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Data and Limits

HOME-ARP Rent Limits

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Date Published: September 2021

Description

The HOME American Rescue Plan Program (HOME-ARP) uses the same rent limits as the HOME Program. The rent limits can be found at the link below for FY 2021. HUD will update rent limits annually.

Rent Limit for Qualified Populations under HOME-ARP

For any HOME-ARP household that meets criteria as a "qualified population" as defined in Section IV.A of the **HOME-ARP Notice** (<https://www.hud.gov/sites/dfiles/OCHCO/documents/2021-10cpdn.pdf>), the rent must meet the following requirements:

1. The rent may not exceed 30 percent of the annual income of a family whose income equals 50 percent of the median income for the area, as determined by HUD, with adjustments for smaller and larger families. HUD annually provides the HOME Rent Limits, that are also applicable to HOME-ARP, which include average occupancy per unit and adjusted income assumptions. This is also known as the low HOME rent limit.
2. If the unit receives federal or state project-based rental subsidy and the very low-income family pays as a contribution toward rent not more than 30 percent of the family's adjusted income, then the maximum rent (i.e., tenant contribution plus project-based rental subsidy) is the rent allowable under the federal or state project-based rental subsidy program.
3. If a household receives Tenant-Based Rental Assistance (TBRA), the rent is the rent permissible under the applicable rental assistance program (i.e., the tenant rental contribution plus the rental subsidy allowable under that rental assistance program).

The rent limits for HOME-ARP units for qualifying households include the rent plus the utility allowance established pursuant to Section VI.B.13.d of the **HOME-ARP Notice** (<https://www.hud.gov/sites/dfiles/OCHCO/documents/2021-10cpdn.pdf>).

Rent Limit for Low-Income Households under HOME-ARP

For any HOME-ARP units occupied by "low-income households," the rent must comply with the rent limitations in **CFR Part 92.252(a)** (http://edocket.access.gpo.gov/cfr_2005/aprqtr/24cfr92.252.htm). The maximum rents are the lesser of:

1. The fair market rent (FMR) for existing housing for comparable units in the area as established by HUD under 24 CFR 888.111; or
2. A rent that does not exceed 30 percent of the adjusted income of a family whose annual income equals 65 percent of the median income for the area, as determined by HUD, with adjustments for number of bedrooms in the unit. The HOME-ARP rent limits provided by HUD will include average occupancy per unit and adjusted income assumptions.

This is also known as the high HOME rent limit.

Notwithstanding the foregoing, when a household receives a form of federal tenant-based rental assistance (e.g., housing choice vouchers), the rent is the rent permissible under the applicable rental assistance program (i.e., the tenant rental contribution plus the rent subsidy allowable under the rental assistance program).

The rent limits for low-income households apply to the rent plus the utility allowance established pursuant to Section VI.B.13.d of the **HOME-ARP Notice** (<https://www.hud.gov/sites/dfiles/OCHCO/documents/2021-10cpdn.pdf>).

Single Room Occupancy Units

If the single room occupancy (SRO) unit has **both** sanitary and food preparation facilities, the maximum HOME-ARP rent is based on the zero-bedroom FMR.

If the SRO unit has **only** sanitary facilities, the maximum HOME-ARP rent is based on 75 percent of the zero-bedroom FMR. The rent limits for SRO units must also include the utility allowance established pursuant to Section VI.B.13.d of the **HOME-ARP Notice** (<https://www.hud.gov/sites/dfiles/OCHCO/documents/2021-10cpdn.pdf>).

Background on FMRs

FMRs are established by HUD each year for the Section 8 Program. For more information about the annual calculation of FMRs, visit **HUD's Office of Policy Development and Research website** (<https://www.huduser.gov/portal/datasets/fmr.html>).

The FMRs for unit sizes larger than a 4 bedroom are calculated by adding 15 percent to the 4 bedroom FMR for each extra bedroom. For example, the FMR for a 5 bedroom unit is 1.15 times the 4 bedroom FMR, and the FMR for a 6 bedroom unit is 1.30 times the 4 bedroom FMR, and so on...

5 BR = 1.15 x 4 BR FMR

6 BR = 1.30 x 4 BR FMR

7 BR = 1.45 x 4 BR FMR

8 BR = 1.60 x 4 BR FMR

9 BR = 1.75 x 4 BR FMR

10 BR = 1.90 x 4 BR FMR

11 BR = 2.05 x 4 BR FMR

12 BR = 2.20 x 4 BR FMR

Note: The FY 2021 HOME Rent Limits effective date is June 1, 2021. Please make sure you receive **HUD Exchange Mailing List** (<https://www.hudexchange.info/maillinglist/subscribe/>) messages for any updates on rent limits and the HOME/HOME-ARP programs.

Resource Links

- HOME/HOME-ARP Rent Limits (<https://www.hudexchange.info/programs/home/home-rent-limits/>) (HTML)

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