



### **What is Section 3?**

Section 3 of the Housing and Urban Development Act of 1968 (Section 3) ensures that HUD-funded jobs, training, and contracts are provided to local low-income residents, particularly those that reside in public housing, and businesses that substantially employ them.

### **What is a Section 3 Business?**

Section 3 businesses are:

- a. 51% or more owned by residents of public housing or persons whose income does not exceed HUD's local area low-income limits (i.e. Section 3 residents); or
- b. Comprised of 30% or more full-time employees who are Section 3 residents; or
- c. Can provide evidence of a firm commitment to award 25% or more of sub-contracts to businesses that meet a. or b.

Please visit the "[Am I a Section 3 Business?](#)" Calculator

### **What is the Section 3 Business Registry?**

The Section 3 Business Registry is a national registry of businesses that have self-certified to HUD that they meet one of the definitions of a Section 3 business.

### **How Does the Section 3 Business Registry Benefit Section 3 Businesses?**

Section 3 businesses are entitled to a preference for local HUD-funded contracts. The Section 3 Business Registry facilitates the notification about HUD-funded contracts to eligible firms.

### **How Can A Business Sign Up for the Section 3 Business Registry?**

Businesses can sign up for the Section 3 Business Registry at: [www.hud.gov/sec3biz](http://www.hud.gov/sec3biz)

### **How Does the Section 3 Business Registry Help HUD Grantees, and Their Contractors?**

PHAs, other HUD grantees, and their contractors are required to notify Section 3 businesses about the availability of HUD-funded contracts to solicit bid proposals. The Section 3 Business Registry is a tool that helps them locate prospective Section 3 businesses. Please visit: [www.hud.gov/sec3biz](http://www.hud.gov/sec3biz) to search for local Section 3 businesses.

### **Are Businesses in the Section 3 Business Registry Guaranteed HUD-funded Contracts?**

No. Businesses in the Section 3 Business Registry must still compete for local HUD-funded contracts. They must possess the necessary qualifications and comply with all procurement requirements.

### **Does HUD Verify Businesses in the Section 3 Business Registry?**

HUD does not verify that self-certified businesses in the Section 3 Business Registry meet one of the definitions, nor does the Department endorse the services they provide. As such, PHAs, other HUD grantees, and their contractors are encouraged to exercise due diligence by checking the eligibility of businesses in the Section 3 Business Registry before providing them preference for HUD-funded contracts.

### **Where Can I Find Out More Information About Section 3?**

[www.hud.gov/section3](http://www.hud.gov/section3)