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## 2022 Rural Areas File

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Synopsis: The Federal Housing Enterprises Financial Safety and Soundness Act of 1992 establishes a duty for Fannie Mae and Freddie Mac (the Enterprises) to serve the housing needs of very low-, low-, and moderate-income families in rural areas.<sup>1</sup> FHFA’s Duty to Serve regulation provides eligibility for Duty to Serve credit for Enterprise mortgage purchases and certain other activities in “rural areas,” as defined in the regulation.<sup>2</sup> Additionally, the regulation specifies support for certain Enterprise activities in high-needs rural regions, as defined in the regulation, that the Enterprises may consider including in their plans for their Duty to Serve programs.

FHFA’s 2022 Rural Areas File designates census tracts in the Metropolitan Statistical Areas (MSAs) and outside of MSAs of the 50 states, the District of Columbia, and Puerto Rico that are considered rural areas or non-rural areas under the regulation. The File also identifies whether census tracts are located in “high-needs” counties in order to determine whether tracts meet the definition of “high-needs rural regions” in the regulation.

### **1. Definitions of Rural Area and High-Needs Rural Region**

Section 1282.1 of the regulation defines “rural area” as:

- (1) A census tract outside of an MSA as designated by the Office of Management and Budget (OMB); or
- (2) A census tract that is in an MSA as designated by OMB but outside of the MSA’s Urbanized Areas as designated by the U.S. Department of Agriculture’s (USDA) Rural-Urban Commuting Area (RUCA) Code #1, and outside of tracts with a housing density of over 64 housing units per square mile for USDA’s RUCA Code #2.

Section 1282.1 of the regulation defines “high-needs rural region” as any of the following regions provided the region is located in a “rural area”:

- (1) Middle Appalachia;
- (2) The Lower Mississippi Delta;
- (3) A colonia; or
- (4) A tract located in a persistent poverty county and not included in Middle Appalachia, the Lower Mississippi Delta, or a colonia.

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<sup>1</sup> 12 U.S.C. § 4565.

<sup>2</sup> 12 C.F.R. § 1282.1.

## 2. The 2022 Rural Areas File

The 2022 Rural Areas File incorporates the census tract numbering system used in the 2020 Census. FHFA’s determination of “rural areas” for 2022 is based on 2020 census data for census tract boundaries, the USDA RUCA codes,<sup>3</sup> and housing units per square mile as derived from the U.S. Census Bureau’s census tract relationship file.<sup>4</sup> The classification of census tracts as metropolitan or nonmetropolitan is based on OMB’s specification of MSAs in September 2018.<sup>5</sup> In the absence of updated USDA RUCA codes in 2022, the 2022 Rural Areas File uses the U.S. Census Bureau’s census tract relationship file to translate 2010 census tracts to 2020 census tracts for purposes of the 2022 Rural Areas File<sup>6</sup>. USDA is expected to update RUCA Codes using 2020 tract geography some time in 2023.

FHFA defines “rural areas” at the census tract level in both metropolitan and nonmetropolitan areas. The exception is in the St. Louis MSA, where parts of the city of Sullivan lie within Franklin County and Crawford County, Missouri but by statute, the entirety of Sullivan is deemed to be within the St. Louis MSA.<sup>7</sup> The portion of Crawford County outside of Sullivan is nonmetropolitan. In the 2022 Rural Areas File, the census tracts in Crawford County that contain a portion of Sullivan are treated as split tracts. The 2022 Rural Areas File contains two records for each of these census tracts – one record for the nonmetropolitan portion of the tract and one record for the metropolitan portion of the tract.

The 2022 Rural Areas File is column formatted and has eight fields, values of which may have leading zeros. We include three fields to indicate “high-needs” counties as defined in the Duty to Serve regulation. Given how colonias are defined in the regulation, the File does not include a field to describe whether census tracts include colonias or part of a colonia.

STATE:	2-digit numeric state FIPS code.
COUNTY:	3-digit numeric county FIPS code.
TRACT:	6-digit 2020 census tract code (2 decimals implied).
MSA2018:	5-digit OMB MSA designator representing the MSA as specified in OMB Bulletin No. 18-04 (September 14, 2018). ‘99999’ represents a nonmetropolitan area. <sup>8</sup>
RURAL:	1-digit code designating a rural area, see below.
LMD:	1-digit code indicating whether the county is located in the Lower Mississippi Delta region, see below.
MIDAPP:	1-digit code indicating whether the county is located in the Middle Appalachia region, see below.
PERPOV:	1-digit code indicating whether the county is designated as a Persistent Poverty county, see below.

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<sup>3</sup> <https://www.ers.usda.gov/data-products/rural-urban-commuting-area-codes.aspx>.

<sup>4</sup> <https://www.census.gov/geographies/reference-files/time-series/geo/relationship-files.html>.

<sup>5</sup> OMB Bulletin No. 18-04 (September 14, 2018) reaffirms MSA definitions made in earlier OMB Bulletins and creates new MSAs. Additionally, some counties and county equivalents are no longer in an MSA and are now classified as nonmetropolitan, see footnote 7 below.

<sup>6</sup> <https://www.census.gov/programs-surveys/geography/technical-documentation/records-layout/2020-comp-record-layout.html#tract>.

<sup>7</sup> Treasury, Postal Service and General Government Appropriations Act, 1988, Pub. L. No. 100-202, § 530, 101 Stat. 1329-419 (1987).

<sup>8</sup> “Nonmetropolitan” includes Micropolitan Statistical Areas.

The RURAL field can be interpreted as:

RURAL=1, census tract is designated as a rural area for purposes of Duty to Serve  
RURAL=0, census tract is not designated as a rural area for purposes of Duty to Serve

The LMD field can be interpreted as:

LMD=1, county is located in the Lower Mississippi Delta region  
LMD=0, county is not located in the Lower Mississippi Delta region

The MIDAPP field can be interpreted as:

MIDAPP=1, county is located in the Middle Appalachia region  
MIDAPP=0, county is not located in the Middle Appalachia region

The PERPOV field can be interpreted as:

PERPOV=1, county is designated as a Persistent Poverty county<sup>9</sup>  
PERPOV=0, county is not designated as a Persistent Poverty county

The 2022 Rural Areas File is a census tract level file covering all metropolitan and nonmetropolitan areas in the 50 states, the District of Columbia, and Puerto Rico. Except for Puerto Rico, tract records for U.S. territories are not included. U.S. territories, other than Puerto Rico, are considered rural in their entirety for purposes of the Duty to Serve regulation.

For questions concerning the format of the 2022 Rural Areas File, please contact:

Federal Housing Finance Agency  
Division of Housing Mission and Goals  
Office of Housing and Community Investment  
400 7<sup>th</sup> Street, S.W.  
Washington, D.C. 20219  
202-649-3114

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<sup>9</sup> Consolidated Appropriations Act, 2017, Pub. L. No. 115-31, 131 Stat. 135 (2017).