August 11, 2025

Office of Public and Indian Housing
Department of Housing and Urban Development
451 7th St SW
Washington, DC 20410

RE: The Early Expenditure of Emergency Housing Voucher (EHV) Services Fees Stated in PIH Notice 2025-19, *Guidance on Transitioning EHV Families into HCV, and End of EHV Services Fee Expenditure.*

Dear Principal Deputy Assistant Secretary Hobbs,

The Council of Large Public Housing Authorities (CLPHA), National Low Income Housing Coalition (NLIHC), and National Alliance to End Homelessness (NAEH) are writing to express our concerns about the recent guidance published by the U.S. Department of Housing and Urban Development ("HUD") in Notice PIH 2025-19 (the "Notice") requiring public housing agencies ("PHAs") to spend all remaining Emergency Housing Voucher ("EHV") services fees by August 19, 2025.

The American Rescue Plan Act of 2021 (Pub. L. 117-2) ("ARPA") authorized $5,000,000,000 for the EHV program to remain available through September 30, 2030, and fund (1) incremental emergency vouchers, (2) renewals of the vouchers, (3) fees for the costs of administering the vouchers and other eligible expenses, and (4) adjustments in the calendar year 2021 Section 8 renewal funding allocation. Of this amount, HUD allocated $245 million ($3,500 per EHV) to PHAs to assist with "any or all of the defined eligible uses to assist families to successfully lease units with the EHVs" (the "Services Fees"). CLPHA applauded HUD's decision to allocate Services Fees, which PHAs have used successfully to help EHV participants identify and remain stably housed. Of the $245 million originally allocated for Services Fees, as of June 2025, the EHV Data Dashboard shows that $96 million in services fees remains unspent.

At a time when HUD reports that EHV funding is being depleted much sooner than anticipated and that the Department will not be able to fund the program through the September 30, 2030 deadline established by Congress, we are concerned by HUD's efforts to freeze and perhaps recapture the unspent Services Fees rather than allowing PHAs to instead retain and use the remaining Services Fees for eligible expenses authorized by the ARPA statute. In particular, HUD may expand the eligible uses of Services Fees to also include renewal of existing EHVs as is permitted by ARPA. Consistent with HUD's estimates, many PHAs are projected to exhaust their EHV funds in 2026 and, with an increasing number of PHAs in shortfall, transitioning existing EHV families over to the HCV program is not a feasible solution for all PHAs. The deadlines in the Notice—an August 19 spending cutoff and an October 18 reporting deadline for EHV Services Fees—are not mandated by ARPA and do not provide PHAs with enough time to use these funds or to successfully transition extremely vulnerable families to other housing assistance programs. To ensure PHAs have sufficient time and resources to move EHV families to their respective HCV programs or seek other available housing assistance, we request that HUD permit PHAs with remaining Services Fees to retain the funds and use them for renewal of existing EHVs and other appropriated purposes as permitted by ARPA. Doing so will provide much needed additional funds to PHAs' rapidly depleting EHV programs, ensuring that EHV families are able to remain stably housed.

60-Day EHV Services Fee Spending Deadline Is Not Required by ARPA
The EHV program represents one of the most significant and successful federal investments in addressing homelessness in recent history. Its sudden termination will be devastating for families, private property owners and communities. The remaining $96 million in Services Fees is not simply a pot of money to be "spent" but a vital resource for ensuring the long-term housing stability of these extremely vulnerable families.

ARPA establishes a deadline for the EHV program of September 30, 2030, through which date the EHV funds remain available for HUD to obligate. ARPA neither requires Services Fees to be expended by August 19, 2025, nor does ARPA require reporting to be completed by October 18, 2025.

Although ARPA authorizes HUD to "revoke and redistribute any unleased vouchers and associated funds, including administrative fees and costs referred to in subsection (a)(3), to other public housing agencies," ARPA does not permit HUD to revoke unspent funds associated with leased vouchers as HUD attempts to do through this arbitrary Services Fees deadline. Additionally, as stated in HUD's own guidance, the conditions for a PHA's EHV program to end and for unexpended funds to be remitted to HUD are specifically tied to a PHA no longer having any EHV families under lease.[1] However, the Notice makes no such distinction, imposing an arbitrary deadline on all PHAs with unspent Services Fees regardless of their leasing status or any planned future uses for Services Fees. Accordingly, we believe that HUD does not currently have the legal authority to require PHAs to accelerate the expenditure of Services Fees beyond the program's original September 30, 2030, deadline. We strongly urge HUD to retract and withdraw this stated Services Fees deadline and permit PHAs full use of the EHV funds as appropriated and authorized by Congress.

If HUD is unwilling to rescind the August 19, 2025, deadline as requested, we strongly urge HUD to, at a minimum, delay the implementation of this rule. PHAs have not had sufficient time to responsibly expend these fees within the 60-day window provided. The EHV program was authorized through September 30, 2030, and the requested extension of the services fee deadline to February 28, 2026, is well within this original authorization window. We

[1] PIH Notice 2021-15

believe HUD has the administrative authority to grant this extension. Given the unprecedented and unique challenges presented by the COVID-19 pandemic and the subsequent housing crisis, this is a reasonable and necessary administrative action. By providing PHAs with this extension, HUD can empower them to continue their work with the full financial support originally intended by the program, ensuring that no family falls through the cracks due to a premature and avoidable funding cutoff.

The Need for Expanded Use of Services Fees and Statutory Authorization to Do So
To determine how to best support our members in their transition of EHV families, CLPHA solicited feedback from members and industry partners to determine the status of their remaining Services Fee balances and ideal timeline for expending these remaining funds. From our outreach, we learned that **over 65% of CLPHA members have not begun transitioning families because they lack the sufficient budget authority to make the transition**, or they are still in the process of developing a plan to support these families.

Many PHAs have HCV programs that are in shortfall or otherwise lack HCV unit-months available to use for HCV families. However, to the extent that these PHAs have unexpended Services Fees, they should be able to use the Fees to renew EHVs for existing families.

ARPA appropriates $5,000,000,000 as a lump sum for incremental EHVs, renewals of vouchers, administrative and other eligible expenses, and adjustments to the CY2021 Section 8 renewal funding allocation. Of that amount, the only limitations established by Congress are that no more than $20,000,000 may be used by HUD for administrative and oversight costs and, of that, no more than $10,000,000 may be used for training and technical assistance awards without competition. The funds allocated by HUD for Services Fees are not restricted by Congress to such uses. HUD would be authorized in allowing PHAs with remaining Services Fees to expend such funds on renewal and housing assistance payments ("HAP") for existing EHV families.

Given the challenges CLPHA members and other PHAs face, along with the unprecedented and unique challenges presented by the COVID-19 pandemic and the subsequent housing crisis, we encourage HUD to expand the eligible uses of Services Fees, which is a reasonable and necessary step towards allowing EHV families to remain housed.

Additionally, we request that HUD provide detailed information on the current HCV budget authority available to PHAs. We have received reports that HUD estimates approximately 13,000 EHVs cannot be absorbed into the HCV portfolio due to budget constraints. We ask HUD to clarify how these vouchers are being counted, where they are geographically located, and what steps HUD intends to take to ensure families currently assisted by these EHVs do not lose their housing support.

Clarity on Funding Reallocation Under Notice PIH 2025-19

Furthermore, a key question raised by the Notice is what will happen to the Services Fees that remain unspent after the August 19, 2025, deadline established by HUD. These funds were specifically appropriated by Congress for a specific purpose—to provide critical support for extremely vulnerable families transitioning out of homelessness. The potential for the recaptured Services Fees to be rescinded or reallocated for other uses would be contrary to ARPA, a profound disservice to the original intent of the program, and a devastating loss for the families they were meant to serve. We urge HUD to provide explicit clarity that these funds will remain available for their appropriated purpose. Should HUD require these funds to be returned to the HAP account or elsewhere within HUD, we strongly recommend that they be expeditiously reallocated to PHAs with active EHV programs in order to continue serving EHV families through renewal of existing EHVs. Eliminating the spending deadline and allowing PHAs to use these funds for all originally appropriated purposes are the most direct and effective ways to ensure this vital resource continues to be used to support EHV families rather than being lost.

Conclusion

1. Rescind the August 19, 2025, deadline to expend EHV funds as set forth in Notice PIH 2025-19 and issue new guidance that aligns the expenditure of service fees with the original program end date and the conditions outlined in ARPA and PIH Notice 2021-15; and

2. Issue new guidance that permits any unexpended Services Fees to be expended by PHAs on eligible renewal and HAP costs for existing EHV families.

In conclusion, the accelerated timeline mandated by Notice PIH 2025-19 places a significant and unnecessary burden on PHAs, jeopardizing the housing stability of vulnerable families and undermining the success of one of HUD's most impactful programs. The new deadlines are counterproductive to the strategic and effective use of the remaining $96 million in Services Fees and are not required by ARPA. The 60-day spending deadline incentivizes rushed, quick, and potentially inefficient expenditures, prioritizing speed over effectiveness. This approach undermines the very purpose of the Services Fees, which are meant to address complex, long-term barriers to housing, like ensuring landlord retention and providing other tenant-readiness services.

Even if PHAs no longer have EHV families that require the eligible expenses authorized by HUD for Services Fees, so long as families remain in the PHA's EHV program, the remedy should not be for HUD to recapture the funds, but to instead allow PHAs to expend the funds on renewal EHV assistance for existing families, ensuring their housing stability. This would allow PHAs to use the remaining funds strategically to provide targeted, meaningful assistance, ultimately preventing a wave of new homelessness and protecting the program's hard-won progress. Accordingly, we respectfully urge HUD to withdraw Notice PIH 2025-19 and expand the eligible uses for Services Fees.

We appreciate your attention to this critical matter and are confident that by working together, we can protect the progress already made in the EHV program and ensure the housing stability of EHV families. We would welcome the opportunity to meet with you and your staff at your earliest convenience to further discuss our concerns and to explore solutions that will allow PHAs to best serve these families.

Signed,

Sunia Zaterman, Executive Director, CLPHA

Renee Wills, President and CEO, NLIHC

Ann Oliva, CEO, NAEH