



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

OFFICE OF PUBLIC AND INDIAN HOUSING

Special Attention of:
Public Housing Agencies
Public Housing Directors
Regional Public Housing Directors

Notice PIH 2026-02

Issued: February 5, 2026

Expires: This notice remains in effect until amended, superseded, or rescinded.

Cross References: Notices PIH 2021-15, 2021-20, 2023-23, 2023-35, 2025-07, and 2025-19

Subject: Process for Recapture and Reallocation of Services Fees for the Emergency Housing Voucher Program and Change to Portability Policy

I. PURPOSE

This notice establishes the process by which HUD will begin recapturing and reallocating unused services fees awarded under the Emergency Housing Voucher (EHV) program authorized by the American Rescue Plan Act of 2021 (ARP), Public Law 117-2. This notice specifically amends and supplements [Notice PIH 2023-35](#), adding procedures for the recapture of unobligated EHV services fee funding. These returned fees will be reapportioned and obligated as housing assistance payments (HAP) to be used for HAP shortfalls to ensure continued assistance for EHV families as long as funds permit.

Additionally, this notice revises EHV policy regarding portability to allow public housing agencies (PHAs) administering EHV's billed under portability to absorb EHV families into their Housing Choice Voucher (HCV) program, subject to budget authority and availability of units under their Annual Contributions Contracts (ACC).

II. BACKGROUND

Section 3202 of ARP authorized \$5 billion for the provision of EHV's and associated administrative costs and other eligible expenses. HUD allocated funding to PHAs for: (1) HAP, (2) ongoing administrative fees, and (3) a one-time services fee to support eligible activities to help EHV families successfully lease and maintain housing.

EHV services fees are intended for eligible uses as described in Section 8.d of [Notice PIH 2021-15](#) and updated by [Notice PIH 2023-23](#), including but not limited to housing search assistance, application fees, security deposit assistance, landlord incentives, tenant-readiness services, and other eligible costs. HUD is responsible for ensuring that such funds are used timely and effectively. Throughout the program, HUD has reminded

PHAs that unused EHV services fees may be recaptured and reallocated to other PHAs to support EHV leasing and retention.

As provided in Section 3202(b)(6) of ARP, after September 30, 2023, PHAs were prohibited from reissuing turnover EHV. Furthermore, PHAs that reached their cumulative EHV lease-up count could not reissue any EHV after September 30, 2023. Nevertheless, there remained a small number of never-issued EHV that could potentially be leased. Given the earlier-than-anticipated depletion of program funds caused by historic increases in rental prices and higher per-unit costs, HUD mandated that PHAs must stop issuing EHV effective 14 calendar days after the publication of [Notice PIH 2025-07](#).

Considering the end of EHV leasing and the depletion of EHV funds, HUD began the process of closing out the EHV services fees funding category through [Notice PIH 2025-19](#). In that notice, HUD set a deadline for services fee expenditures as two months after publication (August 19, 2025) and required PHAs to enter their expenditures in the Voucher Management System (VMS) no later than four months after publication.

Through this notice, HUD describes the policies and process to recapture unused EHV services fees. To repurpose recaptured EHV services fees as HAP, HUD must then reappportion, reallocate, and obligate these amounts as HAP. This will enable HUD to provide the HAP resources to extend the EHV program as long as possible.

III. APPLICABILITY

This notice applies to all PHAs that received EHV services fees under the EHV program.

IV. SERVICES FEE CLOSEOUT

This notice revises Sections 10.c and 10.d of [Notice PIH 2023-35](#) to move up the timeline for the reconciliation and closeout of EHV services fees. In that notice, HUD stated that it would issue a final Special Fee Reconciliation and Closeout enclosure to PHAs that cease to participate in the EHV program no later than four months after the PHAs' EHV program closeout.

This notice revises that to state that HUD plans to issue a final services Fee Reconciliation and Closeout enclosure to all EHV PHAs by the end of February 2026. HUD will compare funds obligated and disbursed to PHAs to funds spent as reported in the services Fee expense fields in VMS through August 19, 2025. Undisbursed obligations and unspent funds will be returned to HUD. These funds will be reallocated to cover HAP and administrative fee needs in the EHV program based on need to cover 2026 shortfalls. HUD will provide more information on how the funds will be reallocated later in the year.

V. EHV PORTABILITY

This notice revises Section 9 of [Notice PIH 2021-15](#) to allow PHAs to absorb incoming EHV families into their HCV program.

Currently, receiving PHAs administering EHV must either: (1) absorb incoming EHV families into their EHV programs or (2) bill the initial PHA for the cost of assistance. The receiving PHA cannot absorb an EHV family into its HCV program. In contrast, non-EHV PHAs are permitted to absorb incoming EHV families into their HCV programs.

Due to the depletion of EHV funds and the need to transition as many families as possible to the HCV program, HUD is revising its policy with this notice to authorize receiving PHAs administering EHV to absorb incoming EHV families into their HCV programs, subject to budget authority and available units under their ACC. If a family wishes to move under portability from one EHV PHA to another EHV PHA, the receiving PHA can choose to absorb the family into their HCV program or to bill the initial PHA but may not absorb the family into their EHV program.

VI. EFFECTIVE DATE

This notice is effective upon issuance.

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.

VIII. FURTHER INFORMATION

Questions regarding this notice should be directed to the EHV mailbox at EHV@hud.gov.



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for Public and Indian Housing