

# **Housing Choice Voucher Program**

## **CY 2015 Administrative Fee Rates**

### **Revised Guidance – June 2015**

The file following this narrative provides the calendar year (CY) 2015 administrative fee rates for the Housing Choice Voucher Program. For CY 2015, 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 2015. The second rate, Column B, applies to all remaining unit months leased in CY 2015. 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 2015 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 2015, using the standard procedure, in some cases resulted in rates lower than those provided for CY 2014. In those cases, the affected PHAs are being held harmless at the CY 2014 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 2015. A PHA that received a blended fee rate for 2014 will not receive it automatically for 2015; 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 March 31, 2015. No documentation is required or will be reviewed; the calculation will be based on PIC data alone.

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 will be detailed in the forthcoming implementation notice. Requests for higher fees must be received by the FMC by March 31, 2015.

The Department is presently disbursing administrative fee funds monthly to each PHA; these disbursements are based on the most recent leasing data available, an estimated pro-ratio, and one-twelfth of the annual fee appropriation. PHAs should not assume that the fees actually earned for CY 2015 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 pro-rated if needed to ensure that fees granted do not exceed the appropriated funds available. If pro-ratios 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 data and to establish a final proration level for the year.

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-ratios, PHAs were advised at the beginning of the year that initial and receiving PHAs could agree to use a pro-ratio 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 rate for every month in the year. HUD has subsequently identified additional, available funds to augment the administrative fee appropriation, and has notified PHAs that the pro-ratio for the year will likely be approximately 79 percent. As a result, PHAs are advised that, effective with billings for July 1, 2015, and later, they should use a pro-ratio of 79 percent of 80 percent of the Column B rate to calculate fees for portable vouchers.

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](mailto:PIH.Financial.Management.Division@hud.gov), or by phone at 202-708-2934.