Set-aside

The 2025 Act provides that no less than \$5,000,000 of the \$337 million appropriated for TPVs may be set aside to provide TPVs to certain at-risk households in low-vacancy areas. HUD has determined that since the law has not changed, the terms and conditions of [Notice PIH 2019-01/H-2019-02](#), “Funding Availability for Set-aside Tenant Protection Vouchers” will apply to 2025 TPV Set-aside funds.

6. Funding

HUD calculates TPV funding for all eligible TPV actions based on the average PUC in the

²² This policy also applied for certain prior year funding, per [Notices PIH 2019-08](#), [2020-04](#), [2021-10](#), and [2022-14](#).

PHA's HCV program.²³ If the PHA administering the TPVs has concerns regarding the sufficiency of the TPV funding based on its average PUC, the PHA can request an upfront increased PUC along with the TPV funding application or request higher TPV funding after the PHA has already submitted the TPV funding application. In either case, the PHA must justify the requested increase by providing evidence of rent amounts that result in higher HAP costs and a justification explaining that the rents are reasonable.²⁴ At a minimum, the PHA must submit its rent reasonableness analysis and a budget authority gap analysis that includes the following data:

- Unit Type/Bedroom Size
- Count of Units by Type/Bedroom Size
- Contract Rent
- Utility Allowance (if owner paid)
- Monthly Total (Contract Rent + Utility Allowance)
- Resident Rent
- Monthly/Annual Subsidy Need by Unit and Property

Prior to CY end, the PHA must submit requests for TPV funding adjustments by email to the PHA's Portfolio Management Specialist at the HUD PIH Field Office, with a copy to the Field Office's Public Housing Director. If the PHA does not know their assigned Portfolio Management Specialist, the PHA may email the Field Office's Public Housing Director for assistance. HUD will not accept requests for TPV PUC increases after December 31, 2025.

Once the Field Office receives the PHA's request, it will review it to confirm that actual or projected subsidy costs are appropriately calculated and may follow up with the PHA if additional information is needed. If the Field Office determines that the increased PUC is appropriate, they will notify the HCV Financial Management Division of the revised need via a Field Office memo. The Field Office emails this memo, along with the PHA's supporting documentation (and the TPV funding application, if applicable), to PIHConversionActions@hud.gov.

The following additional requirements apply when a PHA is submitting a request for increased TPV funding subsequent to the TPV award:

- The following additional information must be submitted with the request:
 - Monthly/annual subsidy provided in the TPV award
 - ACC letter reflecting the TPV award.
- PHAs can apply for higher PUCs during the time of their initial funding increment. The effective date for TPV increments is provided in the amended ACC letter sent from the FMC to PHAs. Once the initial funding increment is renewed, no additional PUC will be provided.

Note that all additional TPV funding is subject to available appropriations. Questions concerning

²³ The information provided in this section applies to all TPV actions, including those in the Public Housing and Multifamily Housing portfolios.

²⁴ Rent reasonable requirements are found in regulation at 24 CFR 982.507 and 24 CFR 983.303, as applicable. Rent reasonableness guidance may be found in the [Rent Reasonableness Chapter of the HCV Guidebook](#).

the TPV adjustment process described above may be sent to PIHConversionActions@hud.gov.

E. Mainstream Vouchers

Mainstream Vouchers are special purpose vouchers for non-elderly persons with disabilities that generally are subject to the requirements in Section 8(o) of the U.S. Housing Act of 1937 and 24 CFR 982. However, funding and reporting for Mainstream Vouchers is separate from the HCV program. This section describes the funding provisions related to Mainstream Vouchers.

1. HAP Renewals

The 2025 Act provides \$742,941,000 for renewal funding and administrative fees for Mainstream Vouchers. Renewal funding eligibility will be based on validated Mainstream Voucher leasing and HAP expenses reported in VMS for the period January 1, 2024, to December 31, 2024. Then, HUD applies the RFIF to account for inflation. PHA funding for Mainstream Voucher units includes calendar year eligibility and HUD-held Mainstream Vouchers reserves. The CY 2025 proration factor for Mainstream Vouchers is estimated to be 93 percent, although it is subject to change.

As with the regular voucher program, PHAs may not over-lease for the CY. (See section IV, subsection F, 3, below, for more information on over-leasing.) As in previous appropriations Acts, the 2025 Act further clarifies that all existing Mainstream Vouchers assistance shall be provided to non-elderly persons with disabilities upon turnover.²⁵

All PHAs are responsible for tracking new units and new funding for SPVs, including Mainstream Vouchers. Mainstream Vouchers funds can only be used for the intended purposes and are not subject to MTW fungibility provisions.

2. Mainstream Vouchers HAP Set-Aside

The 2025 Act provides up to \$10 million for the Mainstream Vouchers HAP Set-aside, which provides additional funding to PHAs beyond their HAP renewal calculation for Mainstream Vouchers. Additionally, the 2025 Act allows for the use of carryover amounts from the 2024 Appropriations Act for TPVs, Administrative Fees, HUD-VASH, and FUP, for the shortfall category under the 2025 Mainstream Vouchers HAP Set-aside.

There are two categories for the Mainstream Vouchers HAP Set-aside. The order in which categories are presented does not reflect priority; however, HUD reserves the right to prioritize funding awards for Category 1: Prevention of Terminations Due to Insufficient Funding (shortfall). PHAs may apply for more than one category of funding.

Regular HCVs are not eligible for the Mainstream Vouchers HAP Set-aside funding described in this section; however, Regular HCVs are eligible to apply for the \$200 million HAP Set-aside described in section IV, subsection B, 1. EHV are not considered for adjustments of any HAP Set-aside categories.

²⁵ See [Notice PIH 2020-01](#), “Revised Policies and Procedures for the Mainstream Voucher Program” for further guidance.

PHAs must apply for each Mainstream Vouchers HAP Set-aside category using the instructions in this section. PHAs must apply by the deadline listed in Table 4. Applications received after the deadline or incomplete applications will not be considered. Further application instructions follow Table 4.

Table 4: Mainstream Vouchers HAP Set-aside Categories, Deadlines, and Application Links

Mainstream Vouchers HAP Set-aside Category	Deadline	Application Link
Category M1: Prevention of Terminations Due to Insufficient Funding (Shortfall)	Friday, January 30, 2026 no later than 5 pm local time	Category M1 Application
Category M2: Unforeseen Circumstances	Friday, June 27, 2025 no later than 5 pm local time	Category M2 Application

All requests must be submitted through DocuSign, which is an online electronic document management platform. PHAs must complete all fields within the applicable DocuSign form, as well as provide all required documentation and calculations, as applicable. Incomplete requests, requests received after the deadline, and requests not submitted through DocuSign will not be considered. PHAs are encouraged to review detailed [DocuSign instructions](#), including a video tutorial, on the Mainstream Vouchers HAP Set-aside application process.

PHAs are urged to confirm application data and attachments for completeness and accuracy prior to submission to avoid having to resubmit applications. If more than one application is submitted by a PHA for a specific category, the system will automatically overwrite older applications and keep the most recent application received. Only the last application received by the deadline date will be reviewed.

Failure to provide any of the required documents and information within DocuSign as instructed will result in denial of the application. Please be aware that DocuSign will not process applications without signatures; therefore, HUD will not receive them for review. Upon successful submission, Executive Directors will receive a confirmation email from the DocuSign system within the same day as the submission.

Awards will be made to eligible PHAs in accordance with need, as determined by HUD, following an application by the PHA as described throughout this section of the notice. HUD has the authority to provide adjustments to PHAs' allocation for Mainstream Vouchers HAP Set-aside categories as described within this section. Awards may be reduced, in whole or in part, if PHAs have available reserves (RNP) or HUD-Held Program Reserves) above a reasonable threshold, as defined by the Secretary, or prorated, or both if the \$10 million is insufficient to cover all awards. Additionally, HUD reserves the right to fund one, some, or all categories. HUD reserves the right to prioritize categories with the greatest need and prorate the remaining categories depending on the amount of funds remaining.

HAP Set-aside funding awarded to the PHA is specific to either regular HCVs or Mainstream Vouchers and may not be used interchangeably by the PHA. For example, shortfall funding

awarded for Mainstream Vouchers may not be used for regular HCVs. HUD will indicate the specific amount and the type of voucher the funding is designated for in the award letter. All award announcements will be made via email.

Reporting and recording of awarded HAP set-aside are included as part of the PHA's Mainstream administrative financial records under Assistance Listing 14.879.

1. Mainstream Vouchers HAP Set-aside Category M1: Prevention of Terminations Due to Insufficient Funding (Shortfall)

Mainstream Vouchers HAP Set-aside Category M1: Prevention of Terminations Due to Insufficient Funding (shortfall) is for PHAs that, despite taking reasonable cost savings measures as determined by the Secretary, would otherwise be required to terminate participating families from Mainstream Vouchers due to insufficient funds, also known as funding shortfalls. This category may also be funded in whole or in part through the offset described in section IV, subsection A, step 5, but the requirements, application process, and appendices of this notice apply regardless of the funding source, and use of the term "\$200,000,000 HAP Set-aside".

Depending on the number of applications and amount of total eligibility, HUD may prioritize awards for Category 1: Prevention of Terminations Due to Insufficient Funding (shortfall) and may need to prorate eligibility for the other category of the Mainstream Vouchers HAP Set-aside.

PHA Eligibility: A PHA must be determined by HUD to be in shortfall for Mainstream Vouchers to be eligible for this category.²⁶ In determining a PHA's shortfall for Mainstream Vouchers and the amount of funding to be provided under this category, HUD will use the [HCV Two-Year Projection Tool](#). PHAs should refer to Appendix B of this notice, which provides the criteria HUD will use to determine if the PHA has a HUD-confirmed shortfall, the policies associated with PHAs in shortfall, and the calculation of the shortfall amount.

Application and Award Process: PHAs must complete and sign the application for Mainstream Vouchers HAP Category M1: Prevention of Terminations Due to Insufficient Funding (shortfall) through the DocuSign link in Table 4.²⁷ An example of the application is in Appendix K.

PHAs that are awarded Mainstream Vouchers HAP Set-aside funds based on their current HAP costs that find additional funding is needed later in the year do not need to reapply to receive additional funding. The SPT will automatically determine the PHA's eligibility for additional funding and HUD will provide the additional funding in accordance with its established HAP Set-aside funding priorities and available funding. PHAs that have concerns about potential shortfalls should be in contact with the HUD Field Office or SPT, regardless of whether they are currently in a shortfall situation.

²⁶ PHAs with specific questions related to the calculation and determination of a HUD-confirmed shortfall should contact the SPT at: ShortfallInquiries@hud.gov. The subject line of the email must include the PHA's number (for example, TX001).

²⁷ Instructions detailing the DocuSign application process as well as a link to the video tutorial on this process, can be accessed by clicking on the following link: [HCV HAP Set-aside Applicant DocuSign Instructions](#).

The 2025 Act allows for the use of carryover amounts from the 2024 Appropriations Act for TPVs, Administrative Fees, HUD-VASH, and FUP for shortfall category need under the 2025 Mainstream Vouchers HAP Set-aside.

2. Mainstream Vouchers HAP Set-aside Category M2: Unforeseen Circumstances

Mainstream Vouchers HAP Set-aside Category 2: Unforeseen Circumstances is for PHAs that experience an unforeseen circumstance within or after the re-benchmarking period for Mainstream Vouchers which the PHA could not reasonably have anticipated and was out of the PHA's control.

PHA Eligibility: The 2025 Act provides that the PHA must experience a significant Mainstream Vouchers HAP cost increase, as defined by the Secretary. HUD is establishing the following criteria for significant cost increase to be eligible for this category of funding:

- The PHA's latest validated 2025 Mainstream Vouchers PUC per VMS must be two percent or greater than the PUC HUD used to determine the PHA's CY 2025 renewal funding (the CY 2025 Renewal PUC).

HUD will use the most recent validated VMS data available to calculate PHA eligibility. PHAs with two (2) months or more of Mainstream Vouchers reserves will not be considered for any funding under this category at this time.

Application and Award Process: PHAs must complete and sign the application for Category M2: Unforeseen Circumstances through the DocuSign link in Table 4.²⁸ An example of the application is in Appendix L.

For PHAs (both Non-MTW and MTW Initial and Expansion), the funding award amount is calculated the same as described in section IV, subsection B for regular HCVs.

F. HAP Policy Reminders

1. Disbursements

PHAs receive monthly disbursements from their budgetary allocations in accordance with the cash management procedures in [Notice PIH 2017-06](#), "Cash Management Requirements for the Housing Choice Voucher Program." PHAs may request an additional disbursement, from HUD-Held Reserves, when monthly disbursements and available RNP will not cover expenses for the month. Non-MTW PHAs may request additional funds via [DocuSign](#), while MTW Initial and Expansion PHAs should continue to request HUD-Held Reserves via email to their financial analyst. PHAs will be required to provide HAP expenses not yet reported in VMS and actual HAP expenses for the period requested, and the PHA may use the Two-Year Projection Tool as supporting documentation. The additional payment will be limited to the amount necessary to

²⁸ Instructions detailing the DocuSign application process as well as a link to the video tutorial on this process, can be accessed by clicking on the following link: [HCV HAP Set-aside Applicant DocuSign Instructions](#).

cover the actual HAP expenses. PHAs are encouraged to contact their Financial Analyst with assistance in requesting additional funds if needed.

Finally, for non-MTW PHAs, HUD is using HUD Form 50058 (family report) leasing data for CY 2025 to determine HAP monthly disbursements as we transition to the Enterprise Voucher Management System (eVMS). HUD will alert each PHA when their payments are calculated based on 50058 leasing data. Additional information will be provided through separate guidance.

2. HAP Reserves

PHAs are reminded that funds in the HAP RNP account and HUD-Held Program Reserves shall only be used for eligible HAP needs in the current CY. The Consolidated ACC (CACC) requires PHAs to use HAP funding to cover housing assistance payments. HAP and PHA reserves (HAP RNP and HUD-Held Program Reserves) shall not under any circumstances be used for any other purpose, such as to cover administrative expenses or be loaned, advanced, or transferred (referred to as operating transfers due to/due from) to other component units or other programs such as the Low-Rent (Public Housing) program. Except for MTW agencies, the use of HAP for any purpose other than eligible HAP needs is a violation of law, and such illegal uses or transfers may result in sanctions and possible declaration of breach of the ACC, per 24 CFR 982. The current year funding may not be used for prior year costs, including by MTW Initial and Expansion PHAs.

In instances where a PHA is found to have misappropriated HAP or HAP RNP/HUD-held reserve funds by using the funds for any purpose other than valid HAP expenses for units up to the baseline, HUD requires the immediate return of the funds to the HAP or HAP RNP/HUD-Held Program Reserves account. HUD may take action, including suspension and debarment, against a PHA or any party that has used HAP funds and/or the HAP RNP/HUD-Held Program Reserves account for non-HAP purposes.

3. Prohibition on Over-leasing

The 2025 Act prohibits the use of appropriated HAP funds by any PHA, except for PHAs in the MTW demonstration, which are governed by MTW program requirements or MTW agreements, to lease units above their CACC baseline units during any CY, even if the PHA has sufficient budget authority (BA) or RNP to support the additional units. If a PHA engages in over-leasing, it must identify other eligible funding sources to pay for the over-leasing, and the PHA must take immediate steps to eliminate any current over-leasing. Renewal funding allocations will not include over-leased units. The calculation of renewal funding eligibility, including Mainstream Vouchers eligibility, will be reduced based on the number of over-leased unit months and the average PUC during the re-benchmark period. PHAs must still report all over-leasing in VMS and must also report \$0 HAPs in the appropriate categories in VMS.

4. Use of Outside Sources of Funds

HUD recommends that all PHAs carefully review the information contained in [Notice PIH 2013-28](#), “Guidance on the Use of Outside Sources of Funds in the HCV Program.”

5. Reporting

PHAs must continue to submit required financial documents including, but not limited to, monthly VMS and annual Financial Assessment Subsystem electronic submissions. PHAs that do not submit the required data by the reporting deadline may be sanctioned as provided by 24 CFR 982.152(d), and in accordance with the procedures outlined in [Notice PIH 2021-08](#), “Financial Reporting Requirements for the Housing Choice Voucher and Mainstream Voucher Program Submitted through the Financial Assessment Subsystem for Public Housing (FASS-PH) and the Voucher Management System (VMS),” or any successor notice. PHAs that fail to meet the submission requirements may be subject to administrative actions, including but not limited to, an imposition of a penalty against the PHA’s monthly administrative fees until the PHA complies with these requirements. This penalty represents a permanent reduction for the current CY that shall not be reversed.

PHAs are reminded that HUD is transitioning to the eVMS system for all non-MTW PHAs. In addition to reporting into VMS accurately, in order to ensure payments calculated by eVMS are accurate, PHAs must also ensure that their IMS/PIC reporting is timely and accurate.

Additionally, some MTW Expansion PHAs are not currently reporting in the IMS/PIC system due to approved MTW activities that result in fatal errors. HUD will use the best available data from non-reporting MTW Expansion PHAs in the absence of IMS/PIC data where HUD uses IMS/PIC data for calculations, including for the EHV program.

HUD is implementing new grants management and reporting tools, which will be rolled out for your use in the near term. As a grantee, you will be required to report on grant performance and financial activities (including vendor and cash disbursement supporting details for yourself and your sub-recipients) using these new tools when it is released. HUD will work with you to support your transition to this new reporting environment. Once implemented, timely reporting in this new environment will be mandatory. HUD reserves the right to exercise all available rights and remedies for any noncompliance with these grants management and financial reporting requirements, to include requiring 100 percent review or stopping future disbursements altogether if reporting is not timely submitted.

V. Administrative Fee Funding

The 2025 Act provides \$2,770,935,000 for administrative expenses of PHAs administering the HCV program (see Appendix A for Appropriations text). The 2025 Act also provides that this funding may be used for “other expenses” of PHAs administering the Section 8 tenant-based rental assistance program. HUD issued detailed guidance on the use of ongoing administrative fees for expenses related to assisting families to lease units in [Notice PIH 2022-18](#), “Use of Housing Choice Voucher (HCV) and Mainstream Voucher Administrative Fees for Other Expenses to Assist Families to Lease Units.” Of the appropriated amount, no less than \$2,740,935,000 will be available for ongoing administrative fees and fees for new vouchers and up to \$30,000,000 will be made available to allocate to PHAs that need additional funds to

administer their Section 8 programs.²⁹

A. Ongoing Administrative Fees

Ongoing administrative fees and administrative fees for new vouchers are allocated based on leasing.³⁰ These administrative fees are calculated for CY 2025 as provided for by Section 8(q) of the United States Housing Act, and related Appropriation Act provisions, as in effect immediately before the enactment of the Quality Housing and Work Responsibility Act (QHWRA) of 1998 (Public Law 105-276). Under this calculation, PHAs are allocated a fee amount for each voucher that is under HAP contract as of the first day of each month.

HUD has posted the CY 2025 Administrative Fee rates to enable PHAs to calculate potential fee eligibility and to manage portability billings. They are available on HUD's [website](#).

HUD disburses administrative fees to PHAs each month based on actual leasing reported in VMS in prior months. Each PHA's administrative fee eligibility is reconciled after every quarter based on actual reported leasing, adjusted by an estimated proration based on total annual funding for administrative fees. HUD determines the estimated proration level by comparing each quarter's national eligibility for administrative fees to one quarter (1/4th) of the appropriated amount available for ongoing administrative fees. HUD will disburse any amount due to the PHA and will offset any amount due from the PHA via a reduction from a subsequent administrative fee payment. PHAs can monitor the HCV administrative fee proration through the monthly advance data provided via email. Please click on the following webpages that include links to the [Administrative Fee Rate Description](#) file as well as [the Portability Administrative Fee Description](#) file, for information on current rates and prorations. A final reconciliation will be completed after the December 2025 leasing data are reported in VMS, at which time the final proration for CY 2025 will be determined.

B. Blended Rate Administrative Fees

PHAs serving multiple administrative fee areas may, in lieu of the fee determined for their agency, request a blended rate based on the actual location of their assisted units. The blended rate will only apply to CY 2025 and is applicable to the HCV program and Mainstream Vouchers.

To request a blended rate administrative fee, the PHA must do the following no later than 5 pm local time on Friday, July 11, 2025:

- Email HUD at HCVBlendedRateRequests@hud.gov and indicate you are requesting a blended administrative fee rate.
- The email subject line must read as follows: PHA Number, Request for Blended Rate

²⁹ Administrative Fee funds provided through this notice, including Special Fees, considered for salaries, bonuses and/or employee incentives must comply with the executive compensation requirements under Section 220 of Public Law 118-42, Consolidated Appropriations Act, 2024 and must comply with reasonable compensation requirements found at 2 CFR Part 200.430(b).

³⁰ The term "leasing" also includes PBV units under HAP contract but not currently leased.

Administrative Fees (e.g., TX001, 2025 Request for Blended Rate Administrative Fees).

C. Higher Administrative Fee Rates

A PHA that operates over a large area, defined as two or more counties, may request higher administrative fees. An approved higher administrative fee rate will apply only to CY 2025 and is applicable to the HCV program and Mainstream Vouchers.

The PHA will be required to submit evidence of actual costs at the end of the calendar year to enable HUD to determine if the entire approved increase was needed. HUD will offset excess funds via reduction of future disbursement(s). A PHA that received higher administrative fee for CY 2024 will be expected to complete the reconciliation with their FMC Financial Analyst prior to their CY 2025 higher rate request being approved.

To request a higher rate administrative fee, the PHA must do the following no later than 5 pm local time on Friday, July 11, 2025:

- Email HUD at FinancialManagementCenter@hud.gov and copy your FMC Financial Analyst to indicate you are requesting a higher administrative fee rate.
- The email subject line must read as follows: PHA Number, 2025 Request for Higher Administrative Fee (e.g., TX001, 2025 Request for Higher Administrative Fee).
- The PHA must include the following financial documentation with their submission:
 - Actual Unrestricted Net Position (UNP) (administrative fee reserves) balance as of December 31, 2024.
 - Actual administrative costs for the HCV program for CY 2024 in sufficient detail to allow for review.
 - The PHA's CY 2025 HCV program administrative budget, including anticipated reasonable and necessary administrative costs broken out in sufficient detail to allow for review (positions and salaries, detailed travel costs, overhead and pro-rations, etc.). There is no HUD form, nor a mandated format, for this budget.
 - An explanation of why the unit month and budget authority utilization in CY 2024 was below 95 percent of the unit month and budget authority available for renewal units (if this occurred).
 - If the PHA has made withdrawals from the Administrative Fee reserves per official guidance provided in Notice PIH 2022-18, "Use and Reporting of Administrative Fee Reserves," certification is required. Should there be no withdrawals at this point, a statement that none were made is required.
 - An explanation as to why the projected CY 2025 administrative fees are insufficient to cover expected program operating costs.
 - Certification by the executive director of the PHA that the data is accurate.

HUD reserves the right to reduce the documentation required.

D. New Voucher Administrative Fees – HUD-VASH

The 2025 Act provides \$15,000,000 for the HUD-VASH program. Of the \$15,000,000 total,

\$5,000,000 will be used for new incremental HUD-VASH vouchers, and \$10,000,000 will be made available for administrative fees and other HUD-VASH program costs under a separate PIH notice. HUD will issue comprehensive guidance on both the 2025 HUD-VASH voucher allocation and the HUD-VASH administrative funding at a later date. HUD-VASH funds can only be used for the intended purposes and are not subject to MTW fungibility provisions.

E. Special Fees

The 2025 Act provides up to \$30,000,000 for Special Fees, which provide additional funding to PHAs beyond their administrative fee allocation. A portion of the \$30,000,000 administrative fee set-aside may be used for ongoing administrative fees to increase the national fee proration, should HUD determine during the calendar year (after the deadlines outlined below) that the entire \$30,000,000 may not be needed for additional administrative costs. Special Fees are not applicable to Mainstream Vouchers or EHV's.

HUD is making available nine categories of Special Fees. HUD will automatically determine eligibility for some categories, but for others PHA must submit an application to HUD. HUD reserves the right to deny or limit the award amount based on a PHA's administrative fee reserves or the national proration level, or both to ensure fair and reasonable distribution of funds. HUD reserves the right to fund one, some, or all categories. Each Special Fees category provides additional funds to administer Section 8 programs, including fees associated with Section 8 tenant protection rental assistance, the administration of disaster related vouchers, HUD-VASH vouchers, and other special purpose incremental vouchers as authorized by the 2025 Act.

A summary of the Special Fees categories, the process, and the deadlines is in Table 5. For categories that require an application, PHAs must apply for each category using the instructions in this section. PHAs must apply by the deadline listed in Table 5. Applications received after the deadline or incomplete applications will not be considered. Further application instructions follow Table 5.

Table 5: Special Fees Categories, Process, and Deadlines

Special Fees Category	Process	Deadline	Application Link
Category A: HCV Homeownership Closing Fees	HUD determined based on submitted 50058 data.	HUD calculates bi-annually	Link will be sent to eligible PHAs
Category B: New HCV Homeownership Program	HUD determined based on PHA certification	HUD sends certifications bi-annually	Link will be sent to eligible PHAs
Category C: PHAs that Administer TPVs in Connection with Multifamily Housing Conversion Actions	HUD determined based on submitted TPV applications	HUD processes as requests for TPVs are received	N/A
Category D: Portability	HUD determined based on	HUD calculates	N/A

Special Fees Category	Process	Deadline	Application Link
	submitted 50058 and VMS data		
Category E: Audit Costs for Declaring Major HCV Programs per Notice PIH 2021-08 and for HCV Voluntary Transfers per Notice PIH 2018-12	HUD determined after PHA request	HUD processes as requests are received	PHAs must email their request to the Financial Management Division
Category F: New FUP/FYI Vouchers Awarded in 2025	HUD determined based on FUP/FYI awards	N/A	N/A
Category G: Disaster Vouchers	In the event of disaster voucher allocations, HUD will issue future guidance	N/A	N/A
Category H: Transition of EHV to HCV	HUD determined	Transactions must be submitted to IMS/PIC no later than 5pm local time on Friday, February 28, 2026	N/A
Category I: Secretary's Discretion	PHA Application	Friday, October 31, 2025 no later than 5 pm local time	Category I Application

For categories that require an application, all applications will be submitted through DocuSign, which is an online electronic document management platform. PHAs must complete all fields within the applicable DocuSign form, as well as provide all required documentation and calculations, as applicable. Incomplete requests or requests received after the established deadline will not be considered.

PHAs are urged to confirm application data and attachments for completeness and accuracy prior to submission to avoid having to resubmit applications. For PHAs that submit more than one application for a specific category, the system will automatically overwrite older applications and keep the most recent application received. Only the last application received by the deadline date will be reviewed for eligibility.

Failure to provide any of the required documents and information within DocuSign as instructed will result in denial of the application. Please be aware that DocuSign will not process applications without signatures; therefore, HUD will not receive them for review. Executive Directors will receive a confirmation email from the DocuSign system within the same day as the submission. Instructions for applying to the Special Fees through DocuSign, a link to the video tutorial on the DocuSign application process as well as a link to the DocuSign form can all be accessed through the following link: [Special Fee Applicant DocuSign Instructions](#).

HUD reserves the right to contact PHAs for clarification of items provided with the application. Clarifications or corrections must be received by HUD within the time frame specified in the notification.

Unless otherwise specified in this section, PHAs must use any awarded Special Fees exclusively to support the HCV program administrative fee needs for two purposes: (1) costs incurred by a PHA in carrying out administrative responsibilities under the program and (2) other eligible expenses in administering the program which are described in section 3 of Notice PIH 2022-18.

Special Fees funding cannot be used for the repayment of debts, or any amounts owed to HUD or program participants including, but not limited to, Office of Inspector General, Quality Assurance Division, or other monitoring review findings.

Reporting and recording of awarded Special Fees are included as part of the PHA's HCV administrative financial records under Assistance Listing 14.871.

The DocuSign special fee application for Category I: Secretary's Discretion will be active on June 2, 2025. PHAs will receive award notification information via email.

1. Category A: HCV Homeownership Closings

HUD provides a \$1,500 fee for every homeownership closing reported in IMS/PIC for HCV families who have become homeowners through the HCV Homeownership program, MTW Homeownership program, or the Family Self-Sufficiency program (HCV only).

PHA Eligibility: PHAs that administer the HCV Homeownership program, MTW Homeownership program, or the Family Self-Sufficiency program (HCV only).

HUD Determination Process: PHAs do not apply for these funds. HUD provides these Special Fees automatically based on IMS/PIC data and closing dates confirmations reported in IMS/PIC. Once HUD reviews the IMS/PIC data, HUD will send a certification through DocuSign for the PHA to confirm data accuracy. All eligible PHAs will continue to receive DocuSign certification requests. PHAs must ensure timely PIC reporting.

2. Category B: New HCV Homeownership Program

HUD provides a \$2,500 one-time fee for each newly created HCV Homeownership program (including MTW and FSS Homeownership Programs) at any PHA in CY 2025.

PHA Eligibility: PHAs that created an HCV Homeownership program for the first time in CY 2025.

HUD Determination and Award Process: PHAs report HCV Homeownership closings in IMS/PIC. Once a PHA reports an HCV Homeownership closing for the first time, HUD will send the PHA a DocuSign form for certification that the PHA has created a new HCV Homeownership program.

3. Category C: PHAs that Administer TPVs in Connection with Multifamily Housing Conversion Actions

This Special Fee will be allocated to PHAs that agree to administer vouchers on behalf of a Multifamily Choice Neighborhoods Grantee.

PHA Eligibility: For multifamily housing conversions, a special (one-time) fee of \$350 will be provided for each unit occupied on the date of the eligibility event.

HUD Determination and Award Process: PHAs do not need to apply for these funds as HUD provides these fees automatically for each multifamily housing conversion action that occurs in CY 2025.

4. Category D: Portability

Special Fees for portability are provided to PHAs administering numbers of portability vouchers that comprise a significant portion of their vouchers under lease.

PHA Eligibility: PHAs must have been administering a number of port-in vouchers equal to 20 percent or more of the PHA's total number of leased vouchers as of December 31, 2024, to be eligible for special portability fees.

HUD Determination and Award Process: PHAs do not need to apply for these funds as HUD provides these fees automatically based on IMS/PIC data and the VMS data used for the 2024 renewal allocation. For each eligible port-in voucher, the receiving PHA will receive 12 months of funding equal to 15 percent of the PHA's 2025 Column A rate for administrative fees. This is a one-time award and will be calculated based on PHA portability data found in IMS/PIC for actions through December 31, 2024, and leased data from the VMS as of December 31, 2024 (from the same VMS database used to determine the 2025 HCV renewal allocations).

PHAs were advised via email on February 3, 2025, of the deadline date of no later than 4 pm, Friday, March 28, 2025, to ensure all IMS/PIC data was updated and successfully submitted.

5. Category E: Audit Costs for Declaring Major HCV Programs per Notice PIH 2021-08 and for HCV Voluntary Transfers per Notice PIH 2018-12

In certain circumstances, as described further under PHA eligibility, PHA's HCV Program is audited as a major program and must procure Independent Public Accountant (IPA) services and use UNP for the additional audit work required. However, if the PHA lacks the funds, the PHA can request special fees under this category (Audit Costs for Declaring Major HCV Programs per Notice PIH 2021-08) from HUD as described in the below eligibility section.

Similarly, the divesting PHA involved in a transfer can use UNP for procuring IPA services for the close-out audit originated by a voluntary transfer. If the PHA lacks the UNP funds, the receiving PHA can request special fees under this category (Audit Costs for HCV Voluntary Transfers per Notice PIH 2018-12) to ensure a timely closeout audit. For PHAs under the single audit threshold, the close-out audit consists of an IPA validating the ending balances prior to transfer.

PHA Eligibility: PHAs that HUD has directed in CY 2025 to procure IPA services for financial and compliance procedures under Notice PIH 2021-08, or Notice PIH 2018-12, “Process for Public Housing Agency Voluntary Transfers and Consolidations of Housing Choice Vouchers and Project-Based Vouchers.” These notices provide guidance and clarification on financial reporting requirements. As described in both notices, HUD may direct PHAs to procure IPA services for financial and compliance procedures for general-purpose governments that have not declared their HCV related programs as a major fund for financial statement purposes or as a major enterprise fund under CFR Title 2, Subtitle A, Chapter II, Part 200, Subpart F, Audit Requirements because the audit obtained may not be sufficient for HUD to properly monitor its financial and compliance interest in these entities. PHAs may only receive Special Fees under this category if they do not have sufficient UNP.

Application and Award Process: For audit costs for declaring a major HCV program, PHAs must request this special fee at least 60-90 days after fiscal year end to ensure they can procure IPA services on time and the PHA audited financial statements are reported under requirements set in Notice PIH 2021-08. PHAs that request this special fee (subject to available appropriations) must send a formal request to Miguel Fontanez, Director, Financial Management Division (FMD) at PIH.Financial.Management.Division@hud.gov. FMD will respond electronically to the PHA and will copy the Real Estate Assessment Center FASS-PH point of contact and designated FMC Financial Analyst within 5 to 10 business days.

For audit costs for HCV Voluntary Transfers in circumstances when the divesting PHA does not have UNP, the divesting PHA must request this special fee at least 60 to 90 days ahead of the effective date of the transfer. This will allow for a timely IPA services’ procurement and completion of a closeout audit ahead of the transfer’s effective date. The PHA must request special fees (subject to available appropriations) through a formal request to Miguel Fontanez, Director, FMD at PIH.Financial.Management.Division@hud.gov. FMD will respond electronically to the PHA and the designated FMC Financial Analyst within 5 to 10 business days.

6. Category F: PHAs for New FUP/FYI Vouchers Awarded in 2025

This Special Fees category is to provide additional funds for PHAs that are awarded new FUP/FYI vouchers in 2025.

PHA Eligibility: PHAs that received a new FUP/FYI award in 2025 are eligible for this category.

HUD Determination and Award Process: Effective with the publication of this notice, a special (one-time) fee of \$750 will be provided for each voucher awarded in CY 2025. PHAs do not need to apply for these funds as HUD provides these fees automatically with the FUP/FYI awards.

7. Category G: Disaster Vouchers

In the event of a future allocation of disaster vouchers during CY 2025, HUD will provide

eligibility and application guidance for disaster related vouchers' Special Fees at that time.

8. Category H: Transition of EHV to HCV

HUD is making special fees available for PHAs that successfully transition EHV families to the regular HCV program. Additional details on the transition requirements will be provided in a forthcoming notice.

PHA Eligibility: PHAs currently administering EHV families that successfully transition an EHV family to the regular HCV program. HUD will issue guidance to PHAs about how to transition EHV families to the regular HCV program.

HUD will award \$1,000 per EHV family that is successfully transitioned to the regular HCV program. In order to receive funds, the PHA must code transitioned EHV families as "EHCV" on line 2n of the HUD form 50058. PHAs must have all transactions that were effective in CY 2025 submitted to IMS/PIC no later than February 28, 2026, to be eligible for funds.

Application and Award Process: HUD will determine the number of families that transitioned from EHV to HCV based on IMS/PIC data submitted by the PHA. HUD will provide Special Fees in the amount of \$1,000 for each transitioned family.

9. Category I: Secretary's Discretion

In accordance with the 2025 Act, HUD makes available a variety of Special Fees categories to allocate to PHAs that need additional funds to administer their HCV programs. If a PHA determines they need additional Special Fees that do not meet one of the previous categories in this section, the PHA may apply for other Special Fees under Category I: Secretary's Discretion. The purpose of this category is to provide additional administrative fee funding to cover administrative expenses incurred as the result of a situation outside of the specific categories described previously within this section. Requests under Category I: Secretary's Discretion are considered on a case-by-case basis. However, requests for additional fees solely because of a lower national fee proration will not be accepted.

Special Fees under this category must be used exclusively to support the HCV program administrative fee needs that are not covered by another Special Fees category for two purposes: (1) costs incurred by a PHA in carrying out administrative responsibilities under the program and (2) other eligible expenses in administering the program which are described in section 3 of Notice PIH 2022-18.

PHA Eligibility: PHAs that have or will experience increased administrative expenses and need additional funds to administer their Section 8 HCV Programs in CY 2025, may request Special Fees. Requests for unanticipated administrative fee funding increases will be considered on a case-by-case basis at the Secretary's discretion.

Application and Award Process: PHAs must complete and sign the application for Category I:

Secretary's Discretion by the deadline and through the DocuSign link provided in Table 5.³¹ An example of the application is in Appendix M. The PHA must attach documentation that supports the amount of funding the PHA is requesting for this category. In the application, PHAs calculate their need; however, HUD, will confirm the PHA's calculation and determine eligibility.

F. Mainstream Vouchers Administrative Fees

Administrative fees are disbursed based on the most recent Mainstream Vouchers leasing data reported in VMS, and fee reconciliations are performed on a quarterly basis. In addition, the 2025 Act requires that the administrative and other non-HAP expenses of the PHAs administering these vouchers shall be funded under the same terms and be subject to the same pro rata administrative fee reductions that apply to all other PHAs administering vouchers under the HCV program. Consistent with the HCV program, PHAs are not eligible to receive reimbursement for hard-to-house fees and audit costs. HUD issued detailed guidance on the use of ongoing administrative fees for expenses related to assisting families to lease units in Notice PIH 2022-18.

G. Administrative Fee Policy Reminders

1. Disbursements

PHAs receive monthly disbursements from their budgetary allocations in accordance with the cash management procedures in Notice PIH 2017-06.

2. Reserves

For information on Unrestricted Net Position (UNP), please refer to [Notice PIH 2015-17](#), "Use and Reporting of Administrative Fee Reserves" and Notice PIH 2022-18.

3. Reporting

PHAs must continue to submit required financial documents including, but not limited to, monthly VMS and annual Financial Assessment Subsystem electronic submissions. PHAs that do not submit the required data by the reporting deadline may be sanctioned as provided by 24 CFR 982.152(d), and in accordance with the procedures outlined in Notice PIH 2021-08 or any successor notice. PHAs that fail to meet the submission requirements may be subject to administrative actions, including but not limited to, an imposition of a penalty against the PHA's monthly administrative fees until the PHA complies with these requirements. This penalty represents a permanent reduction for the current CY that shall not be reversed.

PHAs are reminded that HUD is transitioning to the eVMS system for all non-MTW PHAs. In addition to reporting into VMS accurately, to ensure payments calculated by eVMS are accurate, PHAs must also ensure that their IMS/PIC reporting is timely and accurate.

³¹ Instructions detailing the DocuSign application process as well as a link to the video tutorial on this process, can be accessed by clicking on the following link: [Special Fee Applicant DocuSign Instructions](#).

Additionally, some MTW Expansion PHAs are not currently reporting in the IMS/PIC system due to approved activities that result in fatal errors. HUD will use the best available data from non-reporting MTW Expansion PHAs in the absence of IMS/PIC data where HUD uses IMS/PIC data for calculations, including the EHV program.

HUD is implementing new grants management and reporting tools, which will be rolled out for your use in the near term. As a grantee, you will be required to report on grant performance and financial activities (including vendor and cash disbursement supporting details for yourself and your sub-recipients) using these new tools when it is released. HUD will work with you to support your transition to this new reporting environment. Once implemented, timely reporting in this new environment will be mandatory. HUD reserves the right to exercise all available rights and remedies for any noncompliance with these grants management and financial reporting requirements, to include requiring 100 percent review or stopping future disbursements altogether if reporting is not timely submitted.

VI. Information Contact

Refer all questions regarding this notice to FMD, Office of Public Housing and Voucher Programs, at PIHFinancialManagementDivision@hud.gov.

VII. Paperwork Reduction Act

The additional information collection requirements contained in this document are approved by the Office of Management and Budget (OMB) under the Paperwork Reduction Act of 1995 (44 U.S.C. 3501-3520). The OMB control number is 2577-0169. In accordance with the Paperwork Reduction Act, HUD may not conduct or sponsor, and a person is not required to respond to, a collection of information unless the collection displays a currently valid OMB control number.



Benjamin R. Hobbs
Principal Deputy Assistant Secretary
Office of Public and Indian Housing

Appendix A: Selections from the Full-Year Continuing Appropriations and Extensions Act, 2025 (Public Law 119-4)

Tenant-Based Rental Assistance – Overall Funding and Renewals

SEC. 1112. With respect to any discretionary account for which advance appropriations were provided for fiscal year 2025 or 2026 in an appropriations Act for fiscal year 2024, in addition to amounts otherwise made available by this division, advance appropriations are provided in the same amount for fiscal year 2026 or 2027, respectively, with a comparable period of availability.

\$32,041,000,000 for “Department of Housing and Urban Development—Public and Indian Housing—Tenant-Based Rental Assistance” and \$32,145,124,000 is the amount available under paragraph (1): *Provided*, That the Secretary of Housing and Urban Development may use amounts made available in the second, third, sixth, and seventh paragraphs under this heading in division F of Public Law 118–42 to support the purposes described in subparagraph (1)(D) and subparagraph (4)(B) of such heading.

Selections from the Consolidated Appropriations Act, 2024 (Public Law 118-42)

Tenant-Based Rental Assistance – Overall Funding and Renewals

For activities and assistance for the provision of tenant-based rental assistance authorized under the United States Housing Act of 1937, as amended (42 U.S.C. 1437 et seq.) (in this title “the Act”), not otherwise provided for, \$28,386,831,000, to remain available until expended, which shall be available on October 1, 2023 (in addition to the \$4,000,000,000 previously appropriated under this heading that shall be available on October 1, 2023), of which \$6,000,000,000 is designated by the Congress as being for an emergency requirement pursuant to section 251(b)(2)(A)(i) of the Balanced Budget and Emergency Deficit Control Act of 1985, and \$4,000,000,000, to remain available until expended, which shall be available on October 1, 2024: *Provided*, That of the sums appropriated under this heading—(1) \$28,490,955,000 shall be available for renewals of expiring section 8 tenant-based annual contributions contracts (including renewals of enhanced vouchers under any provision of law authorizing such assistance under section 8(t) of the Act) and including renewal of other special purpose incremental vouchers: *Provided*, That notwithstanding any other provision of law, from amounts provided under this paragraph and any carryover, the Secretary for the calendar year 2024 funding cycle shall provide renewal funding for each public housing agency based on validated voucher management system (VMS) leasing and cost data for the prior calendar year and by applying an inflation factor as established by the Secretary, by notice published in the Federal Register, and by making any necessary adjustments for the costs associated with the first-time renewal of vouchers under this paragraph including tenant protection and Choice Neighborhoods vouchers: *Provided further*, That none of the funds provided under this paragraph may be used to fund a total number of unit months under lease which exceeds a public housing agency's authorized level of units under contract, except for public housing agencies participating in the Moving to Work (MTW) demonstration, which are instead governed in accordance with the requirements of the MTW demonstration program or their MTW agreements, if any: *Provided further*, That the Secretary shall, to the extent necessary to stay within the amount specified

under this paragraph (except as otherwise modified under this paragraph), prorate each public housing agency's allocation otherwise established pursuant to this paragraph: *Provided further*, That except as provided in the following provisos, the entire amount specified under this paragraph (except as otherwise modified under this paragraph) shall be obligated to the public housing agencies based on the allocation and pro rata method described above, and the Secretary shall notify public housing agencies of their annual budget by the latter of 60 days after enactment of this Act or March 1, 2024: *Provided further*, That the Secretary may extend the notification period only after the House and Senate Committees on Appropriations are notified at least 10 business days in advance of the extension: *Provided further*, That public housing agencies participating in the MTW demonstration shall be funded in accordance with the requirements of the MTW demonstration program or their MTW agreements, if any, and shall be subject to the same pro rata adjustments under the preceding provisos: *Provided further*, That the Secretary may offset public housing agencies' calendar year 2024 allocations based on the excess amounts of public housing agencies' net restricted assets accounts, including HUD-held programmatic reserves (in accordance with VMS data in calendar year 2023 that is verifiable and complete), as determined by the Secretary: *Provided further*, That public housing agencies participating in the MTW demonstration shall also be subject to the offset, as determined by the Secretary, excluding amounts subject to the single fund budget authority provisions of their MTW agreements, from the agencies' calendar year 2024 MTW funding allocation: *Provided further*, That the Secretary shall use any offset referred to in the preceding two provisos throughout the calendar year to prevent the termination of rental assistance for families as the result of insufficient funding, as determined by the Secretary, and to avoid or reduce the proration of renewal funding allocations: *Provided further*, That up to \$200,000,000 shall be available only: (A) for adjustments in the allocations for public housing agencies, after application for an adjustment by a public housing agency that experienced a significant increase, as determined by the Secretary, in renewal costs of vouchers resulting from unforeseen circumstances or from portability under section 8(r) of the Act; (B) for vouchers that were not in use during the previous 12-month period in order to be available to meet a commitment pursuant to section 8(o)(13) of the Act, or an adjustment for a funding obligation not yet expended in the previous calendar year for a MTW-eligible activity to develop affordable housing for an agency added to the MTW demonstration under the expansion authority provided in section 239 of the Transportation, Housing and Urban Development, and Related Agencies Appropriations Act, 2016 (division L of Public Law 114–113); (C) for adjustments for costs associated with HUD–Veterans Affairs Supportive Housing (HUD–VASH) vouchers; (D) for public housing agencies that despite taking reasonable cost savings measures, as determined by the Secretary, would otherwise be required to terminate rental assistance for families as a result of insufficient funding; (E) for adjustments in the allocations for public housing agencies that—(i) are leasing a lower-than-average percentage of their authorized vouchers, (ii) have low amounts of budget authority in their net restricted assets accounts and HUD-held programmatic reserves, relative to other agencies, and (iii) are not participating in the Moving to Work demonstration, to enable such agencies to lease more vouchers; (F) for withheld payments in accordance with section 8(o)(8)(A)(ii) of the Act for months in the previous calendar year that were subsequently paid by the public housing agency after the agency's actual costs were validated; and (G) for public housing agencies that have experienced increased costs or loss of units in an area for which the President declared a disaster under title IV of the Robert T. Stafford Disaster Relief and Emergency Assistance Act (42 U.S.C. 5170 et seq.): *Provided further*, That the Secretary shall

allocate amounts under the preceding proviso based on need, as determined by the Secretary;

Tenant Protection

\$337,000,000 shall be available for section 8 rental assistance for relocation and replacement of housing units that are demolished or disposed of pursuant to section 18 of the Act, conversion of section 23 projects to assistance under section 8, relocation of witnesses (including victims of violent crimes) in connection with efforts to combat crime in public and assisted housing pursuant to a request from a law enforcement or prosecution agency, enhanced vouchers under any provision of law authorizing such assistance under section 8(t) of the Act, Choice Neighborhood vouchers, mandatory and voluntary conversions, and tenant protection assistance including replacement and relocation assistance or for project-based assistance to prevent the displacement of unassisted elderly tenants currently residing in section 202 properties financed between 1959 and 1974 that are refinanced pursuant to Public Law 106–569, as amended, or under the authority as provided under this Act: *Provided*, That when a public housing development is submitted for demolition or disposition under section 18 of the Act, the Secretary may provide section 8 rental assistance when the units pose an imminent health and safety risk to residents: *Provided further*, That the Secretary may provide section 8 rental assistance from amounts made available under this paragraph for units assisted under a project-based subsidy contract funded under the “Project-Based Rental Assistance” heading under this title where the owner has received a Notice of Default and the units pose an imminent health and safety risk to residents: *Provided further*, That of the amounts made available under this paragraph, no less than \$5,000,000 may be available to provide tenant protection assistance, not otherwise provided under this paragraph, to residents residing in low vacancy areas and who may have to pay rents greater than 30 percent of household income, as the result of: (A) the maturity of a HUD-insured, HUD-held or section 202 loan that requires the permission of the Secretary prior to loan prepayment; (B) the expiration of a rental assistance contract for which the tenants are not eligible for enhanced voucher or tenant protection assistance under existing law; or (C) the expiration of affordability restrictions accompanying a mortgage or preservation program administered by the Secretary: *Provided further*, That such tenant protection assistance made available under the preceding proviso may be provided under the authority of section 8(t) or section 8(o)(13) of the Act: *Provided further*, That any tenant protection voucher made available from amounts under this paragraph shall not be reissued by any public housing agency, except the replacement vouchers as defined by the Secretary by notice, when the initial family that received any such voucher no longer receives such voucher, and the authority for any public housing agency to issue any such voucher shall cease to exist: *Provided further*, That the Secretary may only provide replacement vouchers for units that were occupied within the previous 24 months that cease to be available as assisted housing, subject only to the availability of funds;

Administrative Fees

\$2,770,935,000 shall be available for administrative and other expenses of public housing agencies in administering the section 8 tenant-based rental assistance program, of which up to \$30,000,000 shall be available to the Secretary to allocate to public housing agencies that need additional funds to administer their section 8 programs, including fees associated with section 8

tenant protection rental assistance, the administration of disaster related vouchers, HUD–VASH vouchers, and other special purpose incremental vouchers: *Provided*, That no less than \$2,740,935,000 of the amount provided in this paragraph shall be allocated to public housing agencies for the calendar year 2024 funding cycle based on section 8(q) of the Act (and related appropriation Act provisions) as in effect immediately before the enactment of the Quality Housing and Work Responsibility Act of 1998 (Public Law 105–276): *Provided further*, That if the amounts made available under this paragraph are insufficient to pay the amounts determined under the preceding proviso, the Secretary may decrease the amounts allocated to agencies by a uniform percentage applicable to all agencies receiving funding under this paragraph or may, to the extent necessary to provide full payment of amounts determined under the preceding proviso, utilize unobligated balances, including recaptures and carryover, remaining from funds appropriated under this heading from prior fiscal years, excluding special purpose vouchers, notwithstanding the purposes for which such amounts were appropriated: *Provided further*, That all public housing agencies participating in the MTW demonstration shall be funded in accordance with the requirements of the MTW demonstration program or their MTW agreements, if any, and shall be subject to the same uniform percentage decrease as under the preceding proviso: *Provided further*, That amounts provided under this paragraph shall be only for activities related to the provision of tenant-based rental assistance authorized under section 8, including related development activities;

Mainstream Vouchers

\$742,941,000 shall be available for the renewal of tenant-based assistance contracts under section 811 of the Cranston-Gonzalez National Affordable Housing Act (42 U.S.C. 8013), including necessary administrative expenses: *Provided*, That administrative and other expenses of public housing agencies in administering the special purpose vouchers in this paragraph shall be funded under the same terms and be subject to the same pro rata reduction as the percent decrease for administrative and other expenses to public housing agencies under paragraph (3) of this heading: *Provided further*, That up to \$10,000,000 shall be available only—(A) for adjustments in the allocation for public housing agencies, after applications for an adjustment by a public housing agency that experienced a significant increase, as determined by the Secretary, in Mainstream renewal costs resulting from unforeseen circumstances; and (B) for public housing agencies that despite taking reasonable cost savings measures, as determined by the Secretary, would otherwise be required to terminate the rental assistance for Mainstream families as a result of insufficient funding: *Provided further*, That the Secretary shall allocate amounts under the preceding proviso based on need, as determined by the Secretary: *Provided further*, That upon turnover, section 811 special purpose vouchers funded under this heading in this or prior Acts, or under any other heading in prior Acts, shall be provided to non-elderly persons with disabilities;

HUD-VASH Program

\$15,000,000 shall be available for incremental rental voucher assistance for use through a supported housing program administered in conjunction with the Department of Veterans Affairs as authorized under section 8(o)(19) of the United States Housing Act of 1937: *Provided*, That the Secretary of Housing and Urban Development shall make such funding available,

notwithstanding section 203 (competition provision) of this title, to public housing agencies that partner with eligible VA Medical Centers or other entities as designated by the Secretary of the Department of Veterans Affairs, based on geographical need for such assistance as identified by the Secretary of the Department of Veterans Affairs, public housing agency administrative performance, and other factors as specified by the Secretary of Housing and Urban Development in consultation with the Secretary of the Department of Veterans Affairs: *Provided further*, That the Secretary of Housing and Urban Development may waive, or specify alternative requirements for (in consultation with the Secretary of the Department of Veterans Affairs), any provision of any statute or regulation that the Secretary of Housing and Urban Development administers in connection with the use of funds made available under this paragraph (except for requirements related to fair housing, nondiscrimination, labor standards, and the environment), upon a finding by the Secretary that any such waivers or alternative requirements are necessary for the effective delivery and administration of such voucher assistance: *Provided further*, That assistance made available under this paragraph shall continue to remain available for homeless veterans upon turn-over: *Provided further*, That of the total amount made available under this paragraph, up to \$10,000,000 may be for additional fees established by and allocated pursuant to a method determined by the Secretary for administrative and other expenses (including those eligible activities defined by notice to facilitate leasing, such as security deposit assistance and costs related to the retention and support of participating owners) of public housing agencies in administering HUD–VASH vouchers;

Family Unification Program

\$30,000,000 shall be available for the family unification program as authorized under section 8(x) of the Act: *Provided*, That the amounts made available under this paragraph are provided as follows: (A) \$5,000,000 shall be available for new incremental voucher assistance, which shall continue to remain available for family unification upon turnover; and (B) \$25,000,000 shall be available for new incremental voucher assistance to assist eligible youth as defined by such section 8(x)(2)(B) of the Act, which shall continue to remain available for such eligible youth upon turnover: *Provided*, That such amounts shall be available on a noncompetitive basis to public housing agencies that partner with public child welfare agencies to identify such eligible youth, that request such assistance to timely assist such eligible youth, and that meet any other criteria as specified by the Secretary: *Provided further*, That the Secretary shall review utilization of such assistance and assistance originating from appropriations made available for youth under this heading in any prior Act that the Secretary made available on a noncompetitive basis, at an interval to be determined by the Secretary, and unutilized voucher assistance that is no longer needed based on such review shall be recaptured by the Secretary and reallocated pursuant to the preceding proviso: *Provided further*, That any public housing agency administering new incremental voucher assistance originating from appropriations made available for the family unification program under this heading in this or any prior Act that the Secretary made available on a competitive basis that determines it no longer has an identified need for such assistance upon turnover shall notify the Secretary, and the Secretary shall recapture such assistance from the agency and reallocate it to any other public housing agency or agencies based on need for voucher assistance in connection with such specified program or eligible youth, as applicable;

Tracking of Special Purpose Vouchers

The Secretary shall separately track all special purpose vouchers funded under this heading.

Appendix B: Shortfall Funding Availability, Shortfall Policies, Application Process, and Calculation of HUD-Confirmed HCV and/or Mainstream Shortfall

Shortfall Funding Availability

The 2025 Act provides up to \$200 million for the HCV HAP Set-aside as described in section IV, subsection B, a, and \$10 million for the Mainstream Vouchers HAP Set-aside as described in Section E,2,1, through which HUD may make adjustments to PHAs' CY 2025 HAP renewal allocations for certain specified purposes. One of the eligible categories under both the HCV and Mainstream Vouchers HAP Set-aside is for PHAs that, despite taking reasonable cost savings measures as determined by the Secretary, would otherwise be required to terminate participating families from the program due to insufficient funding. Additionally, the 2025 Act allows for the use of carryover amounts from the 2024 Appropriations Act for TPVs, Administrative Fees, HUD-VASH, and FUP, for the shortfall category.

Shortfall Policies

Under the 2025 Act, the PHA must take reasonable cost savings measures as determined by HUD to be eligible for shortfall funding. Upon receiving notification that HUD's Shortfall Prevention Team (SPT) has identified a projected shortfall in the PHA's HCV program or Mainstream Vouchers for CY 2025, the PHA must comply with all required actions outlined in the SPT notification and any subsequent SPT notification. The required actions include:

- Immediately suspend the issuance of vouchers in accordance with the requirements described below.
- Immediately cease to absorb vouchers under the portability provisions unless otherwise instructed by the SPT.
- Implement all other cost savings measures identified by the SPT in the PHA's Action Plan within the SPT's specified timeframes.
- Apply for shortfall funding in accordance with the timeframe specified by the SPT.

The requirement to suspend general voucher issuance is subject to the following exclusions:

1. Vouchers issued to current tenant-based HCV participants to allow them to move.
2. Instances in which the PHA is leasing under the HUD-VASH program up to the baseline level of units under all HUD-VASH allocations (not just recent allocations), including turnover of HUD-VASH vouchers.³²
3. Vouchers issued to program applicants under Tenant Protection vouchers (TPVs) or special-purpose voucher increments awarded in CY 2024 or CY 2025. These SPVs include Family Unification Program (FUP) and Foster Youth to Independence (FYI) vouchers.³³
4. Stability vouchers awarded in CY 2023 that have not yet leased for the first time.³⁴
5. PHAs may allow applicants to move into PBV units in order for the PHA to meet its

³² This policy is not applicable to the Mainstream Vouchers HAP Set-Aside.

³³ Ibid.

³⁴ Ibid.

contractual PBV obligations. This covers both units being placed under HAP contract for the first time (e.g., in accordance with an Agreement to Enter into a HAP Contract (AHAP) or a notice of selection under 24 CFR 983.51(f) for newly constructed or rehabilitated housing) and PBV units currently under HAP contract that are vacant. This includes PBV projects under the Rental Assistance Demonstration (RAD), including HUD approved contractual obligations associated with Faircloth to RAD (Restore-Rebuild) projects.

6. Vouchers issued pursuant to the settlement of litigation (“Litigation Vouchers”) against a PHA. PHAs must request approval to continue leasing Litigation Vouchers and submit supporting documentation. HUD will review and decide on a case-by-case basis using the supporting documentation received as the basis for the decision.
7. Vouchers awarded to the PHA under the Community Choice Demonstration.

HUD reserves the right to consider additional exceptions on a case-by-case basis.

PHAs may not issue vouchers or execute HAP contracts for families that do not meet any of the exceptions, until advised by the SPT. This includes a prohibition against executing a new AHAP commitment or notice of selection, unless the transaction was started prior to shortfall confirmation. HUD reminds PHAs that in accordance with 24 CFR 983.261, they are obligated to provide a PBV family with a voucher to move only when a voucher is available in accordance with their Administrative Plan. While the PHA is in an SPT-confirmed shortfall, the PHA generally does not have available vouchers for the purpose of providing continued assistance under 24 CFR 983.261.

HUD reserves the right to further suspend leasing if necessary. HUD also reserves the right to require a PHA to rescind recently issued vouchers to be eligible for shortfall funding should HUD determine that such action is necessary or warranted. PHAs should not rescind previously issued vouchers unless required to do so by HUD.

The PHA must fully comply with the shortfall policies in this notice or a superseding notice, and the PHA’s Action Plan. HUD may reject a PHA shortfall funding application or may reduce or rescind a PHA shortfall funding award if the PHA fails to comply with any of these requirements. Furthermore, HUD may apply administrative fee sanctions to PHAs that do not adhere to these requirements. HUD may require the PHA to fully cover the HAP costs for unallowable new admissions that happened after the SPT confirmed the shortfall and the Action Plan was in effect.

The PHA will continue to work with the SPT throughout the year to monitor the PHA’s financial position and to implement cost savings measures outlined in the PHA’s Action Plan, to decrease the possibility of an increased shortfall.³⁶

PHAs that receive HAP Set-aside funds based on their current HAP costs are encouraged to maintain contact with the SPT to ensure all shortfall needs are met. Similarly, PHAs that do not initially qualify for shortfall funding because they have suspended leasing and expect to decrease

³⁶ While PHAs must adhere to the SPT’s Action Plan, HUD notes that [Notice PIH 2011-28](#) (or a successor notice) provides detailed recommendations for HCV Cost Savings that likely will be included in the Action Plan.

leasing by attrition are also encouraged to maintain contact with the local Field Office and the SPT if the attrition fails to resolve their shortfall.

The SPT may continue working with the PHA into CY 2026. The SPT may strongly advise against resuming leasing until such time as there is a final CY 2026 authorized budget authority and HUD can be assured that the PHA is no longer at risk of shortfall.

PHAs that repeatedly receive shortfall funds may be referred for corrective action.

Shortfall Application and Calculation

All PHAs applying for the shortfall HAP Set-aside must be working with HUD's SPT at the time of their application and complying with the PHA's Action Plan as required by the SPT. To apply for shortfall HAP Set-aside, the PHA must complete the application in Appendix C or Appendix K, for Mainstream, completed through DocuSign. The application period for shortfall HAP Set-aside funding will close at the deadline provided in Table 2 and Table 4 for Mainstream.

The SPT will review the PHA's funding available for 2025 and their leasing and expense data to date, to determine whether the PHA has a shortfall and the amount needed to resolve the shortfall.

The SPT will use the HCV Two-year Projection Tool (TYT) and the most recent validated voucher leasing and expense data available in VMS at the time the PHA's application is reviewed, including any updated information supplied by the PHA. The HCV TYT can be found at the [HCV Utilization Tools](#) website.

The HCV Two-year Projection Tool compares all resources to support the PHA's HAP payments in CY 2025 with actual HAP expenses for 2025 projected through the end of the CY based upon the best information available.

Resources are calculated using the HUD-calculated RNP as of December 31, 2024, the HUD-held reserve as of December 31, 2024, the PHA's actual Renewal Annual Budget Authority (ABA) for 2025, and any new voucher incremental funding applicable to CY 2025 or HAP Set-aside amounts awarded or expected to be awarded in 2025.

HAP expenses are calculated based on current leasing and expense data, projected through the end of CY 2025; the PHA's suspension of general voucher issuance; and projected attrition based on actual attrition for the 12 months prior to the PHA's request for HCV and/or Mainstream Vouchers HAP Set-aside funds, adjusted for accuracy if the PHA has more recent information that will impact the attrition rate in future months, as reported in IMS/PIC, and considering any updated information supplied by the PHA.

Factors considered by the SPT to determine the amount of a potential shortfall will be determined as follows³⁷:

- Cash Supported Total Reserves as of December 31, 2024: SPT will use the Cash

³⁷ There are separate calculations for the HCV HAP Set-aside and the Mainstream Vouchers HAP Set-Aside.

Supported Total Reserves as of 12/31/2024, which consists of the HUD-Held Reserve, and the lower of HUD-Estimated RNP, PHA Reported RNP as of 12/31/2024, or the actual amount of cash on hand to support the RNP. If there is a discrepancy with any of these amounts the PHA will be required to provide documentation as requested before this adjustment is made.

- HUD-held reserve as of December 31, 2024: SPT will use the balance reported to SPT by HUD's FMC.
- 2025 Renewal Annual Budget Authority: Actual renewal ABA awards for CY 2025.
- SPV and Tenant Protection Funding and HAP Set-asides: FMC will provide amounts to be made available to the PHA in CY 2025 for SPV and tenant protection funding increments applicable to any portion of CY 2025, and for any HAP Set-aside funding previously awarded in CY 2025. If applicable and necessary, the SPT will make adjustments to the shortfall Set-aside award to ensure that new increment funding for Mainstream Vouchers, SPVs, and/or TPVs remains available to lease the newly awarded number of SPVs and/or TPVs, rather than being used to cover the general shortfall.
- Unit months leased: The unit UML for CY 2025 will be projected by taking the number of units reported in VMS in the last month available and projecting that number through the end of the year. Reductions to projected leasing will be made to adjust for attrition, in accordance with the annual turnover rate used in the TYT. This rate is derived from the PHA's IMS/PIC data on families end of participation. Increases to projected leasing will be made for vouchers issued prior to the date of the notification by the SPT of a potential shortfall and for additional leasing resulting from the admission of families described in each exclusion category above except that no adjustments will be made for mover families who receive vouchers in accordance with exclusion category 1.
- Total HAP expense: Total HAP expense for CY 2025 will be based on a projection of the unit months leased for CY 2025 (described in subsection e above) at the per-unit cost taken from the PHA's most recent VMS report, and considering any updated information supplied by the PHA. If the PHA's PUC increases in future months, and the PHA again determines that it is in danger of a shortfall, an additional shortfall award may be made without the need to reapply.
- Vouchers issued or projected to be issued: The number of vouchers issued as of the date of notification by the SPT of a potential shortfall, as shown in the PHA's VMS report, will be used to determine future leasing, if any, from vouchers issued prior to the date of notification by the SPT of a potential shortfall. PHAs can only reissue turnover vouchers after receiving SPT notification of a potential shortfall. Planned issuances for vouchers exempt from the suspension will be shown in the months they will be issued. The projected HAP costs for these units will be affected by the voucher success rate provided by the PHA and average time from issuance of the voucher to the HAP effective date. HUD has the right to suspend leasing altogether if necessary.
- Other Planned Additions or Reductions to Leased Units: This TYT field incorporates into the leasing schedule other planned additions to leasing with fixed start dates, such as the dates that PBV units currently under AHAP are scheduled to come under HAP. The calculated HAP cost for these units is not subject to the success rate calculation, as shown in the TYT.
- 2025 Year-End Total HAP Reserve Balance: Any PHA with a negative projected 2025 year-end balance will be considered a shortfall PHA. PHAs with year-end balances of \$0

or above will not be considered shortfall PHAs or eligible to receive shortfall HAP Set-aside funds.

- Available UNP and Other Available Resources: HUD may consider the availability of UNP or other PHA resources that are eligible to be used by the PHA to cover HAP when determining the PHA's shortfall award amount eligibility or prioritizing PHA shortfall funding need. For example, HUD may have to implement this step if the overall shortfall need for all PHAs is projected to exceed the shortfall funds available. These other resources include but are not limited to UNP. If HUD takes these other resources into account and the impacted PHA uses UNP or other eligible funds to ensure all landlords are paid, HUD may subsequently provide an additional shortfall award (should funding be available) to the PHA to make the HCV or Mainstream program whole. This would allow the PHA to repay the UNP or the other eligible funding sources for any amounts used to make assistance payments to landlords to avoid terminations. This guidance is in compliance with the use of outside sources of funds in the HCV Program is provided within Notice PIH 2013-28 and 24 CFR 982.155(b)(1).

Appendix C: HCV HAP Set-Aside Category 1: Prevention of Terminations of Assistance Due to Insufficient Funding

As described in section IV, subsection B, a, PHAs that want to apply for HAP Set-aside funds for Category 1: Prevention of Terminations of Assistance Due to Insufficient Funding must complete and sign the application by the deadline and through the DocuSign link provided in Table 2. The information in this appendix is to assist PHAs in further understanding the application requirements to complete the DocuSign.

HUD will only accept applications completed and signed through DocuSign.

PHA Application for HCV HAP Set-aside Category 1: Prevention of Terminations Due to Insufficient Funding (shortfall)

PHA Name	
PHA Code	
Executive Director Name	

The above-referenced PHA is applying for shortfall funds and has undertaken reasonable cost savings measures to prevent termination of HCV participants due to insufficient funds. The application must be signed by the appropriate PHA official.

Certifications:

I hereby certify to the following:

____ At the time of application, the PHA is working with the HUD Shortfall Prevention Team (SPT) and SPT has confirmed the PHA is in a shortfall position. (PHAs that are not currently working with the SPT but believe they are in a shortfall position should immediately contact their HUD Field Office for assistance.)

____ The PHA has ceased issuing vouchers to applicants as of the date of notification by the SPT of a potential shortfall in accordance with the policies in this Notice.

____ In egregious situations, for PHAs not following HUD Shortfall Prevention Team (SPT) guidance on voucher issuances, HUD reserves the right to further require the PHA to rescind recently issued voucher to attain full set-aside eligibility.

____ I, the undersigned certify under penalty of perjury that the information stated herein, as well as any information provided in the accompaniment herewith, is true, accurate, and correct.

Warning: Anyone who knowingly submits a false claim or makes a false statement is subject to criminal and/or civil penalties, including confinement for up to 5 years, fines, and civil and administrative penalties (18 U.S.C. §§ 287, 1001, 1010, 1012; 31 U.S.C. §§ 3729, 3802; 24 CFR §28.10(b)(1)(iii)).

Signature of Executive Director

Date

Contact Name

Phone Number

Appendix D: HAP Set-aside Category 2: Unforeseen Circumstances

As described in section IV subsection B, b, PHAs that want to apply for HAP Set-aside funds for Category 2: Unforeseen Circumstances must complete and sign the application by the deadline and through the DocuSign link provided in Table 2. The information in this appendix is to assist PHAs in further understanding the application requirements to complete the DocuSign.

HUD will only accept applications completed and signed through DocuSign.

PHA Application for HAP Set-aside Category 2: Unforeseen Circumstances

PHA Name	
PHA Code	
Executive Director Name	

In addition to completing and signing this document, the PHA must attach a written narrative to this application describing the unforeseen circumstances and their relationship to the significantly increased renewal costs in CY 2025. The narrative must identify the unforeseen circumstances, describe how the identified circumstances differ from what the PHA experienced in prior years, and tie them to the situation(s) occurring in the PHA's local area and/or to their participants.

Certifications:

____ I hereby certify that the HCV program experienced increased renewal costs due to per-unit cost increases in CY 2025 due to the unforeseen circumstances.

____ I hereby certify I have attached the written narrative describing the unforeseen circumstances and their relationship to significantly increased renewal costs in CY 2025.

____ I, the undersigned certify under penalty of perjury that the information stated herein, as well as any information provided in the accompaniment herewith, is true, accurate, and correct.

Warning: Anyone who knowingly submits a false claim or makes a false statement is subject to criminal and/or civil penalties, including confinement for up to 5 years, fines, and civil and administrative penalties (18 U.S.C. §§ 287, 1001, 1010, 1012; 31 U.S.C. §§ 3729, 3802; 24 CFR §28.10(b)(1)(iii)).

Signature of Executive Director

Date

Contact Name

Phone Number

Appendix E: HAP Set-aside Category 3: Portability

As described in section IV subsection B, c, PHAs that want to apply for HAP Set-aside funds for Category 3: Portability must complete and sign the application by the deadline and through the DocuSign link provided in Table 2. The information in this appendix is to assist PHAs in further understanding the application requirements to complete the DocuSign.

HUD will only accept applications completed and signed through DocuSign.

PHA Application for HAP Set-aside Category 3: Portability

PHA Name	
PHA Code	
Executive Director Name	

Certifications:

____ I hereby certify that my PHA has experienced a significant increase in renewal costs due to portability for tenant-based rental assistance under Section 8 (r) of the U.S. Housing Act of 1937. I certify that I am eligible for this HAP Set-aside category in accordance with the PHA eligibility criteria described in section IV, subsection B, c.

____ I, the undersigned certify under penalty of perjury that the information stated herein, as well as any information provided in the accompaniment herewith, is true, accurate, and correct.

Warning: Anyone who knowingly submits a false claim or makes a false statement is subject to criminal and/or civil penalties, including confinement for up to 5 years, fines, and civil and administrative penalties (18 U.S.C. §§ 287, 1001, 1010, 1012; 31 U.S.C. §§ 3729, 3802; 24 CFR §28.10(b)(1)(iii)).

Signature of Executive Director

Date

Contact Name

Phone Number

Appendix F: HAP Set-aside Category 4: Project-based Vouchers

As described in section IV subsection B, d, PHAs that want to apply for HAP Set-aside funds for Category 4: Project-based Vouchers must complete and sign the application by the deadline and through the DocuSign link provided in Table 2. The information in this appendix is to assist PHAs in further understanding the application requirements to complete the DocuSign.

HUD will only accept applications completed and signed through DocuSign.

PHA Application for HAP Set-aside Category 4: Project-based Vouchers

PHA Name	
PHA Code	
Executive Director Name	
Project Name	
Owner	
Project Type (Newly Constructed or Rehabilitated Housing)	

As a reminder, to be eligible under this category, the HAP contract must be executed in CY 2025. If the HAP Contract has not been executed by the application submission date, the PHA must state when the HAP contract will be executed. You must complete this appendix for each project you are requesting under this category of HAP Set-aside Funding.

The PHA must also attach:

1. New PBV Contract Documentation – Provide either Option A or Option B

Option A: If the HAP contract is executed, the PHA must provide the complete executed HAP contract as an attachment. The HAP contract includes HUD Form 52530A parts 1 and 2, as applicable, exhibits, and amendments. Please ensure that the attached contracts are signed and dated by all parties. Additionally, the PHA must complete items 2 and 3 below, the PBV Unit Count Detail and the PBV Cost Detail tables.

Option A -- Required Attachment: Executed HAP Contract, Including
HUD Form 52530A Part 1 and 2, including all exhibits and amendments

OR

Option B: If the HAP contract isn't yet executed, the PHA must provide the below required attachments depending on whether the project was subject to an AHAP. Additionally, the PHA must complete items 2 and 3 below, the PBV Unit Count Detail and the PBV Cost Detail tables.

Option B -- Required Attachments: For HAP Contracts Not Yet Executed and which was subject to an AHAP
HUD Form 52531A Part 1 and 2, including all exhibits and amendments
Written certification stating that the PHA reasonably expects the HAP contract to be effective in CY 2025, including the expected effective date and timing of the addition of units if the units will be added in stages pursuant to 24 CFR 983.156(c)

Either

Option B -- Required Attachments: For HAP Contracts Not Yet Executed and which was <u>not</u> subject to an AHAP
Written notice of proposal or project selection and the owner's written response, as required by 24 CFR 983.51(f)
Written certification stating that the PHA reasonably expects the HAP contract to be effective in CY 2025, including the expected effective date and timing of the addition of units if the units will be added in stages pursuant to 24 CFR 983.156(c)

AND

- 2. PBV Unit Count Details:** The PHA must complete and submit the following table for the respective project in all requests for PBV category funding.

Period Allowed	Jan 2024	Feb 2024	Mar 2024	April 2024	May 2024	June 2024	July 2024	August 2024	Sept 2024	Oct 2024	Nov 2024	Dec 2024
Number of Contract Units												

AND

- 3. PBV Cost Details:** The PHA must complete and submit the following table for the respective project in all requests for PBV category funding. HUD will calculate the total weighted average CY 2025 monthly costs incurred or the total weighted average CY 2025 monthly expected costs based on the information provided below and is mandatory irrespective of option A or B chosen by the PHA:

Unit Size	Initial Rent to Owner OR Anticipated Initial Rent to Owner	Gross Rent OR Anticipated Gross Rent	Are Utilities Included in Rent?	Number of Contract Units OR Number of Anticipated Contract Units
____ Bedroom				
____ Bedroom				
____ Bedroom				

Unit Size	Initial Rent to Owner OR Anticipated Initial Rent to Owner	Gross Rent OR Anticipated Gross Rent	Are Utilities Included in Rent?	Number of Contract Units OR Number of Anticipated Contract Units
____ Bedroom				
____ Bedroom				
____ Bedroom				

The PHA may provide additional information here:

Comments:

Certification:

____ I, the undersigned certify under penalty of perjury that the information stated herein, as well as any information provided in the accompaniment herewith, is true, accurate, and correct.

Warning: Anyone who knowingly submits a false claim or makes a false statement is subject to criminal and/or civil penalties, including confinement for up to 5 years, fines, and civil and administrative penalties (18 U.S.C. §§ 287, 1001, 1010, 1012; 31 U.S.C. §§ 3729, 3802; 24 CFR §28.10(b)(1)(iii)).

Signature of Executive Director

Date

Contact Name

Phone Number

Appendix G: HAP Set-aside Category 5: MTW Expansion PHAs Development Adjustment

As described in section IV, subsection B, e, PHAs that want to apply for HAP Set-aside funds for Category 5: MTW Expansion PHAs Development Adjustment must complete and sign the application by the deadline and through the DocuSign link provided in Table 2. The information in this appendix is to assist PHAs in further understanding the application requirements to complete the DocuSign.

HUD will only accept applications completed and signed through DocuSign.

PHA Application for HAP Set-aside Category 5: MTW Expansion PHAs Development Adjustments

MTW Expansion PHAs may apply for MTW-eligible commitment/development activity that is not a PBV commitment. For PBV commitments, MTW Expansion PHAs should apply under HAP Set-aside Category 4.

You must complete this appendix for each MTW-eligible commitment/activity.

PHA Name	
PHA Code	
Project Name	

The PHA must also attach:

- An approved Annual PHA Plan and MTW Supplement, identifying the PHA's binding agreement indicating its planned use of HAP funding, for each MTW-eligible development commitment for which a request is being made under this category
- Documentation to demonstrate the PHA will require an outlay or expenditure of funds, immediately or later in 2025 for the MTW-eligible development activity. This includes the submission of documentation demonstrating an obligation was made in 2024 for the project(s) and is an executed binding agreement between a MTW Expansion PHA and a third party. A Board Resolution is not considered an obligating document unless the MTW Expansion PHA is undertaking the development/construction work themselves.
- Examples of obligating documentation include but are not limited to:
 - construction contract;
 - promissory note for affordable housing;
 - purchase agreement; or
 - loan agreement, also attached to the corresponding Category 5 DocuSign form.

Topic	PHA Response
Number of projects being submitted for this adjustment	____ of ____
Select Project Type	New Construction or Rehabilitation
Funding obligated but not expended in CY 2024	

Topic	PHA Response
Expected date of expenditures	
Project deliverable dates	

Certification:

____I, the undersigned certify under penalty of perjury that the information stated herein, as well as any information provided in the accompaniment herewith, is true, accurate, and correct.

Warning: Anyone who knowingly submits a false claim or makes a false statement is subject to criminal and/or civil penalties, including confinement for up to 5 years, fines, and civil and administrative penalties (18 U.S.C. §§ 287, 1001, 1010, 1012; 31 U.S.C. §§ 3729, 3802; 24 CFR §28.10(b)(1)(iii)).

Signature of Executive Director

Date

Contact Name

Phone Number

Appendix H: HAP Set-aside Category 6: HUD-VASH

As described in section IV, subsection B, f, PHAs that want to apply for HAP Set-aside funds for Category 6: HUD-VASH must complete and sign the application by the deadline and through the DocuSign link provided in Table 2. The information in this appendix is to assist PHAs in further understanding the application requirements to complete the DocuSign.

HUD will only accept applications completed and signed through DocuSign.

PHA Application for HAP Set-aside Category 6: HUD-VASH

PHA Name	
PHA Code	
Executive Director Name	

My PHA is applying for HAP Set-aside funding for Category 6, HUD-VASH because (select one or both):

____ Per Unit Cost Increase: My PHA's program-wide funded CY 2025 HUD-VASH HAP PUC is less than the current HUD-VASH HAP PUC based on the latest HUD-VASH HAP expenses in CY 2025, and/or

____ Leasing Increase: My PHA's total HUD-VASH leasing for CY 2025 will exceed the leasing level included in the renewal funding plus the leasing that will be supported by the RNP and HUD-Held Program Reserves.

Certification:

____ I, the undersigned certify under penalty of perjury that the information stated herein, as well as any information provided in the accompaniment herewith, is true, accurate, and correct.

Warning: Anyone who knowingly submits a false claim or makes a false statement is subject to criminal and/or civil penalties, including confinement for up to 5 years, fines, and civil and administrative penalties (18 U.S.C. §§ 287, 1001, 1010, 1012; 31 U.S.C. §§ 3729, 3802; 24 CFR §28.10(b)(1)(iii)).

Signature of Executive Director

Date

Contact Name

Phone Number

Appendix I: HAP Set-aside Category 8: Disaster

As described in section IV, B, h, PHAs that want to apply for HAP Set-aside funds for Category 8: Disaster must complete and sign the application by the deadline and through the DocuSign link provided in Table 2. The information in this appendix is to assist PHAs in further understanding the application requirements to complete the DocuSign.

HUD will only accept applications completed and signed through DocuSign.

PHA Application for HAP Set-aside Category 8: Disaster

PHA Name	
PHA Code	
Executive Director Name	
Presidentially-declared Disaster that impacted PHA	

My PHA is applying for HAP Set-aside funding for Category 8: Disaster, because (select one or both):

____ Loss of Units: My PHA's leased units was reduced due to the Presidentially-declared Disaster. My PHA estimates that [insert number] units were lost and need funding. My PHA estimates that [insert number of months] in CY 2025 were impacted by the loss of units.

____ Increased costs: My PHA's experienced an increase in HAP expenses due to the Presidentially-declared Disaster. My PHA estimates that [insert number of months] in CY 2025 were impacted by the loss of units. My PHA is requesting a Per Unit Cost amount of [insert requested PUC].

If applying under loss of units, the PHA must attach a written narrative detailing the following:

- Impact of the disaster that has caused a loss of units;
- PHA's assessment of the availability of rental housing stock in the PHA's jurisdiction;
- A description of any plans in the jurisdiction to increase the availability of rental stock, which may include the PHA's plan to project-base additional vouchers to increase the supply of units available to voucher families;
- Number of families currently on the PHA's HCV waiting list;
- Whether the waiting list is open or closed; and
- The PHA must also attach any additional evidence supporting the narrative.

If applying under increased costs, the PHA must attach a written narrative detailing the impact the disaster had in increasing costs, the per unit cost requested, and evidence to support the narrative and how the PUC was determined. For example, the PHA may provide data supporting the higher requested PUC by providing IMS/PIC data for recent new admissions and/or recent movers or other data supporting its request for a funding adjustment.

Certification:

____I, the undersigned certify under penalty of perjury that the information stated herein, as well as any information provided in the accompaniment herewith, is true, accurate, and correct.

Warning: Anyone who knowingly submits a false claim or makes a false statement is subject to criminal and/or civil penalties, including confinement for up to 5 years, fines, and civil and administrative penalties (18 U.S.C. §§ 287, 1001, 1010, 1012; 31 U.S.C. §§ 3729, 3802; 24 CFR §28.10(b)(1)(iii)).

Signature of Executive Director

Date

Contact Name

Phone Number

Appendix J: HAP Set-aside Category 9: Non-life Threatening Inspection Withheld HAP

As described in section IV, subsection B, i, PHAs that want to apply for HAP Set-aside funds for Category 9: Non-life Threatening Inspection Withheld HAP must complete and sign the application by the deadline and through the DocuSign link provided in Table 2. The information in this appendix is to assist PHAs in further understanding the application requirements to complete the DocuSign.

HUD will only accept applications completed and signed through DocuSign.

PHA Application for HAP Set-aside Category 9: Non-life Threatening Inspection Withheld HAP

PHA Name	
PHA Code	
Executive Director Name	

The PHA must attach a spreadsheet identifying the amount of CY 2024 withheld HAP, by unit, by month, and the date the retroactive payment was made to the owner in CY 2025. HUD compares this information to the Prior Month Corrections (PMCs) reported in VMS for NLT.

Certifications:

____ I hereby certify that my PHA has completed the Voucher Management System Non-life Threatening Inspection HAP entries as required in section IV, subsection B, i.

____ I, the undersigned certify under penalty of perjury that the information stated herein, as well as any information provided in the accompaniment herewith, is true, accurate, and correct.

Warning: Anyone who knowingly submits a false claim or makes a false statement is subject to criminal and/or civil penalties, including confinement for up to 5 years, fines, and civil and administrative penalties (18 U.S.C. §§ 287, 1001, 1010, 1012; 31 U.S.C. §§ 3729, 3802; 24 CFR §28.10(b)(1)(iii)).

Signature of Executive Director

Date

Contact Name

Phone Number

Appendix K: Mainstream Vouchers HAP Set-Aside Category M1: Prevention of Terminations of Assistance Due to Insufficient Funding

As described in section IV, subsection E, 2, 1, PHAs that want to apply for Mainstream Vouchers HAP Set-aside funds for Category 1: Prevention of Terminations of Assistance Due to Insufficient Funding must complete and sign the application by the deadline and through the DocuSign link provided in Table 4. The information in this appendix is to assist PHAs in further understanding the application requirements to complete the DocuSign.

HUD will only accept applications completed and signed through DocuSign.

PHA Application for Mainstream Vouchers HAP Set-aside Category M1: Prevention of Terminations Due to Insufficient Funding (Shortfall)

PHA Name	
PHA Code	
Executive Director Name	

The above-referenced agency is applying for Mainstream Vouchers shortfall funds and has undertaken reasonable cost savings measures to prevent termination of Mainstream participants due to insufficient funds. The application must be signed by the appropriate PHA official.

Certifications

I hereby certify to the following:

____ At the time of application, the PHA is working with the HUD Shortfall Prevention Team (SPT) and SPT has confirmed the PHA is in a shortfall position. (PHAs that are not currently working with the SPT but believe they are in a shortfall position should immediately contact their HUD Field Office for assistance.)

____ The PHA has ceased issuing vouchers to applicants as of the date of notification by the SPT of a potential shortfall in accordance with the policies in this Notice.

____ In egregious situations, for PHAs not following HUD Shortfall Prevention Team (SPT) guidance on voucher issuances, HUD reserves the right to further require the PHA to rescind recently issued voucher to attain full HAP set-aside eligibility.

____ I, the undersigned certify under penalty of perjury that the information stated herein, as well as any information provided in the accompaniment herewith, is true, accurate, and correct.

Warning: Anyone who knowingly submits a false claim or makes a false statement is subject to criminal and/or civil penalties, including confinement for up to 5 years, fines, and civil and administrative penalties (18 U.S.C. §§ 287, 1001, 1010, 1012; 31 U.S.C. §§ 3729, 3802; 24 CFR §28.10(b)(1)(iii)).

Signature of Executive Director

Date

Contact Name

Phone Number

Appendix L: Mainstream Vouchers HAP Set-aside Category M2: Unforeseen Circumstances

As described in section IV, subsection E, 2, 2, PHAs that want to apply for Mainstream Vouchers HAP Set-aside funds for Category 2: Unforeseen Circumstances must complete and sign the application by the deadline and through the DocuSign link provided in Table 4. The information in this appendix is to assist PHAs in further understanding the application requirements to complete the DocuSign.

HUD will only accept applications completed and signed through DocuSign.

PHA Application for Mainstream Vouchers HAP Set-aside Category M2: Unforeseen Circumstances

PHA Name	
PHA Code	
Executive Director Name	

In addition to completing and signing this document, the PHA must attach a written narrative to this application describing the unforeseen circumstances and their relationship to the significantly increased renewal costs in CY 2025. The narrative must identify the unforeseen circumstances, describe how the identified circumstances differ from what the PHA experienced in prior years, and tie them to the situation(s) occurring in the PHA's local area and/or to their participants.

Certifications:

____ I hereby certify that the Mainstream Vouchers experienced increased renewal costs due to per-unit cost increases in CY 2025 due to unforeseen circumstances.

____ I hereby certify I have attached the written narrative describing the unforeseen circumstances and their relationship to significantly increased renewal costs in CY 2025.

____ I, the undersigned certify under penalty of perjury that the information stated herein, as well as any information provided in the accompaniment herewith, is true, accurate, and correct.

Warning: Anyone who knowingly submits a false claim or makes a false statement is subject to criminal and/or civil penalties, including confinement for up to 5 years, fines, and civil and administrative penalties (18 U.S.C. §§ 287, 1001, 1010, 1012; 31 U.S.C. §§ 3729, 3802; 24 CFR §28.10(b)(1)(iii)).

Signature of Executive Director

Date

Contact Name

Phone Number

Appendix M: Special Fees: Secretary's Discretion

As described in section V, subsection E, 9, PHAs that want to apply for Special Fees for Category I: Secretary's Discretion must complete and sign the application by the deadline and through the DocuSign link provided in Table 5. The information in this appendix is to assist PHAs in further understanding the application requirements to complete the DocuSign.

HUD will only accept applications completed and signed through DocuSign.

PHA Application for Special Fees: Category I: Secretary's Discretion

PHA Name	
PHA Code	
Executive Director Name	

The PHA must complete all fields within this appendix and attach documentation in support of the amount of funds requested. Supporting documentation must be independently verifiable. For example, the PHA would provide invoices, receipts, time sheets, and/or third-party estimates. Funding awards for this category will be based on the amount of the request that is verifiable.

PHA Total Requested Amount for Special Fees under the Secretary's Discretion:

--

PHA Calculation used to determine the amount requested:

--

Description of what this additional Special Fee funding will be used for:

--

Certifications:

____ I certify that my PHA needs this additional funding for the purposes described within this application appendix.

____ I, the undersigned certify under penalty of perjury that the information stated herein, as well as any information provided in the accompaniment herewith, is true, accurate, and correct.

Warning: Anyone who knowingly submits a false claim or makes a false statement is subject to criminal and/or civil penalties, including confinement for up to 5 years, fines, and civil and administrative penalties (18 U.S.C. §§ 287, 1001, 1010, 1012; 31 U.S.C. §§ 3729, 3802; 24 CFR §28.10(b)(1)(iii)).

Signature of Executive Director

Date

Contact Name

Phone Number