

Housing Choice Voucher Program FAQs 2021

What is the Housing Choice Voucher program?

The Housing Choice Voucher program is HUD's largest rental assistance program, assisting more than five million people in 2.2 million low-income households.¹ Eligible households use vouchers (also called tenant-based Section 8 rental assistance) to help pay the rent on privately-owned homes of their choosing. Additionally, program administrators can attach a portion of their vouchers to particular properties or help eligible households to buy homes.

Whom do vouchers serve?

More than 70 percent of voucher-assisted households are extremely low income, at or below 30 percent of area median income (AMI) or the federal poverty line. Two-thirds (68 percent) of voucher recipients are disabled or elderly, and 33 percent are households with children.²

How do vouchers work?

Federal rules require that at least 75 percent of households newly admitted to the voucher program be extremely low income. The remainder of eligible households must have incomes at or below 80 percent of AMI.

A household receiving a voucher must pay at least 30 percent of its monthly adjusted gross income for rent and utilities. The difference between the actual rent and what the tenant pays is covered by HUD through the household's voucher. If the unit rent is greater than the payment standard for the area, as determined by the state or local public housing authority (PHA), the household is required to pay the additional amount.

Vouchers are used primarily for tenant-based rental assistance; however, some vouchers may be used to help home buyers pay closing costs or mortgage payments. Program administrators can also dedicate up to 30 percent of their vouchers for eligible families occupying pre-selected apartments, which is known as *project basing* the vouchers. PHAs may project base vouchers in 25 percent of a development's units or 25 units in a development, whichever is greater, thereby allowing higher concentrations in small developments. Finally, PHAs are allowed to project base vouchers in up to 40 percent of the units in a development in areas where vouchers are difficult to use or the poverty rate is 20 percent or less.

¹ Joint Center for Housing Studies of Harvard University, *America's Rental Housing 2020*

² Center on Budget and Policy Priorities, *Where Families with Children Use Housing Vouchers 2019*

Who administers the voucher program?

With oversight from HUD, approximately 2,150 state and local PHAs, including 23 state housing finance agencies (HFAs), administer voucher programs. Funding provided by Congress is distributed to these agencies by HUD based on the number of vouchers in use in the last year, the cost of vouchers, an increase for inflation, and other adjustments. PHAs solicit applications, determine recipient eligibility, establish allowable rent levels, review recipients' incomes, and determine whether homes for rent comply with the voucher program's housing quality standards. More than 695,000 private rental property owners currently participate in the voucher program by housing at least one voucher holder.³

What is the current funding level for vouchers?

In FY 2021, Congress provided \$25.8 billion for the voucher program, including \$23 billion for voucher renewals, \$314 million for Section 811 Mainstreaming vouchers, \$116 million for Tenant Protection vouchers, \$40 million for new Veterans Affairs Supportive Housing (VASH) vouchers, \$25 million for Family Unification vouchers, \$5 million for Tribal VASH vouchers, and \$2.2 billion for administrative fees. The American Rescue Plan Act, enacted in March 2021, provided \$5 billion for emergency housing vouchers.

What should Congress do to improve this program?

Congress should work to provide sufficient funding to renew all authorized vouchers and support new ones in FY 2022. Congress should also ensure program administrators are compensated fairly for their work with adequate administrative fees, which have been underfunded in recent years. Congress should enact legislation that further streamlines federal regulations and provides maximum flexibility for program administrators.

³ Landlords | HUD USER 2018 (huduser.gov)