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# Rural Housing and Community Programs

## USDA Rural Development Housing Vouchers

### *Answers for Tenants*

The USDA Rural Development (RD) Voucher Demonstration Program is a 1-year rental subsidy program. Its purpose is to protect tenants of USDA Multi-Family Housing (Section 515) properties who have had their USDA loans foreclosed or prepaid between Oct. 1, 2005, and Sept. 30, 2006.

RD Vouchers are available to eligible low-income tenants living in a USDA-financed property at the time of foreclosure or prepayment.

The voucher supplements the tenant's rent payment. Tenants may use the voucher at the former USDA-financed property, or take it to any non-subsidized rental unit in the United States that passes U.S. Department of Housing and Urban Development (HUD) housing quality standards and where the owner will accept it. The voucher may not be used for rental units in subsidized housing, such as Section 8 or public housing, in which its use would result in a double subsidy.

To receive an RD Voucher, tenants must apply to a designated Public Housing Authority (PHA), 3rd party contractor, or their local USDA Rural Development office.

### ***Frequently Asked Questions***

Q. What does the RD Voucher do?

A. The voucher is a subsidy to help pay the rent for eligible tenants after the RD loan is paid off.

Q. How much is the voucher worth?

A. The amount of the voucher is the difference between the tenant contribution for rent (the Net Tenant Contribution) and the Comparable Market Rent

for that unit. For example, if an eligible tenant pays \$300 a month, and the Comparable Market rent is \$475, the voucher amount for that tenant will be set at \$175.

Q. Can I just take the voucher amount and spend it any way I want?

A. No. The voucher is good only for rent; it is paid directly to the landlord.

Q. Who is eligible to receive a voucher?

A. Section 515 tenants whose adjusted income is less than 80 percent of the local median income when the USDA loan is paid off are eligible.

Q. Is the RD Voucher only for tenants who receive Rental Assistance from the USDA?

A. No. All tenants with incomes less than 80 percent of area median income are potentially eligible to receive a voucher, regardless of whether or not they are currently receiving Rental Assistance.

Q. If I move, and if the rent is higher than my current rent, will the voucher amount be increased?

A. The amount of the voucher generally will not change. If you move to a higher rent unit, you will have to pay any increase in the rent. If you move to a lower rent unit, the voucher amount is not changed, but your contribution may be lower. However, the amount of the voucher cannot be more than the rent.

Q. What are the advantages of obtaining an RD Voucher?

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A. The advantages of the voucher are:

- The voucher may help keep the rent affordable if you don't move when your lease expires, because it pays the difference between what you paid under Section 515 and the Comparable Market Rent;
- If you want to move to another rental unit in the same town or even a different town, the voucher and the voucher amount will go with you;
- Even if the landlord agreed to keep your tenant contribution fixed for as long as you stay where you are living now, the voucher will permit you to move.

Q. When can I get an RD Voucher?

A. Generally, you can apply for a voucher 60 days before your lease expires; or, in some cases, the landlord may let you break your lease early so you can apply for a Voucher. Or, you can apply for a voucher up to 60 days after your lease expires. You must apply before September 30, 2006.

Q. How long is the voucher good?

A. The voucher payment is good for 1 year from the date you start using it.

Q. If this is confusing, can I get any help?

A. Your USDA Rural Development local office will provide more information. The letter from Rural Development informing you about the loan prepayment will give you the address and phone number of the local office.

## ***For More Information***

Further information is available through State and local offices of USDA Rural Development.

Or you may contact the USDA Multi-Family Housing Portfolio Management Division in Washington, DC at:

USDA Voucher Program  
1400 Independence Avenue SW  
Mail Stop 0782  
Washington, DC 20250

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