

PROGRAM NAME:

ORGANIZATION:

RENT REASONABLENESS CHECKLIST AND CERTIFICATION

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

1. Complete the fields for landlord and address, client 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.
 - 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.

SOUTHERN NEW JERSEY CONTINUUM OF CARE

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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 _____
HMIS Client ID # _____ Client Last Name: _____
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 _____ include 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.

	Proposed Unit	Unit #1	Unit #2	Unit #3
Address				
Number of Bedrooms				
Square Feet				
Type of Unit/Construction				
Housing Condition				
Location/Accessibility				
Age in Years				
Utilities (type)				
Unit Rent Utility Allowance Gross Rent				
Handicap Accessible?				

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:	Signature & Title:	Date:
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