

What is the definition of Area Median Income (AMI)?

Area Median Income (AMI) is defined as the midpoint of a specific area's income distribution and is calculated on an annual basis by the Department of Housing and Urban Development (HUD). HUD refers to the figure as MFI, or median family income, based on a four-person household. The most recent MFI calculations can be found on the [HUD User web portal](#).

AMI is used extensively for assessing affordable housing eligibility. For instance, most affordable housing properties require that the income of a prospective resident falls under a specified percentage of AMI to lease a unit. These AMI requirements are generally mandatory to take advantage of [low-income housing tax credits](#), or LIHTC. This metric is also essential for forecasting rental income. Typically, affordable housing rents are locked to a maximum of 30% of a household's monthly income, though in some cases this may be higher.

How is Area Median Income (AMI) calculated?

Area Median Income (AMI) is calculated each year by the Department of Housing and Urban Development (HUD). HUD calculates AMI on the basis of household size for every metropolitan area and region in the U.S. The most recent MFI calculations can be found on the [HUD User web portal](#).