Emergency Housing Vouchers (EHV): NEW GUIDANCE on Issuance Fee Reporting Deadline

On August 20, 2021, HUD issued the EHV Program Financial Reporting Notice (Notice PIH 2021-25). Section 3 of the notice extends the period of time for PHAs to submit EHV issuance data into HUD’s Information Management System/Public Housing Information Center (IMS/PIC) system in order to remain eligible for the $100 Issuance Reporting Fee. The notice provided PHAs 30-days following notification via email, plus an additional 14 days (per guidance in the EHV Implementation Notice (PIH 2021-15) in order to submit prior issuance data. Therefore, PHAs have until October 17, 2021 to submit a form HUD-50058/form HUD-50058 MTW for all EHV’s issued on or before October 3, 2021 in order to be eligible for the $100 Issuance Reporting Fee.

A PHA must submit a completed form HUD 50058/form HUD-50058 MTW indicating a voucher issuance (action “10” on line 2a of the form HUD-50058/HUD-50058 MTW), and a form HUD-50058 for the same household indicating a lease has been established (action “1” or action “4” on line 2a of the form HUD-50058/HUD-50058 MTW). PHAs should confirm that the forms were accepted by the IMS/PIC System.

Reporting Instructions:
- PHAs should report in line 2n when submitting the HUD-50058 by entering “EHV”.
- MTW PHAs that have received HUD approval to apply MTW flexibilities to EHV vouchers may report household participant data on the HUD-50058 MTW and must enter “EHV” on line 2p and leave line 2n blank.

EHV Unrestricted Net Position (UNP) Definition Now Final

UNP Definition:
UNP is equal to the cumulative total of Administrative Fee (AF) revenue for the EHV program which includes Ongoing Administrative Fees, Preliminary Fees and Placement/Issuance Fees (Service Fees are NOT included) minus total EHV administrative expenses and any UNP used for EHV housing assistance payments (HAP). EHV UNP is the amount by which administrative fees paid by HUD for a PHA fiscal year exceeded the PHA administrative expenses for the fiscal year, plus the portion of fraud recovery revenue collected in cash that is returned to the EHV UNP account (see Note above), any interest earned on AF reserve (see 24 CRF 982.155(a)) and come up to $500 per calendar year in interest and investment income earned on HAP and RNP funds, and the net Port-In reimbursement revenue (in excess of Port-In
HAP expenses) received from initial Housing Authorities for unabsorbed Port-Ins. This means that the total AF revenue used to calculated the UNP reported in this field does not include excess AF received during the current PHA FY because excess AF received does not accumulate to the UNP until the end of the PHA’s FY. The excess fees received during the PHA’s current FY will not be reported in the UNP field until the end of the last month of the PHA’s FY. The monthly amount reported is the UNP balance at the beginning of the year plus any interest earned and fraud recovery allocated to the UNP account for the months in the current year. For guidance on eligible use of EHV fees please reference PIH 2021-15 issued May 5, 2021 and PIH Notice 2021-25 issued August 20, 2021.

**Accrued Pension and Other Post-Employment Benefits (OPEB) Exception:** Any Accrued Pension and OPEB liability must be included in the UNP balance as reported in the VMS even though this unfunded liability may cause the UNP balance to reflect a ‘false’ negative balance. It is suggested the PHA insert a comment in the ‘comments’ section to reflect the portion of the UNP balance that is attributable to the unfunded pension and the OPEB liability and provide the actual ‘cash equivalent’ UNP balance (the UNP “should be” balance if the pension and OPEB liability were removed). Reference GASB 74 (which parallels GASB 67 and replaces GASB 68) and GASB 75 (which replaces GASB 45).

**Note:** Regardless of the system (VMS or FASS-PH) in which UNP is being reported, the PHA should report its EHV UNP amount as defined by GAAP – “the difference between the EHV program’s asset and liabilities that do not meet the definition of restricted net assets or invested in capital assets net of related debt.” In essence, HUD is requesting information on net liquid or near liquid resources that can be readily used for the administration of the program, as this definition does not include net assets related to fixed assets (see OPEB liability exception below as related to liquid or near liquid resources).

As a result of this finalized EHV UNP definition, both the User’s Manual and the Quick Reference Guides have been updated.

**PHAs previously advised to enter $1 in the EHV UNP field until such time as the field definition was final.** PHAs should now proceed with entering an accurate EHV UNP amount for the month of July using the definition above.

Should you have any questions about the release or require any additional information, please contact your assigned Financial Management Center Financial Analyst.