

Fair Market Rent (FMR) Reevaluation FAQs

1. Who can request FMR reevaluation?

An area's Public Housing Agency (PHA) or, in multi-jurisdictional areas, PHA(s) representing at least half of the voucher tenants in the FMR area can submit a request. Individuals or other entities will have to work with PHAs of an area of interest to request a reevaluation. HUD is not responsible for funding of the survey.

2. How do you apply for reevaluation and what is required?

A reevaluation of FMRs can be requested by submitting a comment to the most recent FMR Federal Register Notice either by mail and addressed to Regulations Division, Office of General Counsel, Department of Housing and Urban Development, 451 7th Street SW, Room 10276, Washington, DC 20410-0500 or electronically at <https://www.regulations.gov>. The Federal Register Notice discusses the procedures for commenting in more detail.

3. Can any FMR area be reevaluated?

Yes, given a valid data submission is made, but it is recommended that small nonmetro counties with less than 5,000 rental units be combined with contiguous nonmetro counties of similar economic and demographic factors to ensure that a valid survey can be conducted. The minimum number of valid surveys required to adjust an FMR is 100 valid survey results. While an area with 5,000 rental units may be able to conduct a valid survey and receive the 100 valid survey results, it is difficult and the closer an area is to having 10,000 rental units, the more successful the survey.

4. What does a valid submission include?

A request for reevaluation requires the submission of newly collected rental data, collected in a statistically random way that is representative of the entire market area so this data can be used to replace the use of the ACS Census data in the calculation of the most recent FMRs. A minimum of 100 completed valid surveys is required for all surveys. This is true for both small metropolitan areas of less than 20,000 rental units, individual nonmetro counties and nonmetro county groups. Most large metropolitan areas are expected to collect up to 200 survey responses.

Valid surveys must be of 1-, 2-, and 3-bedroom units only that were not built in the past two years. The tenant must reside in the unit all year, the unit may not be owned by a relative, the tenant may not do work for the landlord in exchange for a rent reduction, and the rent must be the same all year long. In addition, the tenant must not participate in a government housing program, have a voucher, or certify income annually to be a valid survey result. A questionnaire with the appropriate questions is available at the following site:

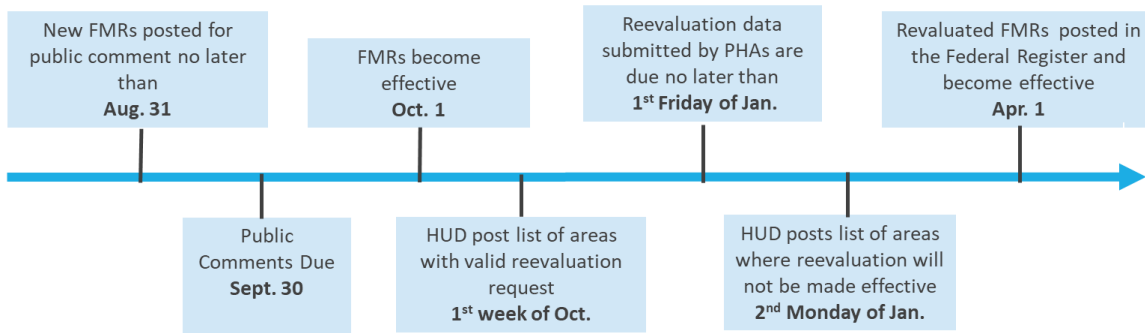
https://www.huduser.gov/portal/datasets/fmr/Mail_Survey_corrected.pdf.

5. What programs do reevaluated FMRs apply to?

Reevaluated FMRs apply to all programs using FMRs.

6. How long does it take for reevaluated FMRs to become effective?

Reevaluation requests made by the first Friday of January will be effective by April 1st if submitted survey data meets the necessary requirements. See timeline of important dates below.



7. How long do local survey results impact an area's FMR calculation?

For a large metropolitan area, which uses one-year ACS data, a survey conducted between January 1 and June 30 of the calendar year (e.g., 2020) prior to the effective FMR fiscal year (e.g., FY 2021) will be used to calculate the FMR for the next fiscal year (e.g., FY 2021) and the FMR for the subsequent fiscal year (FY 2022). If the survey was conducted between July 1 and December 31 of the prior calendar year (2020), the reevaluated FMR year will be used to reevaluate the current FMR (FY 2021) and be the basis of the area's FMR for the next two fiscal years (FY 2022 and FY 2023).

For smaller metropolitan areas and nonmetro counties, the survey date is compared with five-year ACS data rather than one-year ACS data. In these instances, surveys conducted between January 1 and June 30 of the calendar year (2020) prior to the effective FMR fiscal year (FY2021) will be used in the calculation of that fiscal year FMR (FY2021) and for the next three years. If the survey was conducted between July 1 and December 31 of the prior calendar year (2020), the reevaluated FMR year will be used to reevaluate the current FMR (FY 2021) and be the basis of the area's FMRs for the next four years (FY 2022 through FY 2025).

8. Which FMR will be effective while undergoing the reevaluation process?

The Housing Opportunities Through Modernization Act (HOTMA), enacted July 31, 2016 requires that new FMRs do not go into effect when a valid reevaluation request is received. New FMRs will not become effective on October 1 and the area will continue to use the prior year FMRs until the reevaluation is effective.

9. Can local surveys result in a reevaluated FMR being lower than HUD calculated FMR?

Yes, but if a survey results in lower FMRs it does not have to be submitted.

10. Do Reevaluated FMRs affect Small Area FMRs (SAFMRs)?

Yes. When the FMR of a metropolitan area increases, the SAFMRs increase by the same proportional amount.

For additional question please contact PPRD@hud.gov.