

# Federal Rental Assistance

Federal rental assistance enables over 5 million low-income households to afford modest homes.

## What Is Federal Rental Assistance?

Three major programs – [Housing Choice Vouchers](#), [Section 8 Project-based Rental Assistance](#), and [Public Housing](#) – assist about 90 percent of the households receiving federal rental assistance.

Other programs serve households with special needs, including the “202” and “811” Supportive Housing Programs for the Elderly and for People with Disabilities; Housing Opportunities for People with AIDS/HIV (HOPWA); and McKinney-Vento permanent housing programs for the homeless.

In addition, the Department of Agriculture (USDA) provides rental assistance for two-thirds of the units in properties it helps fund, and there are several small programs – the Rent Supplement and Rental Assistance (RAP) programs – that will end when remaining assistance contracts expire. For detailed, state-by-state data on most rental assistance programs see the [National and State Housing Data Fact Sheets](#).

The Department of Housing and Urban Development (HUD) oversees all federal rental assistance except the USDA Section 521 Rural Rental Assistance program.

Other federal programs provide grants, tax credits, or reduced-interest loans to build or rehabilitate rental housing. But, without rental assistance, such programs generally do not make units affordable to poor families.

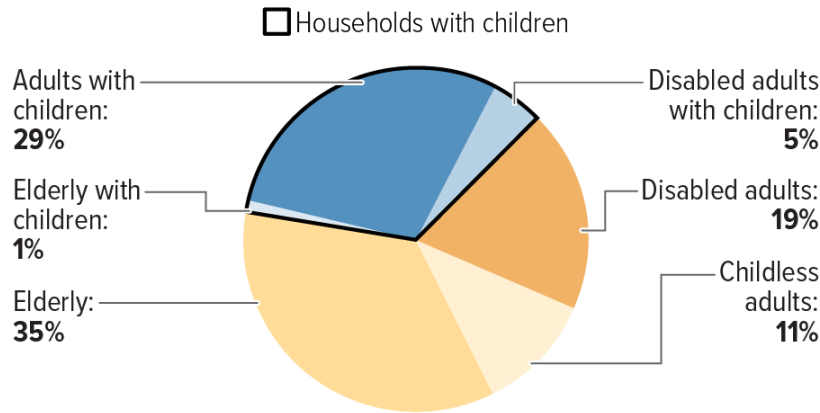
## Who Is Helped by Federal Rental Assistance?

Federal rental assistance makes housing affordable for almost 10 million people, including nearly 4 million children.

In 2016, 89 percent of households in the HUD-assisted programs were elderly, had disabilities, worked, had recently worked, or likely were subject to work requirements through another program.

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## Who Is Helped by Federal Rental Assistance?



Note: Childless adults are households headed by a person under 62 without disabilities, and without children in the home. Disabled adults are younger than 62. Elderly households are headed by a person age 62 or older.

Sources: CBPP tabulations of 2016 HUD program data and the USDA's FY 2016 Multi-Family Fair Housing Occupancy Report.

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## Who Is Eligible?

A household must be “low-income” – meaning that its income may not exceed 80 percent of the local median income – in order to begin receiving federal rental assistance. Some programs limit initial eligibility to households at or below 50 percent of the local median.

The main rental assistance programs also require that a share of new households admitted have “extremely low” incomes, meaning that their income may not exceed the higher of 30 percent of the local median or the federal poverty line. Two-thirds of assisted households are extremely low-income.

Some programs are limited to particular types of households, such as those who are elderly, have disabilities, or are formerly homeless.

Because of funding limitations, only [3 in 4 eligible low-income renter households do not receive federal rental assistance](#), and the number of unassisted renter households with “worst case” housing needs rose by more than 30 percent between 2007 and 2013. (HUD defines these households as renters with incomes at or below half of the area median income that do not receive rental assistance and pay more than half their income for housing, live in severely substandard housing, or both.) There are long waits for housing assistance in most of the country.

## How Much Do Assisted Families Pay for Housing?

Most households pay 30 percent of their income (after certain deductions are taken out) for rent and utilities. The major programs usually require a minimum rent of \$25-\$50 per month, even if this amount exceeds 30 percent of family income.

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## What Role Does the Private Market Play?

Most federal rental assistance is used in privately owned properties. In some rental assistance programs (most notably the Housing Choice Voucher program), families use vouchers to rent any private apartment that meets program guidelines. In the other programs, rental assistance is “attached” to particular properties.

Nearly 3,800 state and local housing agencies administer the Housing Choice Voucher and Public Housing programs. The public agencies and private owners of properties assisted under the other programs manage the waiting lists, select the tenants that will receive rental assistance, and determine families’ monthly rent contributions in accordance with federal rules.

## Where Do Families with Federal Rental Assistance Live?

Housing Choice Vouchers and properties with federal rental assistance are located in most communities throughout the United States and the territories. (See the [National and State Housing Data Fact Sheets](#) for particular states.)

While most rental assistance is in metropolitan areas, 13 percent of assisted units are in non-metropolitan areas.

## How Is Federal Rental Assistance Funded?

Congress funds rental assistance through annual appropriations. In recent years, Congress has made deep cuts to many programs, including Housing Choice Vouchers and public housing.

The federal government spends more than three times as much on tax subsidies for homeownership – more than half of which benefits households with incomes above \$100,000 – as on rental assistance.

## How Does Federal Rental Assistance Help Recipients?

Federal rental assistance helps families to afford decent quality, uncrowded housing and avoid homelessness or other kinds of housing instability. By limiting housing costs, it also leaves families with

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more resources for work-related expenses like child care and transportation, as well as basic needs like food and medicine.

For frail seniors and people with disabilities, federal rental assistance programs often provide services as well as affordable units, enabling them to remain in their home communities and avoid or delay moving into nursing homes or other institutions that are much more costly for state and federal governments.

Also, when assistance enables families to live in low-poverty neighborhoods, children are significantly more likely to attend college, have lower rates of teenage pregnancy, and have higher incomes as adults.

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**For more information on Federal Rental Assistance, see:**

*National and State Housing Fact Sheets & Data*

<http://www.cbpp.org/research/housing/national-and-state-housing-fact-sheets-data>

*Chart Book: Rental Assistance Reduces Hardship, Promotes Children's Long-Term Success*

<http://www.cbpp.org/research/housing/chart-book-rental-assistance-reduces-hardship-promotes-childrens-long-term-success>