

## Instructions for Completing Fair Market Rent (FMR) and Rent Reasonableness Calculations

1. If you are using the new form provided by CSB (below), complete the fields for landlord and address, client CSP#, proposed rent, utility allowance, number of eligible bedrooms per household size, and total rent.
  - a. Detail the utility allowance for the proposed unit on a utility allowance worksheet and carry the amount over to the rent reasonableness form. The utility allowance forms are available on CSB's website here: <http://www.csb.org/providers/housing-materials>.
  - b. The number of bedrooms should be the number of bedrooms the client is eligible for and not the number of bedrooms in the proposed unit. The proposed unit must be compared to the number of bedrooms the client is eligible for.
2. FMR must be the FMR for the number of bedrooms the client is eligible for, not the number of bedrooms in the proposed unit. Federal funds may be used up to the FMR amount. Other funds (excluding match or program income) can be used for any gross rent (rent plus utility allowance) over FMR.
  - a. If you are using the new form provided by CSB (below), enter the FMR amount, enter if the unit is within FMR (yes/no), and if not, the amount over FMR.
3. Fill in the information for units 1, 2, and 3 to compare the proposed unit to three like units.
  - a. Like units should have the eligible number of bedrooms, be in the same general area (or zip code) or owned by the same landlord, have approximately the same square footage, and similar amenities.
  - b. The utility allowance should include an amount that corresponds to the comparable unit. Do not use the same utility allowance as the proposed unit.
4. Total the comparable units' gross rent (rent plus utility allowance) and divide by 3 to get the average of the three comparable units.
5. **The total proposed gross rent (rent plus utility allowance) cannot exceed the average of the three comparable units by more than \$50.** If it does, it is not rent reasonable. Enter yes/no if the unit is rent reasonable.
6. **Any proposed unit that is not rent reasonable is ineligible.** It does not matter if the client is paying a portion of the rent. **No federal funds may be used for any part of rent that is not rent reasonable.**
7. The Rent Reasonableness/FMR form should be updated annually or every time rent, FMR, or utility allowances change.
8. Print the name of the person completing the form, sign, and date.

## FAIR MARKET RENT AND RENT REASONABLENESS CALCULATIONS

There are **2 separate calculations** to determine if rent is allowable under HUD rules. Complete this form for each leased unit. Complete a new form annually, every time there is a change (e.g., FMR updates or rent increases).

Landlord and Address \_\_\_\_\_

Client CSP ID \_\_\_\_\_

Proposed monthly rent \_\_\_\_\_ Number of eligible bedrooms per household size \_\_\_\_\_

Utility allowance \_\_\_\_\_ **Total Rent** (rent + utility allowance) \_\_\_\_\_  
 Per HUD-52667

### FAIR MARKET RENT (FMR)

**FMR** \_\_\_\_\_

<https://www.huduser.gov/portal/datasets/fmr.html>

FMR includes utilities

**Total Rent** is at or under **FMR** \_\_\_\_\_ (yes or no)      If no, amount over **FMR** \_\_\_\_\_

If the **Total Rent** is above **FMR**, you can use federal funds to pay the **FMR** amount only. The amount over FMR can be paid with non-federal funds, if available. You cannot use Match or Program Income to pay for the amount over FMR.

### RENT REASONABLENESS

Identify 3 comparable units. The comparable units must have the number of bedrooms the client is eligible for, must be in the same area as the proposed unit, and must have similar amenities.

	Unit #1	Unit #2	Unit #3
Address			
Number of bedrooms			
Square feet			
Type of unit			
Amenities (unit/location/neighborhood)			
Year built			
Utilities that are included			
Rent			
Utility allowance for utilities that are not included			
<b>Total Rent</b> (rent + utility allowance)			

**Average Total Rent** of 3 comparable units \_\_\_\_\_ (**Total rent** of Unit #1 + Unit #2 + Unit #3 divided by 3)

**Total Rent** is lower than or no more than \$50 higher than the **Average Total Rent** \_\_\_\_\_ (yes or no)

If the **Total Rent** is more than \$50 higher than the **Average Total Rent**, the unit is not rent reasonable and **the entire rent is ineligible**. We cannot use federal funds to pay for any rent that is not rent reasonable. You **CANNOT** use the unit for this program.

Rent is reasonable \_\_\_\_\_ (yes or no)      Date \_\_\_\_\_

Name (printed) \_\_\_\_\_ Signature \_\_\_\_\_