

# Payment Standards and Rent Reasonableness

## PAYMENT STANDARDS

The Department of Housing & Urban Development (HUD) publishes the fair market rents for each market area in the United States. Every HRA must adopt a payment standard schedule for each “unit size”.

The HRA may establish the payment standard amount for a unit size at any level between 90 percent and 110 percent of the published FMR for that unit size. The HRA may grant a higher payment standard within the basic range if required as a reasonable accommodation for a family that includes a person with disabilities.

The Itasca County Payment Standards effective 1/1/2019 are:

	<b>0 BR</b>	<b>1 BR</b>	<b>2 BR</b>	<b>3 BR</b>	<b>4 BR</b>
FMR	\$499.00	\$587.00	\$776.00	\$972.00	\$1049.00
<b>PS</b>	<b>\$535.00</b>	<b>\$645.00</b>	<b>\$850.00</b>	<b>\$1050.00</b>	<b>\$1125.00</b>

## RENT REASONABLENESS

### Why does the PHA question the rent amount you submitted?

- HUD requires the PHA to demonstrate, and document, that the rent to owners is “reasonable” as compared to similar units in the community.

### Why does HUD require the PHA to have a “Rent Reasonableness” program?

- To assure that the Section 8 Program does not artificially inflate rents in the community.
- To assure that a fair rent is paid for units selected for participation in the Section 8 Program.

### What is the PHA looking at when evaluating rents?

- The PHA compares the following characteristics:  
Size, Maintenance, Location, Unit Type, Utilities, Quality, Age, Amenities  
\*Some comparison criteria are valued more than other criteria.

### What are the requirements?

- During the entire term of the lease (initial and extensions), the rent to the owner:
  1. Must meet the PHA’s Rent Reasonableness test.
  2. Must not exceed rents charged for the owner’s comparable unassisted units