

Housing Choice Voucher Program

CY 2014 Administrative Fee Rates

The file following this narrative provides the calendar year (CY) 2014 administrative fee rates for the Housing Choice Voucher Program. For CY 2014, administrative fees will be paid on the basis of 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 fee rates are provided for each public housing authority (PHA). The first rate, Column A, applies to the first 7200 unit months leased in CY 2014. The second rate, Column B, applies to all remaining unit months leased in CY 2014. 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 2014 there are no Column C administrative fee rates. 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.

The fee rates calculated for CY 2014, using the standard procedure, in many cases resulted in rates lower than those provided for CY 2013. In those cases, the affected PHAs are being held harmless at the CY 2013 rates.

The 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 fee area. If a PHA so chooses, 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 2014. A PHA that received a blended fee rate schedule for 2013 will not receive it automatically for 2014; it must be requested. Requests for blended fee rates must be submitted to the Financial Management Division at HUD Headquarters and must be received by the deadline that will be established in the forthcoming CY 2014 Implementation notice; that deadline will be no sooner than 30 days after that notice is published.

A PHA that operates over a large geographic area, defined as multiple counties, may request higher administrative fees. To request higher fees, an agency must submit specific financial documentation to the PHA's assigned financial analyst at the Financial Management Center (FMC). The documents and submission requirements and deadline will be detailed in the implementation notice; that deadline will be no sooner than 30 days after that notice is published.

The Department is presently disbursing administrative fee funds monthly to each PHA; these disbursements are based on the most recent leasing data available and an estimated pro-ration. PHAs should not assume that the fees actually earned for CY 2014 will match the funds being disbursed. The Department will calculate each PHA's fee eligibility after the VMS data for each quarter is available. The funds available each quarter will be one-fourth of the annual appropriation (less set-aside) for 2014. Each PHA's eligibility will be pro-rated if needed to ensure that fees granted do not exceed the appropriated funds available. If pro-rations are necessary, the same percentage will be applied to all PHAs.

PHAs should use these fee rates to determine billing amounts for portability activities. To avoid the need to repeatedly change billing amounts due to pro-rations, initial and receiving PHAs may agree to use a pro-ration of 75 percent to calculate fees for portable vouchers. The portability fee rate would then be 75 percent of 80 percent of the Column B for every month in the year.

These fee rates also apply to the Moderate Rehabilitation program and the 5 Year Mainstream program.

If you need further assistance with this narrative, please contact the Financial Management Division at PIH.Financial.Management.Division@hud.gov, or by phone at 202-708-2934.