



Management Fees

Due to the current rate of inflation, MHDC considered the US Inflation Calculator Index as of August, 2022 to determine the maximum management fees for 2023. As a result, the maximum management fee approved by MHDC for the 2023 fiscal year is **\$45** per occupied unit per month. Owners and management companies are allowed to negotiate a lower management fee, and this policy does not apply to properties whose management certification must be approved by HUD. Fee increases will generally be based on the published HUD Operating Cost Adjustment Factor Percentage increases (OCAF) for Missouri, calculated as follows:

Annual Increases

	Current Fee	Previous Year Fee x OCAF %	Maximum OCAF Increase	Maximum Fee
2020	\$ 40			\$ 40
2021	\$ 40	1.80%	\$ 0.72	\$ 41
2022	\$ 41	2.00%	\$ 0.82	\$ 42
2023	\$ 42	8.30%	\$ 3.49	\$ 45

The previously allowed percentage of collected revenue method was discontinued as of the end of the 2019 fiscal year. Properties that previously calculated management fees as a percentage of collected revenue should convert this percentage to a dollar amount per unit based on HUD's published management fee calculation worksheet on page 4 of HUD form 9839-A or form 9839-B, available on HUD's website at: <http://www.hud.gov>.

The converted management fee will be grandfathered in if the converted monthly residential field yield per unit per month exceeds the current approved management fee for the year. No additional increase will be allowed for properties with grandfathered fees until the maximum MHDC management fee exceeds the grandfathered fee. As previously stated, owners and management companies are allowed to negotiate a lower management fee.

Example: Monthly residential field yield per unit per month per page 4 of HUD form 9839-A or form 9839-B is \$47.50. \$47.50 is allowed until the MHDC approved management fee exceeds \$47.50.

Management fees are to be reconciled throughout the year to confirm that properties have maintained compliance with MHDC's management fee policy. MHDC performs a review of management fees paid as part of the annual financial statement review, and overpayment of management fees will be tested for as part of the process. Reimbursement to the property for overpayment is required when management fees are not paid in accordance with the fees allowed by MHDC, and proof of repayment will be required.