



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

OFFICE OF PUBLIC AND INDIAN HOUSING

November 2, 2021

Dear Executive Director:

Subject: CY 2021 Administrative Fee (Admin Fee) Estimated Pro-ration – Housing Choice Voucher Program (HCVP)

The Department is pleased to announce that the Office of Housing Voucher Program has identified additional carryover funds that will be used to increase the HCVP ongoing Admin Fee proration. At this time, it is estimated that the Admin Fee pro-ration will increase from 82% to approximately **84%**. This new proration was announced within the June 30, 2021, Admin Fee quarterly reconciliation letter. Depending on the national leasing behavior throughout the year, the 84% may vary; however, the Department will continue to identify additional carryover funds and/or recaptures that could be re-apportioned to the Admin Fee account in CY 2021, per provisions in the Consolidated Appropriations Act, 2021 (P.L. 116-260).

The reconciliation of Admin Fee earned for the period June 2021, occurred during late-August 2021 and additional funds were due as a result of the proration factor increase to 84%. All PHAs already received the amounts owed for this increase through June 2021. Simultaneously, and before the June 2021 reconciliation been completed, HUD advanced Admin Fee funds through October 2021 at 82% proration to ensure fiscal year-end activities did not interrupt these monthly payments. HUD will work on the September 2021 quarterly reconciliation next during late November 2021 and will adjust advances that were made at 82% through that period (July through September 2021) and will make the PHAs whole during the month of December 2021. It is anticipated the proration will remain steady at 84%, but HUD will announce the proration factor change, should that be the case. The November and December 2021 Admin Fee advances were scheduled at 84% proration.

For Admin Fees associated with portability billings, it is recommended that PHAs continue to use the original estimated 82% Admin Fee pro-ration for the January through July 2021 period; and **is recommended** that, beginning in July 2021, receiving and initial PHAs use the estimated 84% Admin Fee pro-ration, unless the PHAs have other portability agreements. For example, if you follow the portability formula in the HUD website (CY 2021 Portability Admin Fee Rate (PDF)), the portability Admin Fee rate would then be 84% of 80% of Column B fee rate beginning July 2021. Find the guidance using the following link: https://www.hud.gov/program_offices/public_indian_housing/programs/hcv.

If you have any questions about this message, please do not hesitate to contact the Housing Voucher Financial Management Division at PIH.Financial.Management.Division@hud.gov.

Sincerely,

Steven R. Durham  Digitally signed by Steven R. Durham
DN: CN = Steven R. Durham C = US.
O = Office of Housing Voucher Programs,
OU = Director.
Reason: I am approving this document

Steven R. Durham
Director
Office of Housing Voucher
Programs