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## Section 8 Housing Choice Voucher Rent Subsidy Frequently Asked Questions for Landlords

This Frequently Asked Questions document aims to explain the rules around voucher payment standards, and to provide some guidance for landlords and other partners on how rent subsidies are determined.

Q: [How does HUD set the limit on subsidy for the Housing Choice Voucher \(HCV\) “Section 8” program?](#)

A: The HCV program provides a tenant-based voucher to a family. A tenant generally pays 30% of their household income toward rent and utilities, but may pay more if the rent for the unit they select is higher than the PHA’s payment standard. The payment standard is the maximum subsidy a PHA can pay on behalf of a family, and a PHA establishes payment standards based on the HUD-established Fair Market Rents (FMR) for the area. The payment standards must be within an established range (90-110%) of the FMR. Exception payment standards that go above this 110% threshold can be adopted. More details on exception payment standards are below.

Q: [What are Fair Market Rents?](#)

A: Fair Market Rents (FMR) are published on an annual basis by HUD’s Office of Policy Development and Research (PD&R) specifically by the Economic and Market Analysis Division (EMAD). Fair Market Rents are determined using a combination of surveys and the American Community Survey (ACS). The Fair Market Rents are established at the 40th percentile of gross rents in a jurisdiction, which in rural areas often consist of only one county but in more urban places will include a cluster of counties, called a Metropolitan Statistical Area (MSA). You can find the HUD published FMR’s by going to [https://www.huduser.gov/portal/datasets/fmr/fmrs/FY2023\\_code/select\\_Geography.odn](https://www.huduser.gov/portal/datasets/fmr/fmrs/FY2023_code/select_Geography.odn) and selecting the State, then County.

The regulations that govern how Fair Market Rents are established can be found in 24 CFR 888.111.

Q: [How are Fair Market Rents and Rent Schedules/HUD Subsidies Determined?](#)

A: FMRs are used as a guide to determine the level of HUD subsidy for various HUD programs such as the Housing Choice Voucher (including HUD-VASH), Multifamily Assisted, and homelessness programs such as the Continuum of Care and Emergency Solutions Grant (ESG). However, the FMR is not in itself the standard used for determining eligible rents. Each HUD rental assistance program is governed by its own

set of statutes and regulations which determine how much rent HUD will pay.

Q: **What are Payment Standards?**

A: Public Housing Authorities (PHA) adopt payment standard schedules which establish the HCV payment standards amounts for each FMR area and unit size in the PHA jurisdiction. The regulation that governs Payment Standards is established in 24 CFR 982.503 – Voucher tenancy: Payment standard amount and schedule.

Q: **What are “Basic Range” Payment Standards and Exception Payment Standards and how are these approved by HUD?**

- Payment standards between 90-110% of FMR (“basic range”)
  - The PHA may establish the payment standard amount for a unit size at any level between 90 percent and 110 percent of the published FMR for that unit size. HUD approval is not required to establish a standard amount in that basic range. Therefore, if a PHA is currently using a payment standard at 90% of FMR and they wish to increase the payment standard up to 110% of the FMR, the PHA may do so without making a request to HUD.
- To view the Housing Authority of Thurston County’s current Payment Standard, go to <https://hatc.org/current-tenants/payment-standard/>
- Payment standards above the “basic range” – 110% to 120% of FMR
  - The PHA may request an exception payment standard above 110% of FMR, up to 120% of FMR, by submitting a request to the HUD Field Office. The Field Office has authority to approve such a request for a designated part of the FMR area, such as particular zip codes, neighborhoods, or townships, if it is supported by an appropriate program justification and market data.

Note: The HUD field office may also approve an “exception payment standard” on a case-by-case basis if required as a reasonable accommodation for a family that includes a person with disabilities.

- Payment standards above 120% of FMR
  - At the request of a PHA, HUD’s Assistant Secretary for Public and Indian Housing may approve an exception payment standard amount above 120 percent of FMR for a designated part of the FMR area. The Assistant Secretary must determine that: (a) the approval is necessary to prevent financial hardship for families; (b) such approval is supported by statistically representative rental housing survey data to justify HUD approval in accordance with the methodology described in 24 CFR 888.113; and (3) it must be supported by an appropriate program justification. These requests should be submitted to the local HUD Field Office who will perform a preliminary review prior to submitting to HUD Headquarters for final review.

Note: HUD HQ may also approve an “exception payment standard” on a case-by-case basis if required as a reasonable accommodation for a family that includes a person with disabilities.

Q: [How is the rent portions determined?](#)

A: The amount of rent the tenant pays is subject to change. The amount of assistance a tenant receives from the Housing Authority is based on their income. As their income or household composition changes, the tenant's rent portion can also fluctuate.

Q: [Can I raise the rent?](#)

A: Yes. If you would like to raise the rent, you must give the tenant notice based off the guidelines below and provide a copy to the Housing Authority of Thurston County for processing.

- Units in the City of Olympia (City of Olympia Ordinance OMC 5.82 – Information available on the City of Olympia's website [www.olympiawa.gov](http://www.olympiawa.gov))
  - Requires 120 days' notice for rent increases over 5%
  - Requires 180 days' notice for rent increases over 10%
- All other Thurston County units require 60 days' notice for any rent increase

Note: If a landlord requests a rent increase that exceeds the currently adopted payment standard, the participant will become responsible for the increase that exceeds the payment standard resulting in a rent burden for the tenant.