



U.S. DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT
WASHINGTON, DC 20410-7000

OFFICE OF COMMUNITY PLANNING
AND DEVELOPMENT

May 9, 2016

MEMORANDUM FOR: All CPD Division Directors
All HOME Program Coordinators

FROM: Virginia Sardone, Director, Office of
Affordable Housing Programs, DGH

SUBJECT: HOME Program Rent Limits – 2016

The purpose of this memorandum is to issue the HOME Program Rent Limits for 2016. Effective June 6, 2016, the 2016 HOME Rent Limits are the maximum amount that may be charged for rent in HOME-assisted rental units and are applicable to new HOME leases and lease renewals after that date. A complete set of the 2016 HOME Rent Limits grouped by state is posted on the HOME program web page on HUD Exchange at: <https://www.hudexchange.info/manage-a-program/home-rent-limits/>. These limits remain in effect until they are superseded by issuance of new limits.

The maximum HOME rent limits are established in Section 215 of the Cranston-Gonzalez National Affordable Housing Act of 1990 (NAHA), as amended. The High HOME Rent Limit for an area is the lesser of the Section 8 Fair Market Rent (FMR) for the area or a rent equal to 30% of the annual income of a family whose income equals 65% of the area median income, as determined by HUD. The Low HOME Rent Limit for an area is 30% of the annual income of a family whose income equals 50% of the area median income, as determined by HUD, capped by the High HOME Rent Limit. HUD's Economic and Market Analysis Division calculates the HOME rents each year using the FMRs and the Section 8 Income Limits.

The 2016 HOME rents are based upon the FMRs published in the Federal Register on December 11, 2015 (80 FR 77124) *Notice of Final Fiscal Year (FY) 2016 Fair Market Rents (FMRs)*, as may be revised, and on the 2016 Public Housing/Section 8 Income Limits, which were issued on March 26, 2016 by Notice PDR-2016-02 *Transmittal of Fiscal Year (FY) 2016 Income Limits for the Public Housing and Section 8 Programs*.

For information only, the HOME Rent Limit worksheets include the 2016 FMRs, the 65% rent limits, and the 50% rent limits. HUD is continuing to provide this information so that participating jurisdictions will know which of the "lesser of" standards has been applied. Some jurisdictions may also find this information useful in designing local programs that do not use HOME funds.

Please ensure that HOME participating jurisdictions in your area are notified of the issuance and effective date of the 2016 HOME Program Rent Limits. If you have any questions regarding these limits, please contact your Desk Officer in the Office of Affordable Housing Programs.