

## HUD Archives: News Releases

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### **SECRETARY CARSON PROPOSES RENT REFORM**

#### ***Reforms to make current rent policies simpler, more transparent and predictable***

WASHINGTON - U.S. Housing and Urban Development (HUD) Secretary Ben Carson today unveiled a package of reforms designed to offer Public Housing Authorities (PHAs), property owners and HUD-assisted families a simpler, less invasive and more transparent set of rent structures, and places HUD's rental assistance programs on a more fiscally sustainable path. Through its [Making Affordable Housing Work Act](#), HUD is seeking to reform decades-old rent policies that are confusing, costly and counterproductive, in that the incentives they create often fail to adequately support individuals and families receiving HUD rental assistance in increasing their earnings.

HUD helps 4.7 million families to access affordable, quality housing and pay their rents, more than half of which are currently headed by senior citizens or persons living with a disability. The rent reforms proposed today will not increase rents paid by qualifying households currently receiving assistance that are comprised of elderly persons or persons with disabilities.

"The system we currently use to calculate a family's rental assistance is broken and holds back the very people we're supposed to be helping," said Secretary Carson. "HUD-assisted households are now required to surrender a long list of personal information, and any new income they earn is 'taxed' every year in the form of a rent increase. Today, we begin a necessary conversation about how we can provide meaningful, dignified assistance to those we serve without hurting them at the same time."

PHAs and landlords participating in HUD's rental assistance programs must currently navigate a complex set of rules to properly calculate a household's rent contribution. Under these existing rules, tenants are required to surrender vast amounts of personal information each year and are often charged wildly different rents even though they have similar wages. Likewise, owners and PHAs, many with limited staff, must spend many hours calculating the correct payments for their tenants, who may themselves be confused by byzantine rent rules for tenant income calculations. The complex annual income recertification process creates a perverse set of conditions that increase the risk of inaccurate income reporting and discourage family unification and progress toward self-sufficiency.

Currently, Congress requires HUD-assisted households to contribute 30 percent of their adjusted income toward rent while the government pays the difference, up to a maximum amount. This approach, with its complicated set of income certification requirements, imposes substantial administrative burdens on PHAs and owners and may suppress residents' earned income.

HUD is proposing a simplified structure of 'core rents' that offers a more transparent and predictable rent calculation that streamlines program administration for PHAs and owners and is easier for both landlords and tenants to understand. Under this core rent proposal, PHAs and owners would only be required to verify income every three years rather than annually. This would substantially ease the administrative burden on PHAs, owners, and residents and would effectively encourage increased earned income without adversely impacting a household's rent for up to three years. HUD will also create a menu of 'choice rents' that PHAs and owners may implement to promote greater flexibility, local control, and self-sufficiency for non-elderly/non-disabled households.

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*HUD's mission is to create strong, sustainable, inclusive communities and quality affordable homes for all. More information about HUD and its programs is available on the Internet at [www.hud.gov](http://www.hud.gov) and <http://espanol.hud.gov>.*

*You can also connect with HUD on social media and follow Secretary Carson on Twitter and Facebook or sign up for news alerts on HUD's Email List.*



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