

## Section 8 Vouchers: Effect of Payment Standard at 90%, 100% and 110% of Fair Market Rent

Fair Market Rent (FMR) in Your City is **\$737** (w. utilities) for a 2 BR Unit. Sample Client: Household adjusted income is \$11,000 (**\$917/month**); 30% of monthly adjusted income of \$917 is **\$275**.

### Scenario #1: Payment Standard =90% of FMR (\$663)

<b>Gross Rent</b>	<b>\$700</b>	<b>\$800</b>	<b>\$900</b>
<b>Payment Standard</b>	\$663	\$663	\$663
<b>Tenant Share</b>	<b>\$312</b> (\$275 + \$37)	<b>\$412</b> (\$275 + \$137)	<b>\$512</b> (\$275 + \$237)
<b>Result</b>	Payment Standard is lower than the rent, so tenant share <b>34%</b> of income.	Tenant share is <b>45%</b> of income. <b>PHA may not allow tenant to use voucher for this apartment.</b>	Tenant share is <b>56%</b> of income. <b>PHA may not allow tenant to use voucher for this apartment.</b>

### Scenario #2: Payment Standard =100% of FMR (\$737)

<b>Gross Rent</b>	<b>\$700</b>	<b>\$800</b>	<b>\$900</b>
<b>Payment Standard</b>	\$737	\$737	\$737
<b>Tenant Share</b>	<b>\$275</b>	<b>\$338</b> (\$275 + \$63)	<b>\$438</b> (\$275 + \$163)
<b>Result</b>	Payment Standard is greater than the rent + utilities, so tenant share is <b>30%</b> of income.	Payment Standard is lower than the gross rent, so tenant share is <b>37%</b> of income.	Tenant share is <b>48%</b> of income. <b>PHA may not allow tenant to use voucher for this apartment.</b>

### Scenario #3: Payment Standard = 110% of FMR (\$810)

<b>Gross Rent</b>	<b>\$700</b>	<b>\$800</b>	<b>\$900</b>
<b>Payment Standard</b>	\$810	\$810	\$810
<b>Tenant Share</b>	<b>\$275</b>	<b>\$275</b>	<b>\$365</b> (\$275 + 90)
<b>Result</b>	Payment Standard is higher than the rent, so tenant share is <b>30%</b> of income.	Payment Standard is higher than the rent; tenant share is <b>30%</b> of income.	Payment Standard is lower than the rent, so tenant share is <b>39.8%</b> of income.

Based on chart developed by Judith Liben, Mass. Law Reform Institute.