

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

1. Complete the fields for landlord and address, client CSP#, proposed rent, utility allowance, number of bedrooms, and total rent. Detail the utility allowance for the proposed unit on a utility allowance worksheet and carry the same 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>.
2. 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. Enter the FMR amount that matches the number of bedrooms in the proposed unit, 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 same 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 have similar amenities.
 - b. The utility allowance should be specific to each comparable unit. This can be an estimate, based on the information available for the comparable units. Do not use the same utility allowance as the proposed unit for the comparable units. The utility allowances for the proposed unit and the comparable units likely will be different.
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, the unit 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. Update the Rent Reasonableness/FMR form 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 every time there is a change (e.g., FMR updates or rent increases).

Landlord and Address _____

Client CSP ID _____

Proposed monthly rent _____

Number of bedrooms _____

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. You can pay the amount over FMR 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 same number of bedrooms as the proposed unit, 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			
Total Rent (rent + utility allowance)			

Average Total Rent of 3 comparable units _____ (**Total rent** for 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 _____