Center on Budget and Policy Priorities

820 First Street NE, Suite 510
Washington, DC 20002

Tel: 202-408-1080
Fax: 202-408-1056

center@cbpp.org
www.cbpp.org

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Comparison of Trump and Ross Rent Proposals to Current Law

This comparison is based on the Making Affordable Housing Work Act released by the Department of Housing and Urban Development (HUD) on April 25, 2018 and the draft of the Promoting Resident Opportunity through Rent Reform Act circulated by Rep. Dennis Ross on April 16, 2018 and posted by the House Financial Services Committee.

Policy	Current Law	Trump Proposal	Ross Draft Bill
Programs Affected	Public Housing, Housing Choice Vouchers, Project-Based Rental Assistance (PBRA), Section 202, Section 811, and some smaller HUD programs.	Public Housing, Housing Choice Vouchers, PBRA, Section 202, Section 811, and some smaller HUD programs.	Public Housing, Housing Choice Vouchers, and projects converted through the Rental Assistance Demonstration to PBRA.
Rents for Non-Elderly, Non-Disabled Households	Households pay the higher of (1) 30 percent of income adjusted for certain deductions; (2) 10 percent of gross income; (3) for households with welfare benefits, any portion of the benefit designated to cover housing costs; or (4) the minimum rent. Public housing residents are permitted to choose annually between a flat rent that does not take into account income and an income-based rent determined under the regular rules.	Non-elderly, non-disabled households would pay the higher of (1) 35 percent of gross income with no deductions; or (2) the minimum rent. Agencies and owners could also adopt alternative rent systems designed by HUD or request HUD approval for alternative systems they design themselves.	Housing agencies would choose from six policies to set rents for non-elderly, non-disabled households: (1) the regular policy under current law; (2) the regular policy with the public housing flat rent option eliminated; (3) the higher of 30 percent of gross income with 90 percent of the income of the second-highest earner in the household disregarded, or a $75 minimum rent; (4) a tiered-rent system in which all households in three broad income tiers would be charged the same rent, which

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			for most households would be up to 30 percent of the income of a household at the top of the tier; (5) a stepped rent policy that would initially charge households 20 percent of the HUD-determined fair market rent (FMR) regardless of income, and increase that amount every two years until it reached 100 percent of the FMR after eight years; and (6) a policy designed by the agency and approved by HUD. Agencies could adopt different policies for different projects and programs.
Rents for Elderly and Disabled Households* *As defined in last row	Same as for other households (except for differences in deductions discussed below).	Elderly and disabled households (and other "exempt" households as defined by HUD) would pay the higher of (1) 30 percent of gross income with no deductions; or (2) the minimum rent. For households receiving assistance at the time the legislation is enacted, the transition to the new rent rules would be phased in over six years. Agencies and owners could also adopt alternative rent systems designed by HUD or request HUD approval for alternative systems they design themselves.	HUD would determine whether elderly and disabled households pay (1) 30 percent of adjusted income; or (2) a percentage of gross income with no deductions. If HUD chose the second option, it would determine the percentage with no upward limit. HUD could not set the percentage at a level that would reduce total tenant rent payments.
Minimum Rents	For public housing and voucher programs, state and local housing agencies can set the minimum rent anywhere from $0 to $50 and charge households that amount even if that is above their income-based rent. In Section 8 Project-Based Rental Assistance, HUD establishes the minimum rent by regulation up to a maximum of $50 (currently $25). There	Minimum rent is at least $150 for non-elderly, non-disabled households and at least $50 for elderly and disabled households. HUD can increase both amounts without limit.	Unchanged under options #1 and #2 (as described in row 2). Option #3 would raise the minimum rent to $75. In option #4, the poorest households would be charged the lowest-tier rent, which could be set up to 30 percent of the higher of (1) the poverty line or (2) 30 percent of the local median income (resulting in a national average rent of $550). In option #5 the poorest households would pay the same

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	is no minimum rent in Section 202 and 811.		stepped rent as higher-income households, which would average $210 initially and grow over time.
Hardship Exemptions	Agencies and owners are required to exempt households that cannot pay the minimum rent due to certain types of financial hardship and that submit a request for an exemption, but only a small share of affected households receive exemptions.	Same as current law, but exemptions would apply to rents set at 30 or 35 percent of gross income in addition to minimum rents. Alternative rent systems designed by HUD, agencies, and owners would be required to include a "reasonable hardship exemption."	Hardship exemption similar to that under current law applies to minimum rents under options #1, #2, and #3. Housing agencies must provide a hardship exemption for all rents under option #5, but may use either the current law exemption policy or any policy that has been approved for use under the Moving to Work (MTW) demonstration. No hardship exemptions would be required under options #4 or #6.
Voucher Rents Above Payment Standard	Voucher holders pay the amount by which rent and utilities exceed the agency's voucher payment standard, in addition to the rent they would otherwise pay. Voucher holders may not rent a unit that costs more than the payment standard if initially their total payment for rent and utilities (counting their regular payment and any excess costs above the payment standard) exceeds 40 percent of their income. A household may remain in a voucher unit if its cost burden later rises above 40 percent because their income drops or rent or utility costs rise.	No change except it eliminates the 40 percent cap.	No change except it eliminates the 40 percent cap.
Voucher Shallow Subsidy Option	Agencies may set voucher payment standards no lower than 90 percent of the FMR, unless HUD approves a lower standard. HUD regulations require agencies seeking payment standards under 90 percent of the FMR to show that no more than 40 percent of voucher holders have rent burdens above 30 percent of their income.	Same as current law.	Agencies may use up to 40 percent of their voucher funds for subsidies with payment standards between 20 and 40 percent of the regular voucher payment standards. Households on the waiting list that opt to accept the lower subsidy and forgo a regular voucher would receive preference over other households on the waiting list.

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Income Deductions	Elderly and disabled households are eligible to deduct $400 annually and unreimbursed medical expenses in excess of 3 percent of their income. In addition, other households are eligible to deduct $480 annually per dependent, unreimbursed child care expenses needed for employment or education, and disability-related expenses for household members in excess of 3 percent of income. (The 2016 Housing Opportunity Through Modernization Act, or HOTMA, raised the elderly/disabled deduction to $525 and the medical and disability expense deduction thresholds to 10 percent, but HUD has not yet issued regulations to implement those changes.)	All income deductions are eliminated.	For non-elderly, non-disabled households, income deductions are unchanged under options #1 and #2, but eliminated under options #3, #4, and #5. HUD could choose to eliminate income deductions for elderly and disabled households.
Regular Income Recertification	Housing agencies and owners must recertify income (1) every three years for households with income primarily from fixed sources (such as Social Security or Supplemental Security Income), with inflation adjustments in the intervening years; and (2) every year for other households.	Incomes would be recertified every three years for all households.	Housing agencies would recertify income every three years for elderly and disabled households and non-elderly, non-disabled households with fixed incomes. Agencies would recertify income every two years for other non-elderly, non-disabled households under most of the rent options, but households in public housing under option #1 and all households under option #4 (tiered rents) would be subject to current law recertification requirements.
Interim Income Recertifications	Agencies and owners must conduct recertifications between regular recertifications at a household's request if income drops, and may do so if income rises. (HOTMA will generally limit interim recertifications to cases where a household's income changes by at least 10 percent and prohibit	Agencies and owners must conduct recertifications at a household's request if income drops by more than 20 percent for a non-elderly, non-disabled household or more than 10 percent for an elderly, disabled, or other "exempt" household. Agencies and owners are not permitted to conduct	No change from current law for rent policies based on income, except that agencies are not permitted to recertify the incomes of elderly and disabled households due to income increases.

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	interim recertifications for earnings increases.)	interim recertifications when a household's income increases for any reason.	
Alternative Rent Policies	Only housing agencies participating in MTW may establish alternative rent rules.	Housing agencies and owners may opt to adopt alternative rent rules established by HUD, subject only to the requirement that they include hardship exemptions and serve substantially the same number of households as under the regular rules without added appropriations. Agencies and owners may also request HUD approval to establish other rent policies, subject to the same requirements as HUD-established policies and any other criteria HUD establishes.	Housing agencies may request HUD approval to establish their own rent policies. These policies are considered approved if HUD doesn't disapprove them within 90 days.
Work Requirements	Agencies and owners may give preference for admission to working households, but except for MTW, agencies may not condition ongoing assistance on work. Non-elderly, non-disabled public housing residents must participate in community service for at least eight hours a month if they are not working.	Agencies and owners may terminate assistance for non-elderly, non-disabled, non-exempt households that do not work or engage in employment-related activities (as defined by HUD) for a specified number of hours a week (up to a HUD-established limit).	No change from current law.
Definition of Elderly, Disabled and Exempt Households	A household is considered elderly or disabled if the head, the head's spouse, or the sole member is at least 62 years old or has a disability as defined by HUD. The presence of non-elderly or non-disabled members does not affect a household's status as elderly or disabled.	For purposes of rent policies and work requirements, a household is considered elderly or disabled if all adult members are at least 65 years old or have a disability. The presence of a live-in aide (as defined by HUD) does not affect a household's status as elderly or disabled. HUD also may designate other categories of "exempt" households that will be treated the same as elderly and disabled households for purposes of rents and work requirements.	No change from current law.