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**DEPARTMENT OF HOUSING AND  
URBAN DEVELOPMENT**

[Docket No. FR-5152-N-03]

**Final Fair Market Rents for the Housing  
Choice Voucher Program and  
Moderate Rehabilitation Single Room  
Occupancy Program for Fiscal Year  
2008; Revised for Selected Areas**

**AGENCY:** Office of the Secretary, HUD.

**ACTION:** Notice of Final Fair Market Rents (FMRs) for Fiscal Year 2008, Update.

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**SUMMARY:** This notice updates the FMRs for Gulfport-Biloxi, MS, and Pascagoula, MS, to accommodate continuing rental market impacts of Hurricane Katrina.

**EFFECTIVE DATE:** February 1, 2008.

**FOR FURTHER INFORMATION CONTACT:** For technical information on the methodology used to develop FMRs or a listing of all FMRs, please call the HUD USER information line at (800) 245-2691 or access the information on the HUD Web site, <http://www.huduser.org/datasets/fmr.html>. Any questions related to use of FMRs or voucher payment standards should be directed to the respective local HUD program staff. Questions on how to conduct FMR surveys or further methodological explanations may be addressed to Marie L. Lihn or Lynn A. Rodgers, Economic and Market Analysis Division, Office of Economic Affairs, Office of Policy Development and

Research, telephone (202) 708-0590. Questions about disaster-related FMR exceptions should be referred to the respective local HUD office. Persons with hearing or speech impairments may access this number through TTY by calling the toll-free Federal Information Relay Service at (800) 877-8339. (Other than the HUD USER information line and TTY numbers, telephone numbers are not toll-free.)

**Background**

The coastal Mississippi rental housing markets identified in this notice experienced enormous impacts from Hurricane Katrina, with the loss of many rental housing units. On December 1, 2007, HUD took over day-to-day management of rental assistance payments for the 28,000 households in rental housing still displaced due to Hurricanes Katrina and Rita. Beginning January 2008, HUD will begin working with FEMA to transition eligible families out of travel trailers and into rental housing in the private market.

On March 1, 2008, the level of subsidy will begin to be reduced, which will gradually lead families toward independence. Program participants will pay a portion of the cost, which will begin at \$50 per month and incrementally increase each month thereafter until the program concludes

on March 1, 2009. Residents in the program will also receive case management services coordinated by PHAs to help them get back on their feet, including financial education, job training or other social services.

Families and individuals in the program will be given complete information, supportive services, resources and ample time to prepare themselves for the end of temporary, subsidized housing. Seniors and the disabled whose primary source of income is Supplemental Security Income or other fixed income that make them eligible to receive assistance under existing HUD programs will be protected. HUD, through its network of PHAs, will actively work to transition these individuals into its existing programs.

Although new rental stock is being built in the affected areas, it will take some time for sufficient numbers of units to be completed to stabilize the market. Many single-family homes in the Gulfport-Biloxi, MS, and Pascagoula, MS, areas that accepted vouchers were wiped out by Katrina and have not been rebuilt. The tight rental market has significantly increased pressure on rents in these two areas of Mississippi. High hazard insurance rates have sharply increased homeowners' and landlords' monthly insurance costs.

Although the state has provided the State Wind Pool insurance to provide coverage to owners, this insurance is often two-to-three times higher than what was previously paid.

American Community Survey data for 2006 show that rents in these areas have increased substantially since 2005. These results are supported by extensive field work by HUD economists who have been researching local market conditions. In order to ensure the successful operation of HUD's regular voucher program as well as HUD's new responsibilities under the expanded Disaster Housing Assistance Program on the Mississippi Gulf Coast, HUD is increasing the Gulfport-Biloxi and Pascagoula fiscal year (FY) 2008 FMRs by 20 percent, effective immediately. The FMR increases provided, in combination with the continuation of flexibility for Public Housing Authorities to set payment standards up to 120 percent of FMR without HUD approval, are believed adequate to reflect current market circumstances and should cover at least part of the expected additional rent increases anticipated this year. The Department will continue to monitor this situation and modify FMRs if significant further rent increases occur.

The FY2008 FMRs for the affected areas are increased as follows:

| 2008 Fair market rent areas   | Number of bedrooms |       |       |         |         |
|-------------------------------|--------------------|-------|-------|---------|---------|
|                               | 0                  | 1     | 2     | 3       | 4       |
| Gulfport-Biloxi, MS MSA ..... | \$655              | \$695 | \$811 | \$1,057 | \$1,086 |
| Pascagoula, MS MSA .....      | 563                | 643   | 773   | 1,064   | 1,141   |

Dated: January 25, 2008.

**Darlene F. Williams,**  
*Assistant Secretary for Policy Development and Research.*

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