



November 15, 2023

HCV PROGRAM NEWS

HUD Issues Implementation Guidance for New Areas Required to Use SAFMRs

Today HUD’s Office of Public and Indian Housing ([PIH](#)) issued Notice [PIH 2023-32](#) providing guidance to PHAs and field offices operating in metropolitan areas recently designated for mandatory use of small area fair market rents ([SAFMRs](#)) in the administration of the Housing Choice Voucher ([HCV](#)) program. The 41 new metropolitan areas were designated in a *Federal Register* [notice](#) published on October 25, 2023. Below are some highlights of today’s notice:

- In determining the new metropolitan areas subject to SAFMRs, HUD used the same selection values used to determine the first cohort of metropolitan areas in the 2016 *Federal Register* [notice](#).
- Once a metropolitan area is designated by HUD as an SAFMR area, it will remain under SAFMRs permanently, therefore, the first cohort of areas remain required SAFMR areas.
- PHAs in designated SAFMR areas are required to use SAFMRs for their tenant-based HCV vouchers and may choose to apply SAFMRs to their project-based voucher ([PBV](#)) program, if applicable.
- Under the new category of special administrative fees added in Notice [PIH 2023-07, Revision 1](#), PHAs operating in newly designated mandatory SAFMRs will receive \$10,000 to offset the administrative costs of transitioning to SAFMRs. PHAs do not need to apply for these funds as HUD will disburse them automatically based on the PHA’s location in a designated SAFMR area. Eligible activities that can be paid for with the special fees can be found in the [revised notice](#).
- HUD intends to update Notice [PIH 2018-01](#), titled “Guidance on Recent Changes in Fair Market Rent (FMR), Payment Standard, and Rent Reasonableness Requirements in the Housing Choice Voucher Program.” Until then, the provisions of that notice remain in effect. HUD does not anticipate making substantive changes to subsequent guidance that would impact a PHA’s SAFMR implementation.
- The implementation date of the [SAFMR notice](#) is October 1, 2024, but PHAs operating in the newly designated metropolitan areas will have until January 1, 2025, to implement SAFMR-based payment standards.
- As explained in the SAFMR notice, PHAs that wish to voluntarily “opt-in” to SAFMRs ahead of the October 1, 2024, implementation date, should do so in accordance with the procedures outlined in Notice PIH 2018-01 unless and until it is superseded by subsequent guidance.
- The provisions of Section 6 of Notice PIH 2018-01 describe when a MTW agency may be exempt from the use of SAFMRs and remain applicable to initial and expansion MTW agencies under this SAFMR expansion. The HUD MTW office will reach out to MTW agencies operating in the newly designated SAFMR areas with additional guidance.
- A full listing of all metropolitan areas designated to use SAFMRs is included in Appendix A of today’s notice.

GENERAL NEWS

HUD Issues Notice Updating Family Self-Sufficiency Achievement Metrics Score

Today in the *Federal Register*, the Department of Housing and Urban Development ([HUD](#)) issued a [notice](#) updating the family self-sufficiency achievement metrics (FAM) score for the Family Self-Sufficiency ([FSS](#)) program. According to the summary, the notice describes updates to the FAM score that HUD has implemented to track the program performance of PHAs that receive FSS program coordinator grants and that were brought onto the Moving to Work (MTW) demonstration after December 15, 2015. The notice does not apply to the initial MTW PHAs, which are PHAs that received MTW demonstration designation prior to December 15, 2015.

As described in the *Federal Register* notices published on [December 12, 2017](#), and [November 15, 2018](#), the FAM score consists of three components: Earnings Performance, Graduation Rate, and Participation Rate. HUD uses data that PHAs submit through PIC, or any successor data system such as the Housing Information Portal (HIP), to calculate FAM scores for all FSS programs that receive FSS coordinator funding from HUD other than for the initial 39 MTW PHAs. Since the methodology relies on an analysis of historical performance data, new FSS programs will not initially have a FAM score. As new FSS programs begin operation, their FAM scores will be based solely on their Participation Rate for their first three years, until there is enough data to produce an Earnings Performance Score or a Graduation Rate score, which require a minimum of four years of data to compute.

At this time, FAM scores do not apply to the initial 39 MTW PHAs, PHA-based FSS programs that do not receive coordinator funding, or to FSS programs administered by multifamily owners of project-based rental assistance (PBRA) housing. HUD is investigating options for evaluating the performance of those FSS programs.

The adjustments to the FAM score are as follows:

- For both the Earnings Performance Measure and the Graduation Rate, HUD will use a new rolling three-year average rather than a one-year measure as the basis for computing a PHA’s component score.
- HUD has modified the number of comparison households used to determine the Earnings Performance Measure in the event that more than three households are equally similar to the FSS program participant in terms of considered metrics.
- HUD has made changes to the adjustment it makes for local economic conditions to improve year-to-year stability of Earnings Performance scores.
- HUD adjusted and clarified how joint FSS grantees are counted across years.
- HUD has recalibrated the thresholds for converting the Earnings and Graduation measures into scores (see Section III of the notice for the revised thresholds).

Further details, including the explanation of each change, can be found in the [notice](#).



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