



DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT

[Docket No. FR-6553-N-02]

Fair Market Rents for the Housing Choice Voucher Program, Moderate Rehabilitation Single Room Occupancy Program, and Other Programs Fiscal Year 2026; Revised

AGENCY: Office of the Assistant Secretary for Policy Development and Research, Department of Housing and Urban Development, HUD.

ACTION: Notice of revised fiscal year (FY) 2026 Fair Market Rents (FMRs) and response to comments on FY 2026 FMRs.

SUMMARY: This notice updates the FY 2026 FMRs for seven areas based on new survey data. Further, HUD responds to comments received on the FY 2026 FMRs.

DATES: The revised FY 2026 FMRs are effective on **[INSERT 30 DAYS AFTER DATE OF PUBLICATION IN THE FEDERAL REGISTER]**.

FOR FURTHER INFORMATION CONTACT: Adam Bibler, telephone 202-402-6057.

Questions related to use of FMRs or voucher payment standards should be directed to the respective local HUD program staff. For technical information on the methodology used to develop FMRs or a listing of all FMRs, please call the HUD USER information line at 800-245-2691 (toll-free), email the Program Parameters and Research Division at pprd@hud.gov, or access the information on the HUD USER website: <http://www.huduser.gov/portal/datasets/fmr.html>. HUD welcomes and is prepared to receive calls from individuals who are deaf or hard of hearing, as well as individuals with speech or communication disabilities. To learn more about how to make an accessible telephone call, please visit <https://www.fcc.gov/consumers/guides/telecommunications-relay-service-trs>.

SUPPLEMENTARY INFORMATION:

On August 22, 2025, HUD published in the *Federal Register* the FY 2026 FMRs, requested comments on the FY 2026 FMRs, and outlined procedures for requesting a

reevaluation of an area’s FY 2026 FMRs (90 FR 41096). A corrected notice that extended the comment period was issued on September 19, 2025 (90 FR 45240). This notice revises the FY 2026 FMRs for seven areas based on data provided to HUD.

I. Revised FY 2026 FMRs

The updated FY 2026 FMRs appear in the following table. The FMRs are based on surveys conducted by the area public housing agencies (PHAs) and reflect the estimated 40th percentile rent levels trended to FY 2026.

The FMRs for the affected areas are revised as follows:

2026 Fair Market Rent area	0 BR	1 BR	2 BR	3 BR	4 BR
Los Angeles-Long Beach-Glendale, CA HUD Metro FMR Area	\$2,079	\$2,328	\$2,903	\$3,681	\$4,098
Napa, CA Metropolitan Statistical Area (MSA)	\$2,286	\$2,526	\$3,315	\$4,222	\$4,942
San Luis Obispo-Paso Robles, CA MSA	\$1,842	\$2,036	\$2,671	\$3,584	\$4,105
Asheville, NC HUD Metro FMR Area	\$1,436	\$1,674	\$1,835	\$2,231	\$3,078
Transylvania County, NC	\$1,032	\$1,039	\$1,363	\$1,634	\$2,048
Albany, OR MSA	\$1,169	\$1,396	\$1,695	\$2,294	\$2,662
Corvallis, OR MSA	\$1,350	\$1,451	\$1,824	\$2,537	\$2,862

HUD has published these revised FMR values on the HUD USER website at:

<http://www.huduser.gov/portal/datasets/fmr.html>. In addition, HUD has updated the FY 2026

Small Area FMRs (SAFMRs) with revised FMRs, which can be found at

<https://www.huduser.gov/portal/datasets/fmr/smallarea/index.html>. HUD has also updated the

50th percentile rents for all affected FMR areas, which are published at

<http://www.huduser.gov/portal/datasets/50per.html>.

II. Public Comments on FY 2026 FMRs

This summary of comments addresses the most significant concerns raised by the commenters. The public comment period was extended to October 1, 2025, by the corrected September 19, 2025, notice and closed on that date. HUD received 21 distinct comments relating

to the notice. The comments were from PHAs, community development agencies, and private citizens. Of the 21 comments received, 13 were reevaluation requests for 15 FMR areas. The comments and their responses are discussed below.

Concerns About the Accuracy of FMRs

Comment: One commenter noted the significant and persistent gaps between proposed FMRs and actual market rents. The commenter stated that such gaps can reduce voucher success rates and result in more limited housing choices and geographic concentration of voucher holders. The commenter also stated that even with the incorporation of private data, the built-in lag associated with American Community Survey (ACS) data cannot capture recent market shifts. The commenter noted that areas “experiencing rapid rent appreciation...” would be “perpetually behind the curve.” The commenter believes that the reevaluation process is an inefficient mechanism to correct the lag that places undue burden on individual PHAs. The commenter said that the problem could be better addressed by HUD monitoring rents proactively using private data sources. In particular, the commenter believed that HUD should update FMRs in high-volatility markets semi-annually or quarterly.

HUD response: There is no other data on gross rents paid that is consistently collected on a nationwide basis, available to HUD, that is more current than the data we receive through the ACS. The Federal Government invests a substantial amount of resources in collecting socio-economic data through the ACS, which has statutory advantages in compelling responses to the ACS, generating significantly higher response rates than other survey programs. Proprietary rent data cannot be used as the sole basis for the FMR calculations because it is not consistently available for all areas and is not collected in such a way that it is statistically representative of the rental markets it covers. For example, some of these sources focus on rents for major apartment projects only. Additionally, commercial sources of rent data do not provide an estimate of the 40th percentile rent paid by recent movers, as required by HUD’s current regulations.

HUD acknowledges the many hardships that low-income households face, as well as the challenges faced by PHAs and other partners in working with HUD to accomplish its mission. Having an accurate FMR is often critical to helping address these challenges, and HUD is committed to continuously evaluating its FMR calculation methodology, including considering the implications for areas with rapidly rising rents. HUD will evaluate the programmatic need for more frequent updates of FMRs alongside the available resources for calculating and issuing them.

Comment: One commenter questioned the increasingly small difference between the three-bedroom and four-bedroom FMRs for Bloomington, IL metropolitan statistical area (MSA) in recent years. The commenter wondered if there might be an error either in the methodology or the calculations.

HUD response: The differences cited by the commenter are the intentional results of the methodology, as applied to Bloomington, IL MSA. HUD sets FMRs for units of different sizes using “bedroom ratios”, which are calculated using long-term averages of the relationship between rents for 2-bedroom units and other sizes in the American Community Survey. The specific data and calculation steps used for the Bloomington, IN MSA are available here: https://www.huduser.gov/portal/datasets/fmr/fmrs/FY2026_code/2026bdrm_rent.odn?year=2026&cbsasub=METRO14010M14010&br_size=3.

Comment: One commenter suggested that HUD work with the Department of Commerce to include more American ACS funding in the next proposed President’s Budget, thereby improving the accuracy of FMR estimates.

HUD response: HUD advises the Census Bureau on its use of the ACS, including through HUD’s annual procurement of special data tabulations and the interagency council on statistical policy. As previously stated, HUD also assesses the accuracy of its FMR calculations and apprises the Census Bureau of the results of these assessments where relevant to the Bureau.

Comment: One commenter expressed concern that the FMR levels in Puerto Rico, particularly the metropolitan San Juan, are too low. The commenter thought this could possibly be due to the inclusion of substandard housing in the data.

HUD response: HUD procures special tabulations of Puerto Rico Community Survey data from the Census Bureau in part to enable the exclusion of units not meeting indicators of “standard quality” rental housing (those with cash rent; those sited on 10 acres or less; with full plumbing; with a complete kitchen; and meals not included in rent). This should minimize the extent to which substandard housing is included in the FMR data. Additionally, HUD determines a “public housing cutoff rent” to eliminate the bottom end of the distribution of rental units from the ACS before the 40th percentile rent is calculated as a proxy to remove units with low rents that are likely in nonmarket transactions (e.g., rented from relatives), subsidized (ACS does not ask whether households receive rental subsidies), or are otherwise inadequate in some manner not measured by the ACS. HUD reminds PHAs that they may request exception payment standards or use Small Area FMRs in circumstances where the FMR is too low. Additionally, a PHA may request a reevaluation and conduct a survey per HUD’s guidelines. Such a survey could also investigate the prevalence of substandard units.

Concerns Regarding the FMR Reevaluation Process

Comment: One commenter questioned the equitability of PHAs being required to bear the full burden of independent surveys to support an FMR reevaluation, especially when HUD already has access to the same private rental data sources that would support these reevaluations. The commenter noted that the cost of the surveys comes at the expense of voucher holders and other core PHA functions. The commenter suggested several ways that HUD could minimize the burden and assist PHAs with the reevaluation process, including establishing a grant program to fund PHA reevaluations, providing additional clarity to the reevaluation process, accepting private data sources where appropriate rather than requiring entirely new studies, providing technical assistance to PHAs, and proactively identifying areas that may require reevaluations.

HUD response: HUD is committed to working with PHAs who are interested in conducting local rental market surveys. Surveys and data collection are often inherently expensive, and their costs are beyond HUD's control. In addition, HUD's ability to provide funds to PHAs for local rental market surveys is dependent on the availability of funds and their authorized uses specified in annual appropriations statutes.

HUD reminds PHAs that paying for local area rent surveys is an eligible expense to be paid from ongoing HCV administrative fees or their HCV administrative fee reserve account. In general, the cost of the survey increases with the size of the FMR area and the size of the rental market. However, as noted earlier, HUD's existing private data sources cannot be used as the sole basis for the FMR calculations. Among other concerns, they are not consistently available for all areas and are not collected in such a way that the results are statistically representative of the rental markets they cover.

Additionally, public housing agencies have latitude in setting actual payment standards for use in the voucher program. Payment standards may range from 90 to 110 percent of the applicable FMR as part of normal program operations. Regulations also allow for the designation of exception payment standard areas in which payment standards may exceed 110 percent of the applicable FMR. They also allow for the voluntary use of Small Area FMRs for PHAs that are not operating in a mandatory SAFMR area. These flexibilities provide additional ways of mitigating any uncertainty or inaccuracies inherent in the FMR calculation process that are less burdensome than a market survey.

Concerns about FMRs and Renewal Funding Inflation Factors

Comment: One commenter noted the relationship between Renewal Funding Inflation Factors (RFIFs) and FMRs, making several suggestions as to how they might be improved. The commenter suggested that HUD start issuing preliminary *Federal Register* notices for each calculation, thereby allowing comments from PHAs with valuable market-specific information to be incorporated into the final calculations. Additionally, the commenter made several RFIF-

specific suggestions, including: (1) calculating RFIFs earlier to allow PHAs adequate budget and management time, (2) increasing the RFIF weighting in favor of FMR changes relative to the CPI, (3) conducting regular validation of RFIF projections relative to actual HAP expenditure growth, and (4) establishing “clearer guidelines and more accessible processes” for RFIF reevaluations.

HUD response: HUD issues RFIFs and determines the RFIF methodology through a separate notice. The authority to issue renewal funding for the voucher program is provided in HUD’s annual appropriations acts, the timing of which HUD does not control. As is the case for FMRs, HUD is committed to evaluating both the accuracy of RFIFs and the extent to which their current calculation, dissemination, and use allows HUD to meet its mission.

Mandatory SAFMRs

Comment: One commenter suggested that mandatory SAFMRs be eliminated and that HUD instead restore PHA discretion as to whether SAFMRs or area-wide FMRs are used. The commenter argued that PHAs better understand the specific markets and that SAFMRs may not necessarily be effective, given factors such as tight competition in tight rental markets, lack of landlord participation, and family preferences and constraints. The commenter also suggested that HUD provide clear guidance and technical assistance, as well as “adequate administrative fee funding to cover the additional costs of implementation” for PHAs using SAFMRs. Additionally, the commenter suggested that HUD review the efficacy of SAFMRs beyond merely mobility outcomes. The commenter also said that, should HUD continue to use mandatory SAFMRs, they ought to determine mandatory areas using criteria designed to determine their likely efficacy (such as areas with rent variation and landlord participation across neighborhoods), rather than the criteria used now, which is designed to identify areas where poverty has become concentrated and SAFMRs could help address that concentration.

HUD response: The mandatory use of SAFMRs is currently determined pursuant to HUD regulation and is beyond the scope of the annual calculation of the FMRs themselves. HUD will

continue to evaluate whether or not the existing Small Area FMR regulations are supporting HUD's mission. HUD will also continue to explore Small Area FMR-specific methodology changes in order to increase their accuracy. HUD reminds PHAs operating under Small Area FMRs that they may group ZIP Codes into one payment standard area as long as the payment standard remains within 90 to 110 percent of the applicable Small Area FMR. Additionally, the regulations regarding exception payment standards apply to mandatory Small FMRs as well.

Calculation Transparency

Comment: One commenter suggested that HUD should publish the number of times an area's data failed statistical reliability checks to provide PHAs with a measure of how accurate the final estimate might be when deciding whether to submit a reevaluation request.

Another commenter suggested that HUD be completely transparent about the FMR and RFIF calculations, including data sources, for each area.

HUD response: HUD does explicitly publish the information on when an area fails a statistical validity check and the results for the FMR calculation for each area on HUD User (<https://www.huduser.gov/portal/datasets/fmr.html>). HUD strives to improve our transparency, for example, making detailed FMR and SAFMR methodology documents available to the public on HUD User for FY 2026. HUD will evaluate what if any steps can improve the transparency of RFIF calculation, noting that the FMR is a main component of RFIF calculation. Therefore, HUD's attempts at FMR transparency support RFIF transparency as well.

Geographic Changes in Connecticut

Comment: One commenter recommended that HUD allow PHAs in Connecticut to choose whether they want to use the older or the newer geographical definition as the basis for their FMRs. The commenter believed that this would prevent budgetary impacts where the new geography results in a lower FMR than the older geography. A second commenter objected to the geographical changes in Connecticut as well, citing specific declines to higher FMR areas

that resulted from the inclusion of lower FMR areas, as well as the notable increases in the historically lower FMR areas.

HUD response: As described in the FY 2026 FMR notice, HUD was not able to maintain the prior area definitions in Connecticut following the incorporation of the new planning regions into the definitions of metropolitan statistical areas. In implementing these changes, HUD continued the regulatory requirement that no area's FMR may decrease by more than 10 percent in a single year in order to minimize disruption to program operations. In cases where the new geographic definitions cause the town-specific FMR to differ widely from local rents, PHAs may pursue exception payment standards or use Small Area FMRs. Additionally, HUD reminds PHAs that they are not required to reduce the payment standard for in-place tenants in response to declining FMRs. Finally, there should not be major implications for the calculation of renewal funding as a result of these changes, as the RFIF calculation is done at an FMR area-wide level.

Comment Period Extension

Comment: One commenter requested an extension of the comment period based on decisions made by the National Archives and Records Administration that they state prevented them from submitting their comments by the deadline.

HUD response: HUD has no control over the National Archives and Records Administration. HUD provided the full comment window for FY 2026 FMRs and will accept comment on future publications of FMRs as well as any methodological changes to their calculation.

Alternative Utility Inflation Factor

Comment: One commenter indicated support for HUD's proposed alternative utility inflation factor. The commenter appreciated the opportunity to see how FMRs calculated using the two utility inflation factors would compare.

HUD response: HUD thanks the commenter for their support for this alternative approach.

Exemption Request

Comment: One commenter requested an exemption from the Secretary for the FMR requirements. While it is not entirely clear which programs the commenter would like an exception for, their reference to “the Quality Housing Act and the Home Investment Partnership” would imply that the request is for the HOME Investment Partnership Program and perhaps for the Section 8 program as well.

HUD response: Requirements for FMR use in various programs are determined by statute and regulation, with additional policies as determined by the relevant program office. For information on exemptions, stakeholders should consult directly with the relevant program office.

Concerns about Payment Standards

Comment: One commenter said that the Orange County Housing Authority is setting payment standards too low and believes that HUD should require SAFMRs for the affected area.

HUD response: Metropolitan areas whose PHAs are subject to the mandatory use of SAFMRs are determined using criteria laid out in a *Federal Register* notice (81 FR 80678) that accompanied the SAFMR Final Rule (81 FR 80567). The criteria include: (1) total vouchers \geq 2,500, (2) at least 20 percent of the standard quality rental stock within the area is in ZIP Codes where the SAFMR is more than 110 percent of the metropolitan FMR, (3) the percentage of voucher families living in concentrated low-income areas relative to all renters within the area must be at least 25 percent, (4) the percentage of voucher holders living in concentrated low-income areas relative to all renters within these areas over the entire metropolitan area exceeds 155 percent, and (5) the vacancy rate for the metropolitan area is higher than 4 percent. HUD evaluates new data every five years as it becomes available and makes additional SAFMR area designations as appropriate. The most recent evaluation was conducted in 2023. In the meantime, concerns about payment standards can be raised with the PHA and local HUD office.

Requests for Reevaluations

Comment: Commenters submitted valid requests for reevaluation for 11 FMR areas. There were also 4 requests that did not meet HUD requirements. Commenters requesting or supporting a reevaluation for the FY 2026 FMRs stated that the proposed FMRs were not an accurate representation of their area's rental market. Many commenters stated that they would undertake a local rent survey as part of their request for reevaluation.

HUD response: HUD published the list of areas requesting reevaluation on the HUD User website on November 18, 2025, and the list of areas without a submission of rental market data on January 14, 2026. This notice provides the revised FMRs for areas that submitted survey data and concludes the FY 2026 FMR reevaluation process.

III. Environmental Impact

This notice involves the establishment of FMR schedules, which do not constitute a development decision affecting the physical condition of specific project areas or building sites. Accordingly, under 24 CFR 50.19(c)(6), this notice is categorically excluded from environmental review under the National Environmental Policy Act of 1969 (42 U.S.C. 4321).

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