
2009 Underserved Areas File

Synopsis: FHFA's 2009 Underserved Areas File establishes underserved area designations for census tracts in Metropolitan Statistical Areas (MSAs), nonmetropolitan parts of states and Federal and State American Indian Reservations and tribal and individual trust lands. These designations are applicable to Fannie Mae's and Freddie Mac's (the Enterprises') scoring of mortgage purchases toward their Underserved Areas housing goal and home purchase subgoal in 2009.

1. Central Cities, Rural Areas, and Other Underserved Areas Housing Goal.

The Federal Housing Enterprises Financial Safety and Soundness Act of 1992, as amended by the Housing and Economic Recovery Act of 2008 (codified generally at 12 U.S.C. 4501 et seq.), provides for a housing goal for Enterprise mortgage purchases in 2009 based on geography. The purpose of this housing goal is to increase purchases by Fannie Mae and Freddie Mac of mortgages financing housing in areas that are underserved. This annual goal gives credit for purchases, by the Enterprises, of mortgages on housing located in central cities, rural areas, and other underserved areas, including Federal or State American Indian reservations or tribal or individual trust lands designated as underserved by FHFA. An associated subgoal gives credit for Enterprise purchases of home purchase mortgages in metropolitan areas that count toward the goal.¹

2. Underserved Areas Defined

The following are FHFA's definitions of underserved geographical areas based on HUD's housing goals regulations at 24 CFR Section 81.2.

a. Central Cities and Other Parts of Metropolitan Areas

- (i) A census tract with median income at or below 120 percent of the median income of the metropolitan area (MSA) and a minority population of 30 percent or greater;

or

- (ii) A census tract with median income at or below 90 percent of median income of the MSA.

b. Nonmetropolitan Areas

- (i) A census tract with median income at or below 120 percent of the greater of the State nonmetropolitan median income or the nationwide nonmetropolitan median income and a minority population of 30 percent or greater;

or

- (ii) A census tract with median income at or below 95 percent of the greater of the State nonmetropolitan median income or the nationwide nonmetropolitan median income.

c. Tribal Lands in Metropolitan Areas

- (i) A Federal or State American Indian reservation or tribal or individual trust land with a median income at or below 120 percent of the median income of the MSA and a minority population of 30 percent or greater;

or

- (ii) A Federal or State American Indian reservation or tribal or individual trust land with a median income at or below 90 percent of median income of the MSA.

d. Tribal Lands in Nonmetropolitan Areas

- (i) A Federal or State American Indian reservation or tribal or individual trust land with a median income at or below 120 percent of the greater of the state nonmetropolitan median income or the nationwide nonmetropolitan median income and a minority population of 30 percent or greater;

or

- (ii) A Federal or State American Indian reservation or tribal or individual trust land with a median income at or below 95 percent of the greater of the state nonmetropolitan median income or the nationwide nonmetropolitan median income.

e. Tribal Lands that Cross Metropolitan / Nonmetropolitan Area and/or State Boundaries

For certain Federal or State American Indian reservations or tribal or individual trust lands, the tribal area crosses an MSA or state boundary. In these cases, the larger of the median incomes of the MSA or MSAs, the nonmetropolitan area of the state or states, or the nationwide nonmetropolitan area, as applicable, determines whether the Federal or State American Indian reservation or tribal or individual trust land is underserved. In one case, where a tribal area crosses an MSA boundary, the underserved criterion applicable to the most populous part of the tribal area is applied, which is the nonmetropolitan part in this case.

3. The 2009 Underserved Areas File

The 2009 Underserved Areas File incorporates the census tract boundaries and tract numbering system used in Census 2000. FHFA's determination of underserved areas for 2009 is based on 2000 census data for median incomes and minority percentages for census tracts and tribal lands and area median incomes for metropolitan areas, state nonmetropolitan areas, and nationwide nonmetropolitan areas. For 2009, FHFA classifies Census Tracts as metropolitan or nonmetropolitan based on the Office of Management and Budget's specification of MSAs in June 2003 and updated through November 2008.²

FHFA defines underserved areas at the tract level in both metropolitan and nonmetropolitan areas. The exception is in the St. Louis MSA where parts of Sullivan City lie within Franklin County and Crawford County, Missouri. By statute, the entirety of Sullivan City is within the St. Louis MSA. The portion of Crawford County outside of Sullivan City is nonmetropolitan. In the 2009 Underserved Areas File, the census tract in Crawford County that contains a portion of Sullivan City is treated as a split tract, as HUD has in the past. The 2009 Underserved Areas File contains two records for this census tract – one record for the nonmetropolitan portion of the tract and one for the metropolitan portion, each reflecting the demographic characteristics of the respective portions.

The underserved areas file is column formatted and has eight fields, values of which may have leading zeros:

STATE: 2-digit numeric state FIPS code
 CNTY: 3-digit numeric county FIPS code
 TRACT: 6-digit 2000 Census tract code (2 decimals implied)
 MSA2003: 5-digit OMB MSA designator representing the MSA as specified in OMB Bulletin No. 03-04 (June 6, 2003) as revised through November 2008; 99999 = nonmetropolitan.³
 AIAN: 4-digit Census code for the applicable American Indian/Alaska Native area; 9999 = not in an AIAN area
 SERVED: 1-digit underserved flag, see below
 STUSAB: 2-character Postal state abbreviation
 CNTY_NM: 35-character county name

The file is a census tract level file covering all metropolitan and nonmetropolitan areas in the 50 United States, the District of Columbia, and Puerto Rico. We include multiple records where any Census tract is split or encompassed in its entirety by one or more AIAN areas. First, there is a record showing underserved status based on the characteristics of the entire tract (the AIAN field is coded as '9999'). Second, there are one or more records for each AIAN area that occupies either part of the tract or the whole tract. These additional records show the underserved status of the associated AIAN area (indicated by the AIAN field). Except for Puerto Rico, we don't include tract records for U.S. territories. U.S. territories, other than Puerto Rico, are underserved in their entirety.

The SERVED field can be interpreted as:

SERVED = 0 - Served

SERVED = 1 - Underserved

SERVED = 2 - Not Applicable

A tract has a "Not Applicable" designation if the tract is devoted to group quarters, if the tract has no population, if the Census Bureau does not report a median income, or if underserved status is otherwise not determined.

We include additional census tract-level records to facilitate geocoding of Enterprise mortgage purchases in Broomfield County, Colorado (FIPS county code 014). Broomfield County was established after the 2000 Census tract boundaries were defined. The contents of the records for the Census tracts from which Broomfield County was created are the basis for the contents of the added Census tract records for Broomfield County. For tracts that contain some area within and some area outside the new county, the data on these records is for the tract as a whole and does not specifically represent characteristics of the Broomfield County portion.

If there are questions concerning the underserved rule or the format of this file contact:

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- ¹ FHFA's definitions of the goal and subgoal are based on [the Code of Federal Regulations, Vol. 24, Section 81.13](#). See also the discussion in Federal Register, Vol. 69, No. 211 (November 2, 2004), pp. 63580 – 63644 and 63752 – 63797.
- ² See OMB Bulletin [No. 03-04](#) (June 6, 2003) and [No. 04-03](#) (February 18, 2004). Subsequent OMB Bulletins, Nos. [05-02](#) (February 22, 2005) and [06-01](#) (December 5, 2005) updated various statistical area definitions but these did not affect MSA boundaries. Under Bulletin 06-01, Sebastian, FL qualifies as a new principal city of the Vero Beach, FL Metropolitan Statistical Area. OMB renamed this MSA to be the Sebastian-Vero Beach, FL Metropolitan Statistical Area, thus changing its MSA code from 46940 to 42680. This change was reflected in the 2006 file. For 2007 OMB Bulletin [No. 07-01](#) (December 18, 2006) redesignated Micropolitan Statistical Areas 29420 and 37380 as Metropolitan Statistical Areas. Under OMB Bulletin No. [08-01](#) (November 20, 2007), Bradenton, FL replaced Sarasota, FL as the most populous principal city of the Sarasota-Bradenton-Venice, FL Metropolitan Statistical Area. OMB renamed this MSA to be the Bradenton-Sarasota-Venice, FL Metropolitan Statistical Area, thus changing its MSA code from 42260 to 14600. Under OMB Bulletin No. [09-01](#) (November 02, 2008) three formerly Micropolitan Statistical Areas now qualify as new Metropolitan Statistical Areas. These are MSAs 16020, 31740, and 31860.
- ³ Nonmetropolitan includes Micropolitan Statistical Areas.