



U.S. DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT  
Multifamily Midwest Region  
Detroit Satellite Office  
477 Michigan Ave.  
Detroit, MI 48226

February 24, 2026

MEMORANDUM FOR: Project Owners and Management Agents

*Susie Sapilewski*

FROM: Susie Sapilewski, Detroit Satellite Office Director

SUBJECT: Management Fee Range for Michigan and Ohio Properties

The Detroit Satellite Office has adjusted the management fee range yield in accordance with HUD Handbook 4381.5, Revision 2, Paragraph 3.19. The ranges of acceptable residential fee yields are established to ensure that fee yields (PUPM) do not exceed amounts ordinarily paid for management services. Effective March 1, 2026, the approved maximum fee range is \$61.00 for Michigan and Ohio. The fee range has been adjusted by the Consumer Price Index.

If an owner's last approved base management fee yield (PUPM) exceeds the ranges listed above, that yield may generally continue as-is, provided there is an approved management certification that has not expired. In this case, the fee percentage will not be reduced to bring the yield within the acceptable ranges below. However, at the time a new management certification is required, or at the owner's request for a new certification, the new yield will be approved within the acceptable ranges identified above.

When owners or management agents submit a management certification form, HUD must assess whether the proposed fee percentage and yield (PUPM) are reasonable. If the yield does not exceed the top of the acceptable range above at the time approval was requested, the residential management fee is considered reasonable, and HUD may approve the fee percentage. If the yield exceeds the top of the acceptable range above, HUD must deny the fee percentage.<sup>1</sup>

### ***Effect of Future Rent Increases on the Fee Yield***

As future rent increases occur, the fee percentage previously approved by HUD may result in a fee yield (PUPM) that exceeds the top of the acceptable range above. As long as the fee percentage remains the same, this higher yield is generally allowable.<sup>2</sup>

There are some situations, however, where the fee percentage and fee yield must be recalculated. Large rent increases, for example, may require a decrease of the fee percentage.<sup>3</sup> When a project will receive a rent increase equal to 20 percent or more of its current rent potential, the management fee percentage must be decreased as indicated in the Management Agent Handbook (4381.5 REV-2), ¶ 3.9.

In addition, if an owner's management certification form (forms HUD-9839-A and -B) indicates the management fee yield is capped, the management fee percentage must be adjusted downward for any rent increase that would cause the yield to exceed the indicated cap, even for

<sup>1</sup> The Management Agent Handbook (4381.5 REV-2), HUD (Dec. 1994), ¶ 3.20(c).

<sup>2</sup> The Management Agent Handbook (4381.5 REV-2), HUD (Dec. 1994), ¶ 3.20(c).

<sup>3</sup> The Management Agent Handbook (4381.5 REV-2), HUD (Dec. 1994), ¶ 3.11(b).

rent increases of less than 20 percent.

***Excessive Management Fees***

As noted above, as future rent increases are approved, the fee percentage previously approved by HUD may result in a fee yield that exceeds the top of the acceptable range above.<sup>4</sup> While this is generally allowable, excessive management fees are not permitted. As noted in the management certification form signed by the owner, if HUD determines a management fee is excessive, the owner or management agent will reduce the fee to an amount HUD determines to be reasonable and refund to the project all excessive fees collected.<sup>5</sup>

**ADD-ON FEES**

The Management Agent Handbook (HUD Handbook 4381.5) permits add-on fees when projects have long-term characteristics or conditions that require additional management effort beyond the activities covered by the residential management fee.<sup>6</sup>

Before considering add-on fees, HUD must first compute the permitted percentages for residential, commercial, and miscellaneous income and determine if they are acceptable.<sup>7</sup> After HUD has approved these fee percentages and the associated fee yield (PUPM), HUD may then consider the add-on fees. The add-on fees may cause the fee yield to exceed the top of the acceptable range, which is allowable. The add-on fees may not, however, be used to increase the fee percentage.<sup>8</sup>

Owners and agents requesting add-on fees for a project must submit a new management certification (forms HUD-9839-A or -B) and list the requested fees under the Special Fees section of the form.

For short-term or temporary project conditions, owners and agents should seek special management fees.<sup>9</sup> The Multifamily Detroit Satellite Office will not approve add-on fees for temporary project conditions.<sup>10</sup>

The add on fee for the situations below are effective March 1, 2026, and do not affect previously approved management certifications. The fees are provided on a per unit per month basis.

Small properties (25 units or less)	Fee not to exceed \$5
Multiple subsidies for the same property	Fee not to exceed \$1
Scattered site properties	Fee not to exceed \$5
Adverse neighborhood conditions	Fee not to exceed \$3
Cooperatives	Fee not to exceed \$2

<sup>4</sup> The Management Agent Handbook (4381.5 REV-2), HUD (Dec. 1994), ¶ 3.20(c).

<sup>5</sup> Project Owner’s Certification for Owner-Managed Multifamily Housing Projects, (Form HUD-9839-A), § 1(e); Project Owner’s/Management Agent’s Certification (Form HUD-9839-B), § 1(e).

<sup>6</sup> The Management Agent Handbook (4381.5 REV-2), HUD (Dec. 1994), ¶ 3.7.

<sup>7</sup> The Management Agent Handbook (4381.5 REV-2), HUD (Dec. 1994), ¶ 3.7.

<sup>8</sup> The Management Agent Handbook (4381.5 REV-2), HUD (Dec. 1994), ¶ 3.7.

<sup>9</sup> The Management Agent Handbook (4381.5 REV-2), HUD (Dec. 1994), ¶ 3.6.

<sup>10</sup> The Management Agent Handbook (4381.5 REV-2), HUD (Dec. 1994), ¶ 3.7(a)(3).

Remote location	Fee not to exceed \$1
Obtaining/monitoring grants from private foundations	Fee not to exceed \$1
Neighborhood Network Center with approved plan	Fee not to exceed \$1
High Density Projects	Fee not to exceed \$1

## **SPECIAL FEES**

Owners and agents may propose special fees to address project conditions that are temporary in nature. Special fees may be appropriate where the fee is tied to the correction of specific problems or the accomplishment of specific tasks, for example, the substantial rehabilitation of a property, obtaining or renewing a lease for commercial space at the project, or addressing high incidences of crime or vandalism at the property. More specific information on special fees can be found in HUD Handbook 4381.5, Chapter 3, ¶ 3.6.

Documentation required to propose a special fee for addressing high incidences of crime or vandalism at the property includes, but is not limited to:

1. A list of the number of lease terminations and evictions for crimes over the past 12 months;
2. Evidence from the local government or police that the owner or agent has sought assistance in deterring crime at the property; or a copy of police records evidencing the degree of crime at the property and surrounding area;
3. A copy of the current plan to address the crime problems and an account of how successful it has been;
4. Evidence that the residents support the plan and are assisting in its implementation; and
5. Documentation that more time is required of the agent on site.

Updated documentation may be requested by the property's Account Executive to determine if this fee remains appropriate.

## **REQUESTING THE UPDATED MANAGEMENT FEES**

Owners and management agents may request an updated residential fee yield (PUPM), add-on fees, or special fees by submitting a new management certification form (forms HUD-9839-A or -B) to [det.incoming@hud.gov](mailto:det.incoming@hud.gov). In the subject line, include the property name, request type (Management Certification), and the Property ID, FHA number, or contract number.

## COMPUTER AND BOOKKEEPING FEES

Computer and Bookkeeping Fees attributed to front-line project requirements are treated as project expenses and are not to be included on the management certification form (forms HUD-9839-A or B). Please note, Computer and Bookkeeping Fees are actual costs incurred and must be reasonable. If costs exceed what is within the median range, we will require a narrative justification with supporting documentation.

If you have any questions regarding the management fees, please contact your HUD Account Executive.

<sup>4</sup> The Management Agent Handbook (4381.5 REV-2), HUD (Dec. 1994), ¶ 3.20(c).

<sup>5</sup> Project Owner's Certification for Owner-Managed Multifamily Housing Projects, (Form HUD-9839-A), § 1(e); Project Owner's/Management Agent's Certification (Form HUD-9839-B), § 1(e).

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<sup>9</sup> The Management Agent Handbook (4381.5 REV-2), HUD (Dec. 1994), ¶ 3.6.

<sup>10</sup> The Management Agent Handbook (4381.5 REV-2), HUD (Dec. 1994), ¶ 3.7(a)(3).