



June 15, 2022

HCV PROGRAM NEWS

PIH Issues Notice on Eligible Uses of Admin Fees for Other Expenses

Today HUD's Office of Public and Indian Housing (PIH) issued Notice [PIH 2022-18](#) to provide guidance on the use of administrative fee expenses related to assisting Housing Choice Voucher (HCV) and [Mainstream Voucher](#) families, including the costs of security deposit assistance and landlord incentive payments. The notice supersedes Section 3 of Notice [PIH 2015-17](#) with respect to the description of the restricted use of administrative fees, and also cross references [Notice PIH 2021-08](#), which outlines the financial reporting requirements for these programs through the Financial Assessment Subsystem for public housing ([FASS-PH](#)) and the Voucher Management System ([VMS](#)).

While recent appropriations acts have provided administrative fee funding for both administrative and "other expenses," until now, HUD had not provided guidance on which activities qualify as "other expenses." Per today's notice, eligible uses for HCV administrative fees include not only administrative activities, but also include the following "other eligible activities" related to leasing units and owner recruitment and retention:

- Owner incentive and retention payments
- Security deposit assistance
- Utility deposit assistance and utility arrears
- Application fees, non-refundable administrative or processing fees, refundable application deposit assistance, and broker fees
- Holding fees (i.e., a fee that an owner requires to "hold" the unit that is rolled into the security deposit after the application is accepted but before the lease is signed)
- Renter's insurance, if required by the lease

As for the Mainstream program, "other expenses" apply in the same manner as the eligible uses under HCV program specified above. However, the notice lists a few stipulations:

- Mainstream administrative fees may only be used for the Mainstream program.
- PHAs may not use Mainstream administrative fees to cover administrative or other expenses for administering regular vouchers or other special purpose vouchers.
- Likewise, PHAs may not use regular HCV administrative fees to cover Mainstream administrative expenses or other expenses for administering Mainstream vouchers.
- Mainstream HAP funding may not be used to pay for any of these other activities.

The notice also outlines the reporting requirements for "other expenses" in the Financial Assessment Subsystem for public housing ([FASS-PH](#)) and the Voucher Management System ([VMS](#)). Additional information on each eligible use of administrative fees is detailed in the [notice](#).

PIH Updates Notice on New Funding Opportunities for Mainstream Vouchers

On April 6, HUD's Office of Public and Indian Housing ([PIH](#)) issued Notice [PIH 2022-07](#) to announce a new noncompetitive funding opportunity for PHAs to receive additional Mainstream vouchers authorized by the CARES Act. Today, the PIH Office issued Notice [PIH 2022-19](#) to update PIH 2022-07 with the following changes:

- Lowering the utilization threshold to qualify for additional vouchers from 80 percent to 75 percent. This will allow more PHAs to increase their utilization through the extraordinary administrative fees available through the notice.
- Revising the last sentence in Section 3a (4a in today's version of the notice) to state, with respect to eligible PHAs, "Have a current Mainstream voucher unit utilization rate of 75 percent or higher as of November 2021, or as of the most recent comprehensive set of validated data available to HUD at the time of award, whichever is higher."
- Increasing the available funding for new vouchers from \$35 million to \$40 million.
- Providing additional information on eligibility requirements for applicants who may have unresolved civil rights matters.
- Extending the application deadline from May 6, 2022, to **July 14, 2022**.

Application instructions and further details can be found in the [notice](#).



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