Tenant Frequently Asked Questions: Small Area Fair Market Rents

What are SAFMRs?

SAFMR stands for "Small Area Fair Market Rent." SAFMRs are estimates of the typical rent for different unit sizes in a specific ZIP code. They are determined by the U.S. Department of Housing and Urban Development (HUD) each year, based on the distribution of all rents for standard quality housing within that ZIP code.

What are payment standards?

Payment standards are the maximum amount the Public Housing Agency (PHA) will pay towards rent and utilities for individuals and families who use Housing Choice Vouchers. A PHA uses the SAFMRs for each ZIP code to calculate payment standards for different size units within that ZIP code area. In some cases, the payment standard may be the same as the SAFMR, and in others it may be higher or lower than the SAFMR. The actual amount that you will pay towards rent and utilities is based on several factors including the payment standard for the area you are renting in, the asking rent for the unit you select, and your income.

What's new about this approach?

Prior to introducing SAFMRs, HUD only published Fair Market Rents for the entire metropolitan area, rather than at the ZIP code (or SAFMR) level. This meant that, even with your voucher, you might have been unable to afford the rents in higher-cost neighborhoods. By using SAFMRs, your housing voucher should be sufficient to cover the reasonable rent requested for a share of the housing units in every ZIP code in the PHAs jurisdiction that is covered by the SAFMR. Under the new approach, the maximum amount the PHA will pay towards rent and utilities is based on typical rents for individual neighborhoods (ZIP codes).

If you choose to rent in a high-cost neighborhood, you may receive more assistance towards rent and utilities than you would have under the old approach.

If you choose to rent in lower-cost ZIP code areas PHA Payment Standards may be reduced. As a result, tenants that move into these areas may be responsible for a greater share of the rent and utility payments.

For current tenants that choose to remain in lower-cost ZIP code areas, where PHA Payment Standards are reduced, your PHA may adopt a policy to hold you harmless, gradually reduce or apply a standard deduction to the amount of assistance you will receive.

How will I be impacted?

As a current or new voucher holder you will still be able to choose the unit that meets your needs (subject to PHA requirements). However, you may now be able to use your voucher in neighborhoods that weren't accessible before – including those with high-performing schools, low levels of poverty, and access to grocery stores, parks, and other amenities.

How can the PHA help me access high-rent neighborhoods?

Your PHA may be able to provide you with a list of properties that meet your family's needs and fit within your budget. They may also be able to provide you with details about neighborhoods that you are unfamiliar with. Your PHA will also calculate the amount of rent assistance you will receive and the amount you will be responsible for in different units.