

# **Housing Choice Voucher Program**

## **CY 2023 Administrative Fee Rates**

The file following this narrative provides the calendar year (CY) 2023 administrative fee rates for the Housing Choice Voucher (HCV) Program. For CY 2023, 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 2023. The second rate, Column B, applies to all remaining unit months leased in CY 2023. 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 2023 resulted in rates lower than those provided for CY 2022. In cases where the greatest population of families remains in the same area as they were located in CY 2022 and that the rates for the area decreased in CY 2023, the affected PHAs will continue to receive the CY 2022 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 2023. A PHA that received a blended fee rate for 2022 will not receive it automatically for 2023. Requests for blended fee rates must be submitted to the Financial Management Division at HUD Headquarters, instructions for applying are detailed in the 2023 HCV funding implementation notice.

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 2023 HCV funding implementation notice.

The Department is presently disbursing one-twelfth of the administrative fee eligibility monthly to each PHA. These disbursements are based on the most recent reconciled leasing data available, and an estimated proration. PHAs should not assume the fees earned for CY 2023 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 occur 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 2023 final reconciliation; therefore, announced prorations throughout the year could vary; the final CY 2023 administrative fee reconciliation will reflect a weighted proration factor for the entire CY.

**Advanced administrative fees for the months of June through October 2023 were at 89.5% proration.** Updated estimated national proration factors will be provided via email notification.

The administrative fee rates and proration also apply to Mainstream Vouchers. November and December 2023 funding for the HCV Program and Mainstream Vouchers will be inclusive of the 2023 administrative fee rates. The HCV Program and Mainstream Vouchers 2023 administrative fee reconciliations will account for the 2023 rates for months that were funded prior to the rates being published.

The Emergency Housing Voucher Program ongoing fees are funded at the HCV Program Column A rate and will not be prorated in CY 2023. Proration could apply in future years. The 2023 administrative fee funding for this program will be recalculated based on 2023 column A rates. Additional funding will be provided, accordingly.

The Moderate Rehabilitation/Single Room Occupancy (SRO) Program ongoing fees are funded at the HCV Program column rates, the Column A rate for up to 7,200-unit months and Column B rate for all unit months over 7,200. The Proration does not apply to the Moderate Rehabilitation/SRO Program. The 2023 administrative fee rates will be used for the year-end settlements at the end of the PHA's fiscal year.

If you need further assistance with this narrative, please contact the Financial Management Division at [PIHFinancialManagementDivision@hud.gov](mailto:PIHFinancialManagementDivision@hud.gov).