

## **HUD 4119 Appendix C: Challenging Fair Market Rent Data:**

### **Guidelines for the Indian Housing Block Grant Formula**

**Public Reporting Burden Statement:** This collection of information is estimated to average 15 hours per response, including the time for reviewing instructions, searching existing data sources, gathering, and maintaining the data needed, and completing and reviewing the collection of the requested information. Comments regarding the accuracy of this burden estimate and any suggestions for reducing this burden can be sent to: U.S. Department of Housing and Urban Development, Office of the Chief Data Officer, R, 451 7th St SW, Room 8210, Washington, DC 20410-5000. Do not send completed forms to this address. This agency may not conduct or sponsor, and a person is not required to respond to, a collection of information unless the collection displays a valid OMB control number. This agency is authorized to collect this information under Section 102 of the Department of Housing and Urban Development Reform Act of 1989. The information you provide will enable HUD to carry out its responsibilities under this Act and ensure greater accountability and integrity in the provision of certain types of assistance administered by HUD. This information is required to obtain the benefit sought in the grant program. Failure to provide any required information may delay the processing of your application and may result in sanctions and penalties including the administrative and civil money penalties specified under 24 CFR §4.38. This information will not be held confidential and may be made available to the public in accordance with the Freedom of Information Act (5 U.S.C. §552). The information contained on the form is not retrieved by a personal identifier, therefore it does not meet the threshold for a Privacy Act Statement.

This document describes the data and documentation required by HUD for a Tribe to challenge the Fair Market Rent (FMR) data used in the Formula Current Assisted Stock (FCAS) component of the Indian Housing Block Grant (IHBG) formula.

#### **Q1. How is FMR used in the formula?**

**A1.** In accordance with 24 CFR 1000.320, FMR is an adjustment factor for local area costs applied to Low Rent, Mutual Help, and Turnkey III units in the FCAS Component of the formula. The FMR adjustment is weighted to derive a local area FMR relative to the national average for FMR. In the formula, the greater of the FMR factor or Allowable Expense Level (AEL) factor is used.

#### **Q2. Where would a Tribe/Tribally Designated Housing Entity (TDHE) find FMR?**

**A2.** FMRs are published in the Federal Register annually. They are also available as a free download from HUD USER at <http://www.huduser.org/portal/datasets/fmr.html> or by calling 1-800-245-2691.

#### **Q3. How is FMR calculated?**

**A3.** FMR factors are gross rent estimates that include rent plus the cost of all utilities derived by HUD from annual estimates for 354 metropolitan areas and 2,350 nonmetropolitan county areas. The FMRs for the entire Country is calculated by HUD's Office of Policy Development and Research (PD&R), Economic Market Analysis Division located in Washington, D.C.

#### **Q4. Can Tribes/TDHEs challenge the FMR?**

**A4.** Yes. In accordance with 24 CFR 1000.336 (a)(6) a Tribe may challenge its FMR.

**Q5. How would a Tribe/TDHE challenge FMR?**

**A5.** The Tribe/TDHE could conduct a survey. Two documents are published by HUD's Office of PD&R and can be downloaded from [www.huduser.gov](http://www.huduser.gov). The titles are: *Random Digit Dialing Surveys: A Guide to Assist Larger Public Housing Agencies in Preparing Fair Market Rent Comments or Rental Housing Surveys* ([Random Digit Dialing Surveys](http://www.huduser.gov/publications/doc/rddsmall98.doc)); and, *Rental Housing Surveys: A Guide to Assist Smaller Public Housing Agencies in Preparing Fair Market Rent Comments* (<http://www.huduser.gov/publications/doc/rddsmall98.doc>).

Additional help in preparing your submittal should be obtained by contacting HUD's Office of PD&R, Economic Market Analysis Division at 1-800-245-2691.

**Q6. What do I need to do to update my IHBG formula data once my challenge has been accepted by HUD's Office of PD&R?**

**A6.** In order for a challenge to be considered for the upcoming fiscal year allocation, all data and documentation that the data was approved by HUD's Office of PD&R must be submitted in writing to the IHBG Formula Customer Service Center by August 1 at the address below.

IHBG Formula Customer Service Center 101 Ridgely Ave, Suite 10  
Annapolis, MD 21401  
Toll Free: 800-410-8808  
Fax: 202-393-6411  
E-mail: [IHBGformula@firstpic.org](mailto:IHBGformula@firstpic.org)

