

# ASSESSING FAIR MARKET RENT

The purpose of this document is to assist service providers with understanding Fair Market Rent and Rent Reasonableness when providing rental assistance through federal funds.

*For Department of Justice (DOJ) grantees, any payment of rent must adhere to 2 CFR 200.465, which requires that the rent is reasonable and at the market rate in the geographic area.*

## TERMS TO KNOW:

### Rent Reasonableness

A standard to ensure that rents charged by owners for units subsidized by the federal assistance are reasonable in relation to rent being paid in comparable unassisted units in the same market. If the survivor is receiving rental assistance through federal funding, your organization may need to ensure that the rental unit falls within the Fair Market Rent parameters for that area.

### Fair Market Rent (FMR) Value

Fair Market Rate value is a gross rent estimate that includes the base rent amount, as well as any essential utilities that the tenant would have to pay, such as gas or electricity. It does not include non-essential utilities, such as phone, cable/television service, or internet. FMRs are used to determine rent ceilings for rental units.

FMR Value is determined by the property's location (State, City, Zip code), size, and type. For example, a two-bedroom home in a rural area may be valued at a lower cost than a one-bedroom apartment in a large city.

## FAIR MARKET TOOL

HUD created a [Fair Market Rent tool](#) to help housing providers determine payment standard amounts. Anti-trafficking programs who provide rental assistance may consider using the tool to help assess fair market rent.

### How to interact with Fair Market Rent Standards (FMR):

The tool will help determine what it will cost to house an individual in any given area, depending on type of housing, family size, and location.

## TIPS FOR PROVIDERS

- Consider including in your organization's housing procedures for rental assistance how you will determine the amount of the rent owed. For example, the survivor can provide a copy of the lease or, where one is not available, have a letter or statement from the landlord or roommate on the rent amount that is due to be paid by your organization on the survivor's behalf.
- Some housing policies may have changed and/or may continue to change due to COVID-19. For up-to-date information on COVID and housing information, please visit: <https://files.hudexchange.info/course-content/covid-19-planning-response-office-hours-mega-waiver-and-cares-act/COVID-19-Planning-Response-Office-Hours-Mega-Waiver-and-CARES-Act-Slides.pdf>

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## HOW TO USE THE FAIR MARKET RENT TOOL

1. Visit: [https://www.huduser.gov/portal/datasets/fmr/fmrs/FY2021\\_code/select\\_Geography.odn](https://www.huduser.gov/portal/datasets/fmr/fmrs/FY2021_code/select_Geography.odn)
2. Select the state that the unit is located in
3. Select the county that the unit located is in
4. You will find FMR amount based on the type of housing and number of bedrooms for that particular location.