



## Tenant Frequently Asked Questions: Small Area Fair Market Rents

On October 24, 2023, HUD issued a new notice requiring public housing agencies in 41 metropolitan areas to begin using Small Area Fair Market Rents to determine the amount of assistance Housing Choice Voucher families receive. This handout answers some basic questions about SAFMRs and how they may affect your housing and neighborhood choices. Please visit HUD's website at [https://www.hud.gov/program\\_offices/public\\_indian\\_housing/programs/hcv/safmr](https://www.hud.gov/program_offices/public_indian_housing/programs/hcv/safmr) or contact your Housing Specialist for additional information.

### What are SAFMRs?

SAFMR stands for "Small Area Fair Market Rent." SAFMRs are estimates of the typical rent for different unit sizes in a specific ZIP code. They are determined by the U.S. Department of Housing and Urban Development (HUD) each year, based on the distribution of all rents for standard quality housing within that ZIP code.

### What are payment standards?

Payment standards are the maximum amount the PHA will pay towards rent and utilities for individuals and families who use Housing Choice Vouchers. In areas where SAFMRs are used, PHAs use the SAFMRs for each ZIP code to calculate payment standards for different size units within that ZIP code area. In some cases, the payment standard may be the same as the SAFMR, and in others it may be higher or lower than the SAFMR. The actual amount that tenants will pay towards rent and utilities is based on several factors including the payment standard for the area, the asking rent for the unit, and the tenant's income.

### What's new about this approach?

If your PHA is using SAFMRs, your housing voucher should cover the rent of a share of the housing units in every Zip Code. Prior to introducing SAFMRs, HUD only published Fair Market Rents for the entire metropolitan area, rather than at the ZIP code (or SAFMR) level. This meant that even with your voucher you might have been unable to afford the rents in higher-cost neighborhoods. Under the new approach, the maximum amount the PHA will pay towards rent and utilities is based on typical rents for individual neighborhoods (ZIP codes). If you choose to rent in a high-cost neighborhood, you may receive more assistance towards rent and utilities than you would have under the old approach.

In zip codes where SAFMRs are lower than FMRs, and Payment Standards may be reduced, tenants seeking new units may be responsible for a greater share of rent and utility payments. Tenants remaining in their current unit in low-rent areas may or may not pay more, depending on their local PHA's policies.

### How will I be impacted?

As a current or new voucher holder you will still be able to choose the unit that meets your needs (subject to PHA requirements) and fits within your budget. If your PHA is using SAFMRs, however, you may now be able to use your voucher in neighborhoods that weren't accessible before – including those with high-performing schools, low levels of poverty, and access to grocery stores, parks, and other amenities.

### How can the PHA help me access high-rent neighborhoods?

Your housing specialist or case manager may be able to provide you with a list of landlords or properties that meet your family's needs and fit within your budget. They can provide you with details about neighborhoods that you may be unfamiliar with and can even arrange tours so you can see what they have to offer. Your housing specialist will also show you how to use our website to look at listings of available rentals, and how to calculate the amount of rent assistance you will receive and the amount you will be responsible for in different units.

