

NAHMA HUD Update- Final Fair Market Rents (FMRs) for 2016

December 18, 2015

Dear NAHMA Member,

HUD recently issued the final Fair Market Rents (FMRs) for the Housing Choice Voucher (HCV) program and the Moderate Rehabilitation Single Room Occupancy Program for Fiscal Year 2016.

The primary uses of FMRs are to determine payment standards for the HCV program; to determine initial renewal rents for some expiring project-based Section 8 contracts; to determine initial rents for housing assistance payment contracts in the Moderate Rehabilitation Single Room Occupancy program; and, to serve as rent ceilings for rental assistance units in the HOME Investment Partnerships program.

This notice provides final FY 2016 FMRs for all areas that reflect the estimated 40th and 50th percentile rent levels trended to April 1, 2016. The FY 2016 FMRs are based on "5-year" data collected by the American Community Survey (ACS) from 2009 through 2013. The FY 2016 FMRs in this notice incorporate a change in the level of statistical reliability that is allowed for an ACS estimate to be used in the calculation of FMRs. Previously, if the error of the estimate was less than the estimate itself, HUD used the estimate. FMRs in this notice use ACS estimates where the size of the error is limited to half of the estimate. An additional change to the FY 2016 FMRs is the incorporation of the February 28, 2013, Office of Management and Budget (OMB) metropolitan area definition update based on the 2010 Decennial Census data. The 2013 ACS data are the first to use the new area definitions in the compilation of the ACS data. Bedroom ratios (comparing zero-, one-, three- and four-bedroom rents to the two-bedroom base rent) were updated from the 2010 estimations using a three-year average of five-year ACS data.

To view the final FY 2016 FMRs, please [click here](#)

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