



January 20, 2022

HCV PROGRAM NEWS

PIH Sends “Get Ready for 2022” Letter

On January 18, HUD’s Office of Public and Indian Housing (PIH) sent out a [letter](#) to PHA executive directors to help them plan their 2022 budgets for the Housing Choice Voucher (HCV) program. The letter provides important information and guidance about budgeting for the year. Below are just a few highlights:

- The Department is operating under a continuing resolution (CR), which is effective until February 18, 2022. Under this CR, for January and February, the HCV housing assistance payment (HAP) proration will be 98.5 percent, and the HCV administrative fee (AF) proration will be 84 percent. For PHAs administering Mainstream Vouchers, both HAP and AF for January and February have been obligated at 100 percent and 84 percent, respectively.
- HUD has evaluated CY 2022 funding possibilities per the Senate and House draft bills. Both draft bills would provide funding at an estimated 100 percent HAP proration, with the House bill providing funding for an estimated 90 percent AF proration and the Senate bill providing funding for an estimated 93 percent AF proration.
- The Department applied a national average inflation factor of 3.73 percent to estimate the total renewal amount required for HAP nationally. However, the local inflation factors that will be used to calculate each individual PHA’s CY 2022 eligibility may significantly differ from the national average. Preliminary inflation factors for individual PHAs are already set in HUD’s Two-Year Tool ([TYT](#)) and the HAP proration factor is set to 100 percent. It is recommended that PHAs consider the projections in the TYT, while assessing desired leasing levels in CY 2022.
- The Department anticipates that the CY 2022 renewal eligibility for non-MTW PHAs will continue to be based on actual and eligible HAP costs incurred and reported in the Voucher Management System ([VMS](#)) during CY 2021. As for MTW PHAs, their HAP renewal eligibilities will continue to be in accordance with the terms of their individual MTW agreements.
- HUD will be evaluating budget and leasing utilization considering the above proration assumptions. Consequently, some PHAs may hear from HUD if a shortfall or significant leasing potential is projected.
- The deadline to submit CY 2021 costs and leasing adjustments in VMS, if needed, is January 28, 2022.



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