

METHODOLOGY FOR ESTABLISHING DESIGNATED DISASTER AREAS

For the purpose of establishing the Low-Income Areas Home Purchase Goal, U.S. Federal Housing FHFA (“FHFA”) defines a Designated Disaster Area (DDA) as any census tract in a county designated by the President as adversely affected by a declared major disaster (“disaster”), as administered by the Federal Emergency Management Agency (FEMA) under the Robert T. Stafford Disaster Relief and Emergency Assistance Act and where FEMA authorized housing assistance payments.¹ In response to these major disaster area designations, FEMA can make payments to homeowners for the purposes of repairing or replacing disaster-damaged homes. Such census tracts are included as DDAs for the period beginning on January 1 of the year following the FEMA designation and continuing through December 31 of the third full calendar year following the FEMA designation.

2026 Designated Disaster Areas and Estimated Impacts

The disasters that are applicable to the 2026 housing goals are disasters that occurred during 2023, 2024, and 2025. FHFA determined that 44.4 percent of the census tracts that are in declared disaster counties already qualify for the Low-Income Areas Home Purchase Goal, as they are either low-income census tracts² or minority census tracts.³

¹ FHFA obtains this data from OpenFEMA at <https://www.fema.gov/openfema-data-page/fema-web-declaration-areas-v1> and <https://www.fema.gov/openfema-data-page/disaster-declarations-summaries-v2>

² Census tracts where the median income is no greater than 80 percent of area median income.

³ Census tracts that have a minority population of at least 30 percent and a median income of less than 100 percent of area median income

The following table illustrates the process used to estimate the impact of designated disaster areas on the goal. The process begins with the average number of census tracts and average share of mortgage originations in each category for the 2020 to 2024 period. Those distributions are shown in columns 1 and 2 in the table. The estimated number of census tracts inclusive of the declared disasters tracts applicable in each category for 2025 is shown in column 3. Column 4 shows the estimated share of mortgage originations in each category for 2025 resulting from the change in DDAs and area median incomes from the previous 5-year averages. Column 5 shows the estimated number of census tracts in each category for 2026. This distribution incorporates declared disasters applicable for 2026 (based on the 2023 to 2025 period). Column 6 shows the estimated share of mortgage originations in each category for 2026, resulting from the change in DDAs and area median incomes.

FHFA estimates that an additional 5.0 percent of the single-family owner-occupied home purchase mortgage market will qualify for the Low-Income Areas Home Purchase Goal due to loans originating in DDAs in 2026. The disaster area increment is rounded to the nearest whole percent when calculating the Low-Income Areas Home Purchase Goal benchmark.

Under FHFA's final rule establishing housing goals for 2026-2028, published in the *Federal Register* on December 23, 2025, the Low-Income Areas Home Purchase Goal for 2026 is equal to the Low-Income Areas Subgoal (16.0 percent), plus this disaster areas increment of 5 percent. Thus, the Low-Income Areas Home Purchase Goal benchmark for 2026 is 21.0 percent.

**Estimated Impact on the Low-Income Areas Housing Goal
from Designated Disaster Areas (DDAs) for 2026**

Low-Income Area Home Purchase Goal Categories ¹				(1) ²	(2)	(3)	(4)	(5)	(6)
Percent of Area Median Income	Percent Minority Population in the Census Tract	Designated Disaster Area	Borrower Income as a Percentage of the Area Median	2020 - 2024		2025		2026	
				Average Census Tracts ³	Average Originations ⁴	Census Tracts	Estimated Originations	Census Tracts ⁵	Estimated Originations
<= 80%	n/a	n/a	<= 100%	25,831	9.5%	25,015	7.3%	24,829	7.3%
			> 100%		6.3%		4.8%		4.8%
			unknown		0.2%		0.1%		0.1%
> 80%, but < 100%	>= 30%	n/a	<= 100%	8,935	4.1%	9,951	3.7%	10,054	3.7%
			> 100%		4.5%		4.0%		4.0%
	< 30%	No	<= 100%	9,108	5.6%	7,682	5.5%	7,401	5.4%
			> 100%		5.3%		5.3%		5.2%
		Yes	<= 100%	1,676	1.0%	2,339	1.1%	2,603	1.2%
			> 100%		1.1%		1.3%		1.4%
>= 100%	n/a	No	<= 100%	26,797	14.9%	26,161	17.0%	24,899	16.5%
			> 100%		30.1%		34.3%		33.2%
			unknown		0.6%		0.6%		0.6%
		Yes	<= 100%	10,989	4.2%	11,800	3.6%	13,102	4.0%
			> 100%		11.7%		10.1%		11.2%
Unknown	n/a	No	<= 100%	1,317	0.1%	1,671	0.1%	1,649	0.1%
			> 100%		0.1%		0.2%		0.2%
			unknown		0.5%		0.7%		0.8%
		Yes	<= 100%	745	0.0%	778	0.0%	860	0.0%
			> 100%		0.1%		0.1%		0.1%
Totals				85,397	100.0%	85,397	100.0%	85,397	100.0%
Low-Income and High Minority Areas					20.1%		16.0%		16.0%
Additional from Designated Disaster Areas					5.2%		4.7%		5.3%
Low-Income Areas					25.3%		20.7%		21.3%

¹ Bold indicates operable categories that would qualify mortgages in the numerator of the goal.

² The 2020 through 2024 disaster area designations and origination distributions are averaged together to obtain a 'long-run' average.

³ A combined three year census tract distribution is calculated for each of the five years (e.g., the 2024 distribution includes disasters declared in 2021, 2022, and 2023).

⁴ Due to rounding, component percentages may not add up precisely to the totals.

⁵ The combined three year census tract distribution for 2026 includes disasters declared in 2023, 2024 and 2025.