U.S. DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT

WASHINGTON, DC 20410-5000



OFFICE OF PUBLIC AND INDIAN HOUSING

Special Attention of: Notice PIH 2025-19

Public Housing Directors; Regional Public Housing Directors; Public Housing Agencies **Issued:** June 20, 2025

Expires: This notice remains in effect until

amended, superseded, or rescinded.

Cross References: Notice PIH 2025-07; Notice PIH 2021-15; Notice PIH 2021-20

Subject: Guidance on Transitioning EHV Families into HCV and End of EHV Services Fee Expenditure

1. Purpose

This notice provides guidance to Public Housing Agencies (PHAs) on how to transition Emergency Housing Voucher (EHV) families into its Housing Choice Voucher (HCV) program. PHAs may elect to transition EHV families into the HCV program so that EHV families do not experience a loss or gap in housing assistance and can remain in their assisted units. Further, this notice informs PHAs that they may no longer expend services fees beginning 60 calendar days from the publication of this notice and that they must complete all remaining services fee expenditure reporting in the Voucher Management System (VMS) 120 days from the publication of this notice.

2. Background

EHVs are tenant-based rental assistance under Section 8(o) of the United States Housing Act of 1937 (42 U.S.C. 1437f(o)). Eligibility for EHVs is limited to individuals and families who are (1) homeless; (2) at risk of homelessness; (3) fleeing, or attempting to flee, domestic violence, dating violence, sexual assault, stalking, or human trafficking; or (4) recently homeless and for whom providing rental assistance will prevent the family's homelessness or having high risk of housing instability.

The ARP made EHV funds available for obligation by HUD until September 30, 2030, and those funds will be cancelled as a matter of law effective September 30, 2035. However, due to historic increases in rental prices resulting in a higher per unit cost

¹ Section 3202 of the American Rescue Plan Act of 2021 (P.L. 117-2, hereafter referred to in this notice as "the ARP") appropriated \$5 billion for new incremental EHVs as part of the response to the impact of the COVID-19 pandemic.

(PUC) for EHVs, HUD estimates that the Department will only have sufficient funds to cover all EHV families through most of Calendar Year (CY) 2026.

In March 2025, HUD published Notice PIH 2025-07, which directed PHAs to stop issuing any new EHVs after 14 calendar days and reminded PHAs that any incoming EHV ports must be billed to the initial PHA. Additionally, HUD obligated all remaining EHV funding to PHAs. Through this notice, HUD is encouraging PHAs to begin planning for the wind-down of the EHV program as the funding for the program is likely to be expended by the end of CY 2026. PHAs are advised to consider planning a careful transition of families, which may include transitioning families into the PHA's HCV program, in accordance with this notice. PHAs opting to take this action must follow the procedures described in Section 3 of this notice for adopting a preference for EHV families if the PHA has not already adopted such a preference.

When allocating EHVs to PHAs in 2021, HUD also awarded \$245 million in services fees to help facilitate the leasing of EHVs as well as retain and support participating EHV owners. Eligible expenses for services fees, as described in Notice PIH 2023-23, fall into four categories: (1) housing search assistance; (2) security deposit, utility deposit, rental application, and holding fees; (3) owner-related uses; and (4) other eligible uses. HUD expanded the use of services fees in 2023 to provide more opportunities for PHAs to use the fees to support currently housed EHV families. Future guidance on returning unexpended service fees and reallocation is forthcoming.

3. Transitioning EHV Families into the HCV Program

HUD strongly encourages PHAs to transition EHV families to the HCV program so that EHV families do not lose assistance and potentially face homelessness. PHAs that choose this option should provide clear information to EHV families about the process for applying to the HCV waiting list under an EHV preference, the status of EHV funding, and why the PHA is adopting an EHV preference. PHA communication to EHV families should also clearly explain that choosing to apply and be transitioned to the HCV program is optional for the family. Further, communication to families should explain the potential consequences of remaining on EHV assistance, including the risk of termination of assistance due to lack of permanent EHV funding.

In transitioning a family into HCV, a PHA is making assistance payments with funding under its consolidated HCV Annual Contributions Contract (24 CFR 982.4(b)). In order to transition EHV families into its HCV program, the PHA must have HCV unit-months available to use for EHV families. The prohibition on HCV over-leasing as described in Section IV.F.3 of Notice PIH 2025-13 applies. Information on EHV waivers (which do not apply to HCV) and transitioning families to the HCV program follows in subsection c. below.

PHAs are reminded that EHV funding cannot be used for regular HCV Housing Assistance Payment (HAP) costs, even for former EHV families, once the EHV family has been transitioned to the regular HCV program.

PHAs should consider using <u>HUD's Two-Year Tool</u> (TYT) to help them determine how many EHV families may remain in their program towards the end of CY 2026. Because the amount of remaining EHV funding is known and not subject to annual appropriations, there are fewer unknown variables and PHAs can use PUC trends and attrition rates to estimate the number of families that may need to be transitioned to HCV.

a. Waiting Lists

In order to transition EHV families into the PHA's regular HCV program, the family must be selected through the PHA's HCV waiting list as required by 24 CFR 982.204(a). PHAs that currently have an open waiting list should take the following steps:

- Determine if establishing a waiting list preference constitutes a significant amendment to its PHA Plan (24 CFR 903.21).
- If the PHA determines that establishing a waiting list preference constitutes a significant amendment, complete the process for updating the PHA Plan (24 CFR 903.17). PHAs must provide a public comment period, which is a statutory requirement that cannot be waived by HUD.
- Complete the process for updating the administrative plan (24 CFR 982.54). Per 24 CFR 982.54(a), revisions to the administrative plan must be formally adopted by the PHA's Board of Commissioners or other authorized PHA officials.

PHAs with a currently closed HCV waiting list who opt to transition EHV families may choose to open their waiting list only for families that qualify for an EHV preference. In this case, the PHA must include the preference in its administrative plan (24 CFR 982.54(d)(1)).

b. Preferences

PHAs may establish a local preference based on local housing needs and priorities as determined by the PHA (24 CFR 982.207(a)(2)), and this may include families participating in EHV. PHAs that want to transition EHV families into the HCV program should structure the preference in a way that provides clarity that only current EHV participants are eligible for the preference. For example, the preference could state that it is for currently assisted EHV families whose assistance is at risk of termination due to lack of program funding.

There are multiple methods that PHAs may use to apply preferences, including lumping, aggregating, and ranking. PHAs have discretion to apply preferences through several methods, provided that the selected methods comply with fair housing and civil rights requirements. In establishing an EHV preference, PHAs will need to consider how the preference method(s) they currently employ will impact the desired goal of moving EHV families to the top of the PHA's waiting list to expediently transition EHV families. There are no priority preferences with lumping or aggregating methods, but PHAs can use a ranking method to weigh an EHV preference above all other existing preferences.

Some PHAs may only have available HCVs to transition a portion of their EHV families. PHAs in this situation may want to consider adopting multiple EHV preferences to first prioritize the most vulnerable households. For example, PHAs could adopt a preference for EHV families with a head of household, spouse, or co-head who is elderly or disabled, and a second preference for all other EHV families. In designing preferences, PHAs are reminded that all preferences must be consistent with fair housing and civil rights laws.

PHAs with Mainstream vouchers available may consider adopting a preference for EHV families that meet Mainstream eligibility requirements. To transition families into Mainstream, families must be Mainstream-eligible, and the family must be properly added to the waiting list consistent with statutory, regulatory, and other requirements.² This option does not apply to Special Purpose Voucher (SPV) programs other than Mainstream. These SPV programs have statutory eligibility requirements that EHV families cannot meet and/or involve partnerships that require the PHA to receive referrals from certain sources (i.e., the Family Unification Program, Foster Youth to Independence, HUD-Veterans Affairs Supportive Housing, and Stability Vouchers). Per Section IV.E.1 of Notice PIH 2025-13, the same prohibition on over-leasing applies for Mainstream.

Once the PHA has adopted its EHV preference(s), the PHA should ensure effective communication of notice to all EHV families about the new preference and the opportunity to apply for the HCV program under the preference. PHAs should provide a reasonable amount of time to EHV families to apply for the HCV program before selecting any EHV families from their HCV waiting list. As an alternative to only accepting individual applications from EHV families, HUD is providing a streamlined submission and review process for a regulatory waiver that, if approved, would permit PHAs to place all EHV families on its HCV waiting list with the appropriate preference.

To ensure streamlined processing, PHAs must submit their waiver request in <u>DocuSign</u>. PHAs must provide certain information within the waiver request document, including:

- PHA name, code, and business address
- Name and email for the PHA point of contact
- A PHA-specific justification for the waiver that shows good cause. The good cause justification must include: 1) why the PHA needs the waiver, and 2) the impact on PHA operations and applicants if the waiver is not provided.

Following submission, PIH will reply via email confirming that the request has been received. Once a final determination for approval by the Assistant Secretary has been made, PHAs will receive the signed response to the waiver request via email. No waiver requested may be implemented unless written approval from HUD has been obtained.

² Notice PIH 2024-30, *Statutory and Regulatory Waivers for Mainstream Vouchers*, for mandatory and optional waivers and alternative requirements related to waiting lists in the Mainstream program.

c. EHV waivers and alternative requirements

PHAs are reminded that the EHV waivers and alternative requirements outlined in Notice PIH 2021-15 do not apply to their HCV program. However, as discussed below, families that were properly admitted to the EHV program and are currently receiving EHV assistance are participants under a section 8(o) tenant-based voucher program. This section discusses the requirements that apply (particularly with respect to criminal screening and income) when a PHA is transitioning a family from EHV to HCV assistance. In addition, this section reviews EHV waivers that PHAs may have opted to use and the existing flexibilities available to PHAs in lieu of those waivers to minimize disruption to EHV families.

Criminal Rescreening. Families that were properly admitted to the EHV program by PHAs in full compliance with the requirements of Notice PIH 2021-15 and are currently receiving EHV assistance are participants under a section 8(o) tenant-based voucher program. Therefore, applicant screening requirements do not apply when the PHA is transitioning a family from EHV to HCV assistance. All HCV requirements with respect to termination of assistance for participants apply to EHV families when they are transitioned to HCV assistance.

Income Eligibility and Targeting. Families that were properly admitted to the EHV program by PHAs in full compliance with the requirements of Notice PIH 2021-15 and are currently receiving EHV assistance are participants under a section 8(o) tenant-based voucher program. Therefore, the income-eligibility and targeting requirements in 24 CFR 982.201, which apply to applicants, do not apply in cases where the PHA is transitioning a family from EHV to HCV assistance. All HCV requirements with respect to participant family income and composition (particularly, 24 CFR 982.516) apply to EHV families when they are transitioned to HCV assistance.

Social Security Number and Citizenship Verification. In Section 9(i) of Notice PIH 2021-15, HUD waived the requirement to obtain and verify documentation of social security number (SSN) and eligible noncitizen status (if applicable) before admitting families to EHV. HUD established an alternative requirement that individuals must provide the required documentation within 180 days of admission to remain eligible for continued assistance, pending verification, unless the PHA provided an extension based on evidence from the family or confirmation from the CoC or other partnering agency that the family has made a good-faith effort to obtain the documentation.

A PHA may not transition a family from the EHV program to the HCV program until it verifies documentation of SSN and eligible noncitizen status. The EHV alternative requirement in this section does not apply to HCV program.

Payment Standards and Rent Reasonableness. To increase housing choice for EHV families, section (9)(p) of Notice PIH 2021-15 waived 24 CFR 982.503(a)(3), allowing PHAs to set separate, higher payment standards for EHV. PHAs were permitted to establish EHV payment standards up to 120 percent of Fair Market Rent (FMR) without HUD approval.

PHAs that chose to set higher payment standards for EHV may want to consider two options to minimize harm to families: (1) If the EHV payment standards are above 110 percent and up to 120 percent of applicable FMR, the PHA could align both programs' payment standards by using the simplified process described in Section 5B of Notice PIH 2024-34, or (2) the PHA could hold families harmless and choose not to reduce the payment standard amount used to calculate the subsidy for a family as long as they continue to reside in the same unit (see Section 10 of Notice PIH 2024-34).

PHAs should note that the requirement limiting the family share to 40 percent or less of monthly adjusted income at initial occupancy (24 CFR 982.508) does not apply if the family is leasing in place.

d. HAP Contract and Tenancy Addendum

As tenant-based assistance under section 8(o) of the United States Housing Act of 1937, EHV uses the same HAP contract (HUD-52641) and tenancy addendum as the regular HCV program. When transitioning an EHV family to HCV, PHAs are not required to execute a new HAP contract or tenancy addendum for the family provided that the family is remaining in the same unit.

e. PIC Reporting

When admitting an EHV family from the HCV waiting list, the family should be coded on line 2n of the HUD-50058 as "EHCV." Moving to Work (MTW) PHAs should code the family on line 2p as "EHCV" on the HUD-50058 MTW and leave 2n blank. HUD will use this code to track the number of EHV families admitted to HCV but also to award the \$1,000 fee per EHV family that is successfully transitioned to the regular HCV program, as described in Notice PIH 2025-13. PHAs will not receive the fee for transitioning EHV families if they fail to code the family as "EHCV" on line 2n or 2p for MTW PHAs. When a family transitions to HCV and remains in their unit, PHAs should not use action code 6 ("End Participation") but instead use action code 3 ("Interim Reexamination"). If the family is not leasing in place, PHAs must use action code 7 ("Other change in unit").

4. Services Fees

PHAs have 60 calendar days from the date of the publication of this notice to use services fees on eligible expenses, and an additional 60 calendar days from the date of the publication of this notice to complete services fees VMS reporting. PHAs should review

Notice PIH 2023-23 that describes the eligible uses of services fees. PHAs will be required to repay any disallowed costs if services fees are used for ineligible expenses.

HUD will describe the process for recapture and reallocation of services fees in a separate, future notice.

- **5. Information Contact.** Inquiries about this notice should be directed to ehv@hud.gov.
- **6. Paperwork Reduction Act.** The information collection requirements contained in this notice have been approved by the Office of Management and Budget (OMB) under the Paperwork Reduction Act (PRA) of 1995 (44 U.S.C 3520). In accordance with the PRA, 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. The active information collections contained in this notice have been approved under the PRA OMB Control Number 2577-0169.

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