

Emergency Solutions Grant and Continuum of Care grant funds may be used to pay rental assistance and are also subject to FMR and rent reasonableness levels. Rent reasonableness reviews determine whether the rent to the owner is a reasonable rent in comparison to the rent of comparable unassisted units. In the CoC program a recipient or subrecipient of funds is allowed to pay rents up to the rent reasonable amount even if this is higher than the FMR. If rent reasonableness rates are lower than the FMR the maximum allowable contract rent amount is still capped at the rent reasonableness rates.

However, in the Emergency Solutions Grant, short- and medium-term rental assistance can be provided to eligible program participants only when the rent, including utilities (gross rent) for the housing unit does not exceed the FMR established by HUD for each geographic area and complies with HUD's standard of rent reasonableness.