

Housing Choice Voucher Program

CY 2020 Administrative Fee Rates

The file following this narrative provides the calendar year (CY) 2020 administrative fee rates for the Housing Choice Voucher (HCV) Program. For CY 2020, administrative fees will be paid based on units leased as of the first day of each month. This data will be extracted from the Voucher Management System (VMS) at the close of each reporting cycle.

Two administrative fee rates are provided for each public housing authority (PHA). The first rate, Column A, applies to the first 7,200-unit months leased in CY 2020. The second rate, Column B, applies to all remaining unit months leased in CY 2020. In years prior to 2010, a Column C rate was also provided, which applied to all unit months leased in units owned by the PHA. For CY 2020, there are no Column C administrative fee rates. Administrative fees for leasing PHA-owned units will be earned in the same manner and at the same Column A and Column B rates as for all other leasing.

In some cases, the administrative fee rates calculated for CY 2020 resulted in rates lower than those provided for CY 2019. In those cases, the affected PHAs will continue to receive the CY 2019 rates.

The administrative fee rates for each PHA are generally those rates covering the areas in which each PHA has the greatest proportion of its participants, based on Public Housing Information Center (PIC) data. In some cases, PHAs have participants in more than one administrative fee area. The PHA may request that the Department establish a blended fee rate schedule that will consider proportionately all areas in which participants are located. Once a blended rate schedule is calculated, it will be used to determine the PHA's fee eligibility for all months of CY 2020. A PHA that received a blended fee rate for 2019 will not receive it automatically for 2020. Requests for blended fee rates must be submitted to the Financial Management Division at HUD Headquarters, instructions for applying are detailed in the 2020 HCV funding implementation notice. An email extending the deadline date for the submission of blended rate requests was sent after the notice was published.

A PHA that operates over a large geographic area, defined as multiple counties, may request higher administrative fees. To request higher fees, the PHAs must submit specific financial documentation to the PHA's assigned Financial Analyst at the Financial Management Center (FMC), instructions for applying, documentation requirements are detailed in the 2020 HCV funding implementation notice. An email extending the deadline date for the submission of higher administrative fees was sent after the notice was published.

The Department is presently disbursing one-twelfth of the administrative fee appropriations monthly to each PHA. These disbursements are based on the most recent reconciled leasing data available, an estimated proration. PHAs should not assume that the fees earned for CY 2020 will match the funds disbursed each month. The Department will calculate each PHA's fee eligibility after the VMS data for each quarter is available. Each PHA's eligibility will be prorated if needed to ensure that fees granted do not exceed the appropriated funds available. If prorations are necessary, the same percentage will be applied to all PHAs. At the end of the CY, a final reconciliation will be completed, to account for any changes in VMS leasing data, and to establish a final proration level for the year. Please note that the final proration will be subject to the CY 2020 final reconciliation; therefore, announced prorations throughout the year could vary; the final CY 2020 administrative fee reconciliation will reflect a weighted pro-ration factor for the entire CY.

The estimated national proration factor, for June through October 2020 is 81%. Updated estimated national proration factors will be provided via email notification.

The administrative fee rates also apply to the Mainstream program. The Proration does not apply to the Moderate Rehabilitation program.

If you need further assistance with this narrative, please contact the Financial Management Division at PIHFinancialManagementDivision@hud.gov.