

Rural Development Housing Programs

Housing Vouchers Answers for Tenants

The USDA Rural Development Voucher Demonstration Program is a rental subsidy program. Its purpose is to offer protection to eligible housing tenants in multi-family properties financed through Rural Development's Section 515 Rural Rental Housing Program who may face hardship through the prepayment or foreclosure of the mortgage loan on the property.

Tenants may use the voucher to supplement rental payments. The voucher supplements the tenant's rent at the former Rural Development-financed property or, if a property owner agrees to accept the voucher, at any non-subsidized rental unit in the United States that meets Rural Development's housing-quality standards.

The voucher may not be used at rental units in subsidized housing, such as Section 8 or public housing, because its use there would constitute a double subsidy.

Frequently Asked Questions

Q. What does the Rural Development voucher do?

A. The voucher is a subsidy to help pay the rent for eligible tenants after the Rural Development loan on the multi-family property 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 and the Comparable Market Rent – rents charged at similar complexes at non-subsidized rates – for that unit. For example, if an eligible tenant pays \$300 a month in the Rural Development property and the Comparable Market Rent is \$475, the voucher amount for that tenant will be set at \$175.

Q. What are the qualified uses of the voucher?

A. The voucher is good only for rent. It is provided to the tenant to show proof of Rural Development assistance toward the rent. The payments are made directly to the landlord.

Q. Who is eligible to receive a voucher?

A. All tenants who are U.S. citizens, U.S. non-citizen nationals (people who are U.S. nationals but not U.S. citizens), or qualified aliens, whose income is less than 80 percent of the median family income and who are residing in the Rural Development Section 515 multi-family property when the Rural Development mortgage is prepaid or foreclosed are eligible to receive a voucher.

Q. Is the voucher only for tenants who receive Rental Assistance from Rural Development?

A. No. All tenants with incomes less than 80 percent of median family 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 a Rural Development Voucher?

A. There are several advantages:

- The voucher aims to keep rent affordable, if you don't move when your lease expires, by helping pay the difference between what you paid under Section 515 with Rural Development 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 a voucher?

A. If you lived at the Rural Development Section 515 property on the date of prepayment or foreclosure, you will receive a voucher offer shortly after the prepayment or foreclosure has occurred. You have 10 months from the date of prepayment or foreclosure of the mortgage to decide if you want to use the voucher.

Q. How long will my landlord receive payments?

A. The initial benefit period is 1 year. That may be renewed subject to your continued program eligibility and program funding availability.

Q. Where can I get more information?

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

For More Information

More information is available through State and local offices of USDA Rural Development. Rural Development State offices may be contacted at 1-800-670-6553, then press 1 and follow the prompts to be connected. Or you may contact the Rural Development Voucher Program at:

U.S. Department of Agriculture
Rural Development Voucher Program
1400 Independence Avenue SW
Mail Stop 0782
Washington, DC 20250

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