HAC
Housing Assistance Council
We build homes and communities in rural America

July 24, 2026

Submitted via https://www.fhfa.gov/regulation/federal-register

Clinton Jones, General Counsel
Attention: Comments/RIN 2590-AB64
Federal Housing Finance Agency
400 Seventh Street, SW
Washington, DC 20219

Re: Enterprise Duty to Serve Underserved Markets
Proposed Rule, 12 CFR Parts 1282 and 1283
RIN 2590-AB64

Dear Mr. Jones:

The Housing Assistance Council (HAC) respectfully submits the following comments on the notice of the Enterprise Duty to Serve Underserved Markets Proposed Rule, 12 CFR Parts 1282 and 1283, RIN 2590-AB64 ("Proposed Rule").

HAC helps build homes and communities across rural America. Founded in 1971, headquartered in Washington, DC, and working in all 50 states, HAC is a national nonprofit and a certified community development financial institution (CDFI). We are dedicated to helping local rural organizations build affordable homes and vibrant communities. We provide below-market financing, technical assistance, training, and information services. HAC also serves as rural America's "Information Backbone" with leading public and private sector institutions relying on HAC's independent, non-partisan research and analysis to shape policy. Thus, HAC is uniquely positioned to provide comments on the Proposed Rule.

HAC is also a member of the Underserved Mortgage Markets Coalition (UMMC) and joins in the comments submitted by the UMMC. In these individual comments, we provide additional responses to select issues raised by the Federal Housing Finance Agency (FHFA) in the Proposed Rule.

I. Definitions of Rural Housing Market

HAC recommends that FHFA retain the current definition of rural housing market. This definition has emerged after longstanding and exhaustive public

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input.[1] It now stands as arguably the most precise such market definition in the federal statutory and regulatory space, drawing on the best available data to incorporate housing density and other factors rather than focusing solely on population.

II. Statutory and Regulatory Activities

HAC strongly urges FHFA to maintain statutory and regulatory activities in each market. The current Duty to Serve rule lists activities in each of the three underserved markets that are responsive to unmet needs. These lists include activities that were identified through extensive public comment to be areas in need of further support from the Enterprises and, in the case of affordable housing preservation, activities that Congress identified in the statute as responsive to market needs. It also allows the Enterprises to pursue "additional activities" developed by the Enterprises that they found to be responsive within that market.

FHFA's proposal would eliminate all eligible activities, including statutory activities, from the regulation. The proposal further eliminates the minimum number of activities an Enterprise must consider in creating its plan. While FHFA states that the agency expects that the Enterprises will "iterate upon and scale high-impact activities from earlier Plan years," this expectation only appears in the preamble and is not tied to any regulatory text or guidance.

As FHFA documents in the Proposed Rule, very low-, low-, and moderate-income families in all three of these mortgage markets remain underserved. We share FHFA's desire for increased innovation by the Enterprises and a concentration on higher-impact activities to address these unmet needs. However, we are concerned that eliminating all mention of eligible activities in the regulation leaves too much discretion to the Enterprises on the scope of their review for market needs and consideration of whether to develop a program or product to better serve underserved portions of the market. Without direction, the Enterprises may return to their practice before Duty to Serve was put in place of overlooking more difficult to serve portions of the market – like high-needs rural regions and affordable rural rental housing – and focusing on easy activities that require little effort, innovation, or engagement.

[1] See, e.g., https://ruralhome.org/dtsannouncement/ (HAC comment on 2009 proposed rule) and http://ruralhome.org/wp-content/uploads/2026/07/HAC_Duty_To_Serve_Comments_3_17_16.pdf (HAC comment on 2016 proposed rule).

Additionally, eliminating the requirement for the Enterprises to at least consider a minimum number of activities could result in an Enterprise choosing as little as a single activity to pursue in each market. This result would almost certainly leave that market underserved, contrary to statutory intent.

III. Evaluation Framework

A clear, robust evaluation system is essential to ensure the Enterprises fulfill their statutory Duty to Serve obligation. The Enterprises' plans are the foundation of the Duty to Serve program, but a robust evaluation system is what drives the Enterprises to engage stakeholders, innovate, and fulfill their statutory obligation to serve homeowners and renters in each market. It is therefore essential that the evaluation system clearly communicates FHFA's expectations to the Enterprises and stakeholders, and that the consequences of success or failure are meaningful.

The six elements of the evaluation framework reflect critical elements of a successful Duty to Serve program. Assessing the Enterprises' performance on each of the four statutory activity categories (loan product development, outreach, loan purchases, and grants and investments) remains an important part of any evaluation. Further, the success of any company's efforts requires buy-in from the entire organization, particularly senior management, and adding program management as an element of the evaluation is a meaningful step to ensure Enterprise-wide commitment to Duty to Serve. HAC supports this addition to the regulatory framework.

HAC has found that the four statutory categories of Duty to Serve activities are each important but may not encompass the full range of activities that could meaningfully support underserved markets. For example, improvements to servicing requirements that support home retention for Duty to Serve-qualifying homeowners would not clearly fall under any of these four categories but could be a meaningful action. HAC urges FHFA to clearly enumerate a seventh activity category of "other activities" that can support an underserved market consistent with Duty to Serve.

Adopting the CAMELSO rating system for Duty to Serve evaluation could add consistency for the Enterprises and FHFA, which are already familiar with this system. However, the weight of the CAMLESO system in financial regulation comes from the clearly defined expectations and regulatory and market consequences of a failing rating. To ensure that adopting the CAMELSO rating system has the intended effect for Duty to Serve, the change in ratings system must be paired with clear regulatory expectations and meaningful consequences for success or failure.

Without further clarification of FHFA's expectations and numerical targets by which the Enterprises' activities will be evaluated, the proposed framework is subject to regulatory discretion that could result in significant policy shifts. The proposed evaluation and rating framework provides a solid foundation but would be strengthened by clear metrics and a transparent explanation of how FHFA will determine an Enterprise's rating on each evaluation element. For the statutory activity categories (loan products, outreach, loan purchases, and grants and investments), FHFA should continue to evaluate an Enterprise's achievement of the activity targets established in its Duty to Serve plan, subject to reasonable adjustments for market changes. Calculating a supplemental target level of support metric for each market as outlined above would allow FHFA to conduct a transparent, metrics-based assessment of the Enterprises' service to each underserved market while allowing flexibility to account for market disruptions beyond an Enterprise's control.

The current evaluation guidance plays a critical role in shaping the Enterprises' Duty to Serve plans and programs. The revised framework must include a similar document to increase transparency and support a meaningful program that fulfills FHFA's and the Enterprises' statutory obligations. These clarifications could be issued as part of the regulation or through formal guidance, but must be both clear and public to ensure that the Enterprises and stakeholders understand FHFA's expectations prior to the beginning of any Duty to Serve plan process.

IV. Definitions of "High-Needs Rural Regions" and "High-Needs Rural Populations"

HAC does not object to additional U.S. territories or regions that face challenges of a similar type and magnitude being added to the definition of "high needs rural regions." But the Proposed Rule removes all practical impact of the "high needs rural regions" definition, by removing the Regulatory Activities for both "high needs rural regions" and "high needs rural populations." <u>HAC strongly urges FHFA to reconsider this approach and require at least one eligible activity chosen by each Enterprise to focus on "high needs rural regions.</u>"

FHFA requests feedback on whether additional areas should qualify as high needs rural regions. Currently eligible "high needs rural regions" include Middle Appalachia, the Lower Mississippi Delta, the Colonias and rural persistent poverty counties. Common economic challenges faced include chronic disinvestment, limited economic opportunities, infrastructure deficits, lower incomes, and significant housing quality challenges.

The housing markets of high needs rural regions are characterized by:

- Shortages of safe, affordable housing;
- Aging and deteriorated housing stock;
- Higher incidence of incomplete plumbing and basic facilities;
- Housing cost burdens among renters despite lower nominal housing costs;
- Overcrowding in some communities;
- Limited access to mortgage credit and development capital; and
- Need for infrastructure investments including water, sewer, broadband, and transportation.

The proposed rule in fact recognizes the unique challenges these areas face, noting:

> Households in high-needs rural regions as defined in the existing regulation face challenges such as a lack of affordable housing, lower wages, and limited access to credit. Private capital is often scarce due to small deal sizes, limited CRA incentives, and limited lender participation due to perceived risk.

The Proposed Rule goes on to suggest:

> By eliminating those Regulatory Activities and revising the definition of rural area, FHFA aims to direct the Enterprises' efforts towards the rural market as a whole. *This change, along with expanding the definition of high-needs rural region to include additional geographic areas associated with high-needs populations, is intended to balance the widespread need for liquidity in the rural market with the acute housing needs of households in the high-needs rural regions.* (emphasis added)

<u>But this approach strikes no balance at all.</u> The shift to allowing the Enterprises to choose one or more of "any eligible action," evaluated against unpublished standards, leaves stakeholders with no way to understand FHFA's expectations or to hold the Enterprises accountable for serving high-needs rural regions. Because lending in high needs rural regions involves smaller loan volumes, more complex transactions, and longer development timelines than mainstream rural lending, an evaluation framework oriented toward aggregate market impact risks systematically undervaluing this work. Without published evaluation guidance or component-level standards, the Enterprises may rationally conclude that concentrating capital in larger, simpler rural markets is the surest path to a favorable rating. Simply put, absent any required programmatic or regulatory focus on high needs rural regions, the likelihood is that the Enterprises will draw back from them despite their disproportionate need. Accordingly, HAC recommends that the Enterprises each be required to undertake one eligible activity focused on "high needs rural regions."

A compelling example of the work in high needs rural regions that the Enterprises have undertaken under the current evaluation framework involves "heirs' property." Heirs' property is a form of communal landownership that can be created when a property is inherited without a formal transfer of title. Heirs' property owners have undivided, shared interests in their property, and every heir has the right to use the property or prevent other heirs from making significant changes to the property. As Fannie Mae's website notes, "When a property owner dies without a will or estate plan or when they leave the property to multiple heirs, it may create a number of financial barriers to their heirs. In many cases, without clear title, property owners are unable to access the equity in their home, sell the home with clear title, or even obtain a mortgage, which can make them vulnerable to forced sales and property loss." Residential heirs' properties are disproportionately located in rural communities.

As part of their Duty to Serve work, the Enterprises have supported important research and education on heirs' property. Both Fannie Mae and Freddie Mac provide useful information resources online for those seeking to resolve or avoid heirs' property issues. In addition, Fannie Mae contracted with HAC to produce a groundbreaking report in 2023. A Methodological Approach to Estimate Residential Heirs' Property in the United States estimates the prevalence of heirs' property throughout the country, providing unique information that can inform targeted outreach and mitigation strategies at the regional or local level to ensure homeowners can access the equity and wealth in their homes. In conjunction with this research, Fannie Mae sponsored HAC presentations at several conferences to share the findings with academics and practitioners. Fannie Mae also supported heirs' property analyses conducted by HAC focusing on manufactured homes and persistent poverty communities, to be published in 2026.

HAC also urges retention of "high needs rural population" designations within the Duty to Serve framework.

Agricultural Workers

The Proposed Rule states:

> FHFA recognizes that the removal of some Regulatory Activities, such as the rural market Regulatory Activity for high-needs rural populations, which is directed to the housing needs of members of Federally recognized Indian tribes located in Indian areas and agricultural workers, could appear to negatively impact the populations addressed.[44] FHFA does not believe there would be any disadvantage to those populations if part 1283 were adopted as proposed. *To the contrary, eliminating the Regulatory Activity would remove*

> *administrative hurdles to serving those populations and other residents in rural areas at the targeted income levels. For example, instead of directing resources to verify that borrowers are agricultural workers, an Enterprise would be able to direct resources to developing loan products that best serve all families at the targeted income levels who live in rural areas.* (emphasis added)

This rationale, however, fails to recognize that the housing needs of agricultural workers are different from those of the general low-income rural population. While many agricultural workers may qualify as low-income rural residents, their role in the nation's food supply chain, the nature of their employment, and the unique barriers they face in obtaining safe, stable, and affordable housing warrant continued recognition as a separate population. Four key reasons include:

1. *Agricultural workers perform essential work that supports national food security and public health.*

Agricultural workers have long been recognized as an essential workforce because they are directly responsible for producing, harvesting, processing, and transporting the food that sustains communities nationwide. During recent national emergencies, such as COVID and natural disasters, agricultural workers were specifically identified as essential and critical workers because disruptions to this workforce can threaten food availability, supply chain stability, and public health.

Unlike many other low-income rural populations, agricultural workers contribute directly to the resilience of the nation's food system. Maintaining access to affordable housing for this workforce is therefore not only a housing policy objective, but also an economic and public-interest priority.

2. *Agricultural workers face housing challenges that are distinct from rural poverty generally.*

Agricultural workers often experience employment patterns that differ significantly from other rural residents, including:

- Seasonal and migratory work arrangements;
- Employment tied to specific growing regions and harvest cycles;
- Variable and unpredictable income streams;
- Greater likelihood of employer-linked or temporary housing arrangements; and
- Difficulty qualifying for traditional mortgage products due to seasonal earnings or non-traditional employment histories.

These factors create housing barriers that are not fully captured by income status or rural geography alone. Eliminating agricultural workers as a designated population risks obscuring these unique challenges and reducing incentives to develop housing products and financing strategies tailored to their needs.

3. *Agricultural workers increasingly live off-farm, but their housing needs remain tied to agricultural employment.*

The rationale for maintaining a separate designation is not dependent on whether workers live on farms. Modern agricultural labor markets have evolved (socially and economically), and many agricultural workers now reside in nearby towns and rural communities rather than employer-provided farm housing.

However, their housing needs continue to be shaped by the realities of agricultural employment. Living off-farm does not eliminate the challenges associated with evolving policies, seasonal work, transportation demands, fluctuating income, crowded housing conditions, or geographic concentrations near agricultural production regions. Therefore, removing the designation based on residence would overlook the underlying employment-related factors that make this population unique.

4. *A separate designation ensures visibility and accountability.*

If agricultural workers are folded into the broader low-income rural category, there is a risk that their unique housing challenges become (even more so) statistically and programmatically invisible.

Retaining a distinct designation enables:

- Better (albeit still minimal) data collection and monitoring;
- More accurate assessment of housing needs;
- Development of targeted financing and housing solutions; and
- Continued accountability for serving a workforce that is critical to the national economy and food system.

Data on agricultural workers and their housing is already fraught with blind spots. Without a separate designation, it may become difficult to determine whether housing initiatives are effectively reaching agricultural workers at all.

Members of Federally Recognized Tribes

HAC endorses the comments of the National American Indian Housing Council (NAIHC) with respect to retaining members of federally recognized Tribes as a "high-needs rural population." While the addition of "Indian areas" to the definition of "high-needs rural regions" is welcome, it does not fully substitute for a population-focused programmatic requirement. This is especially so given that many members of federally recognized Tribes live outside of Indian areas and many residents of Indian areas are not Native Americans.

Moreover, as with "high-needs rural regions," neither Enterprise is requested to undertake any action serving Indian areas or members of federally recognized Indian Tribes living outside of Indian areas in its Plan. Nor does FHFA identify any mechanism by which the adequacy of the Enterprises' service to Indian areas would be independently assessed. As NAIHC notes:

> The Enterprises' meaningful recent progress in Indian Country, including dedicated loan products, Native CDFI partnerships, and targeted technical assistance, developed precisely because the current regulation required them to consider these activities and evaluated their performance against them. History in federal housing policy counsels caution: when explicit requirements to serve Native communities are removed in favor of general discretion, Native communities are too often the first to be deprioritized.

V. Calculation of Area Median Income (AMI)

We appreciate FHFA's acknowledgement of the unique barriers facing high-needs rural regions and rural areas of persistent poverty and agree that an adjustment to AMI calculations is appropriate for these areas. HAC and our partners work extensively in these communities, where extremely low AMIs can result in families with objectively low incomes failing to qualify as even moderate income by the traditional definition. This is an especially significant issue in rural persistent poverty counties and Indian areas, particularly in low-income states.

HAC respectfully submits, however, that the income and cost dynamics in metro areas and non-metro areas that are not persistent poverty counties do not justify providing this additional targeting flexibility. FHFA's proposal to change the definition of area median income to be the greatest of the metro area median income, the state median income including metro areas, or the national median income including metro areas would allow the Enterprises to receive Duty to Serve credit for serving higher-income borrowers and renters while large numbers of lower-income families remain unserved. If this change occurs without a commitment to maintain the same level of service to borrowers who qualify for Duty to Serve today, the Enterprises will likely shift to serving higher-income parts of the market, leaving currently eligible families behind.

Notably, although the proposed rule provides an explanation for the suggested change in calculation of eligible incomes for non-metro areas—and offers an example of the impact on several high-needs rural regions—there is no corresponding explanation for the change in eligibility for metro areas or non-metro areas more broadly. In order to maintain the Enterprises' service to the very low-, low-, and moderate-income borrowers who benefit from Duty to Serve today while also ensuring access to credit in high-needs rural regions, we urge FHFA to revise its proposed determination of AMI to define area median income as:

- The median income for the metropolitan area, if the property which is the subject of the mortgage is in a metropolitan area;
- The higher of the median income for the county or the state non-metropolitan median income, if the property which is the subject of the mortgage is in a non-metropolitan area that is not a high-needs rural region; or
- The highest of the median income for the county, the state non-metropolitan median income, or the national non-metropolitan median income, if the property which is the subject of the mortgage is in a high-needs rural region.[2]

While changes to AMI calculations can expand eligibility for Duty to Serve credit for the Enterprises, they will not guarantee that that credit will reach underserved areas. As stated above, the proposed rule does not contain any requirement that the Enterprises consider actions to serve high-needs rural regions, which particularly struggle to access credit. This would allow the Enterprises to end all intentional efforts to meet the credit needs of the underserved communities that most need an AMI adjustment. In order to achieve the shared objective of increasing access to credit in areas of persistent poverty, we urge FHFA to pair the proposed adjustment to AMI calculations in rural persistent poverty counties and Indian areas with a requirement for the Enterprises to consider actions to serve high-needs rural regions and data reporting to assess the degree of that support.

VI. Credit for Enterprise Low Income Housing Tax Credit (LIHTC) Investments in Preservation Transactions

[2] Attached as an appendix is a series of maps illustrating the impact of various approaches to this issue.

HAC strongly urges FHFA to include rural LIHTC investments and LIHTC investments supporting affordable housing preservation as separate DTS activities, and to ensure that preservation investments are serving truly underserved preservation needs.

HAC has long supported the UMMC's effort to make LIHTC equity preservation transactions eligible for DTS credit. The UMMC has also always been clear that it is seeking this as part of the affordable housing preservation underserved market and thus separate from and in addition to LIHTC equity investments in rural areas, which face separate financing challenges.

HAC is deeply concerned that the proposed rule's elimination of any LIHTC equity investment targets in rural areas will lead the Enterprises to pivot away from this already deeply underserved segment of the affordable housing market. Moreover, in the absence of any FHFA guidance distinguishing between truly underserved preservation needs and adequately capitalized markets where the Enterprises' market share might be small (potentially identifiable by credit pricing), we are concerned that the Enterprises might set targets and seek credit overwhelmingly based on investments they would have sought in the normal course of business.

Promoting access to capital for affordable housing in underserved markets that will benefit the most from the Enterprises' additional investment capacity requires FHFA's continued inclusion of rural LIHTC investments and LIHTC investments supporting affordable housing preservation as separate DTS activities and ensuring that preservation investments are serving truly underserved preservation needs.

Conclusion

HAC appreciates FHFA's commitment to an impactful Duty to Serve program that fully realizes Congress's intent that the Enterprises serve all housing markets throughout the country.

Sincerely,

David Lipsetz
President & CEO

APPENDIX

Impact of Proposed Area Median Income Benchmarks on Non-Metro Areas

Table 1. Current and Proposed Changes for Determining Eligibility

Version	Outside Metropolitan Area (Non-metro) Counties	Metro Counties
Current DTS Affordability Approach	County median or state non-metro (higher of the two)	Income for metro area
Proposed Approach	County median, state non-metro median, or national non-metro median	Income in metro area, state median, or national median

The following analysis focuses on the outside metropolitan area or non-metro (rural) county changes. There are 1,970 counties outside metropolitan areas (1,958 excluding Puerto Rico) in the U.S. See Table 2.

Table 2. Counties by OMB Metropolitan Area Classification

Counties by OMB Status	Includes Puerto Rico	Excludes Puerto Rico
Outside OMB Metropolitan Area (Non-Metro)	1,970	1,958
In OMB Metropolitan Area (Metro)	1,252	1,186
Total	3,222	3,144

Approach and General Outcomes

This analysis compares American Community Survey (ACS) 2024 median household incomes using the current and proposed formulas. This reveals that 755 of the 1,970 outside metropolitan area counties would shift to the U.S. outside metropolitan area median household income for determining eligibility, meaning the threshold for determining eligibility would increase from the current county or state outside metropolitan area median household. Excluding Puerto Rico, the number is 743 and, in both cases, this represents approximately 38% of all outside metropolitan area counties. See Tables 3 and 4.

Table 3. All Counties, Including Puerto Rico, Classified According to Highest Median Household Income Estimate

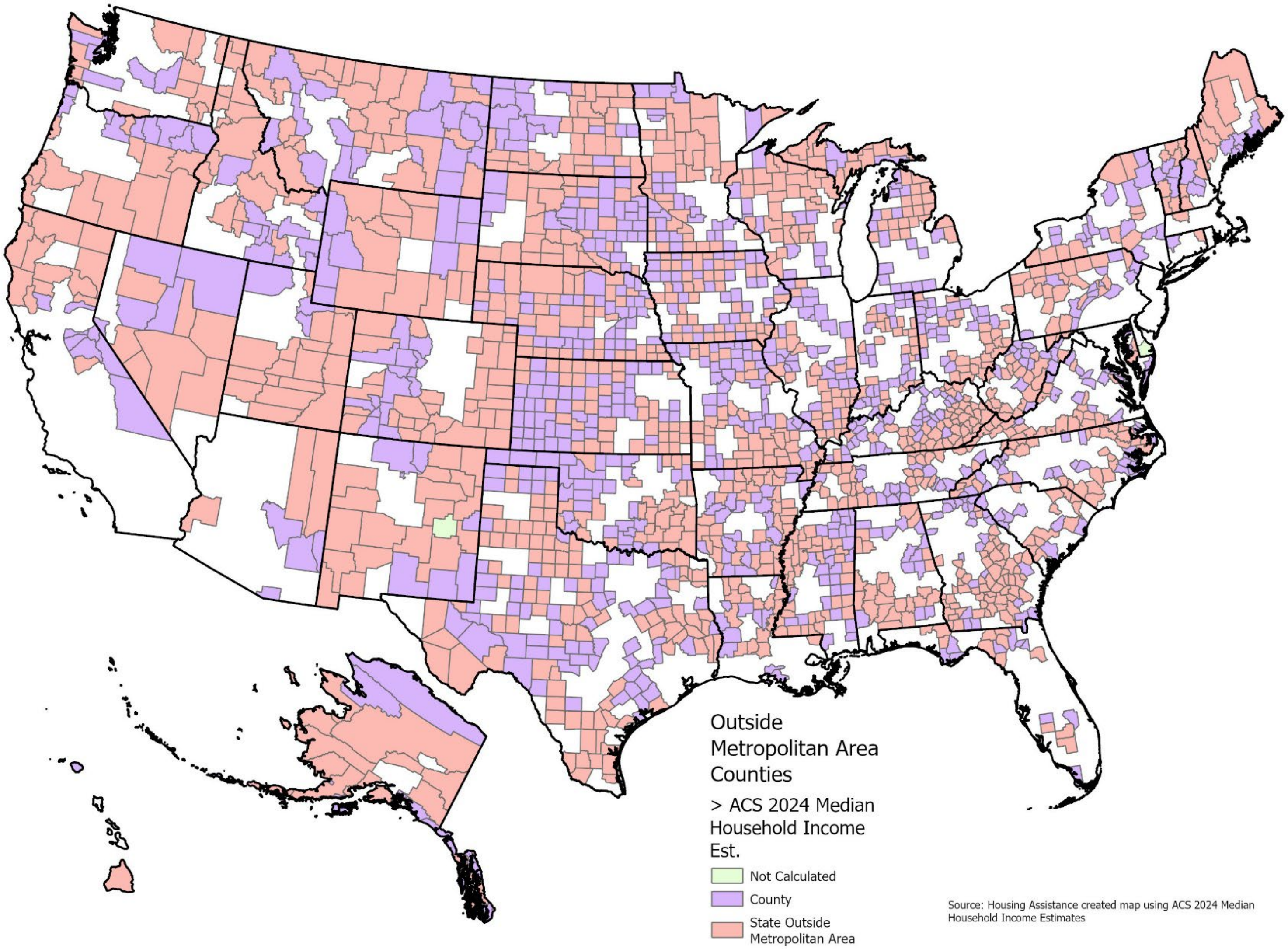
Outside Metropolitan (Non-Metro) Area Counties - Highest Median Household Income	Current Approach Includes Puerto Rico	Proposed Approach Includes Puerto Rico	% Median Shift to Nation	Notes
County Median	835	625		
State Non-Metro	1,133	588		
U.S. Non-Metro		755	38.3%	Counties that Change
Not Calculated	2	2		
Total	1,970	1,970		

Table 4. All Counties, Excluding Puerto Rico, Classified According to Highest Median Household Income Estimate.

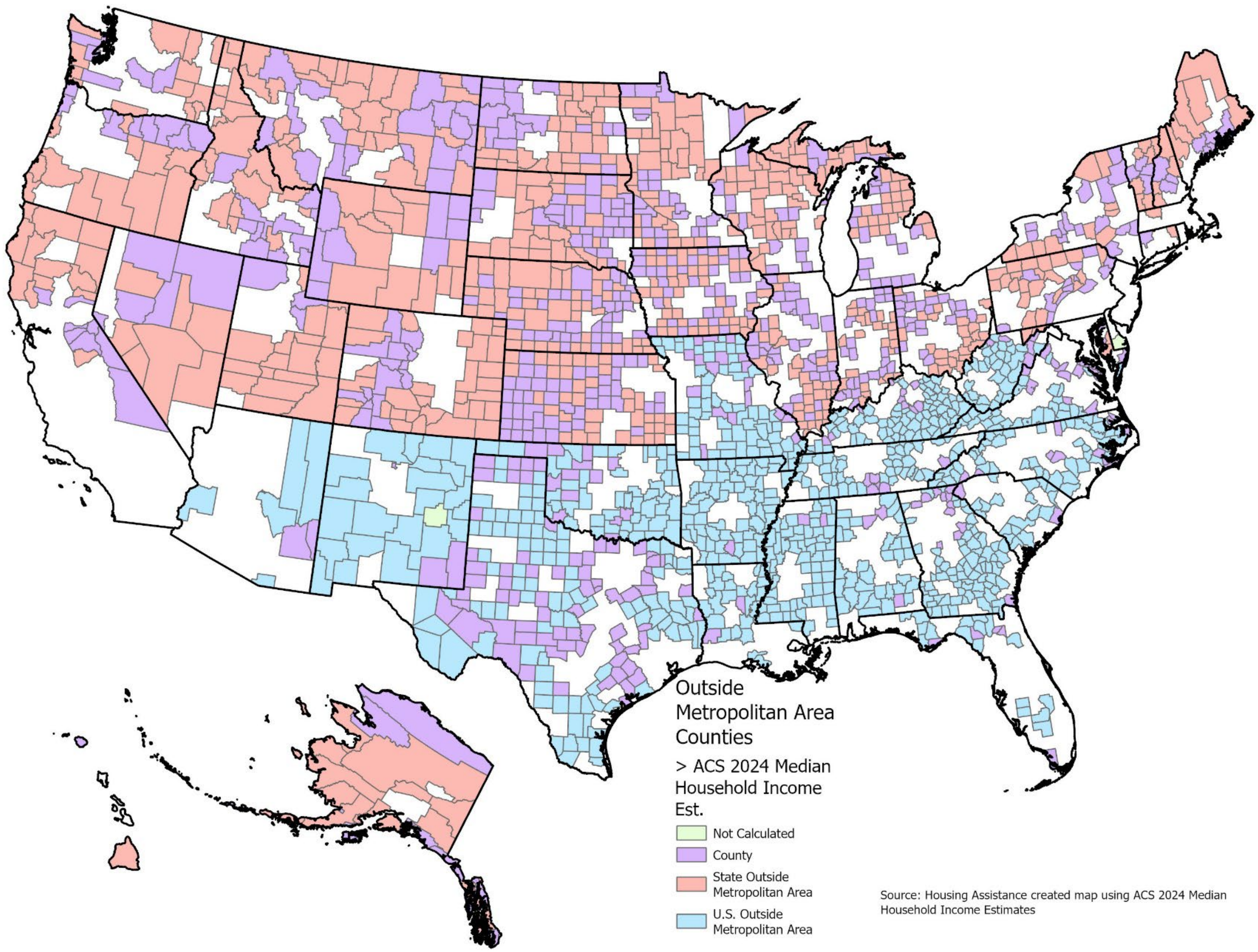
Outside Metropolitan (Non-Metro) Area Counties - Highest Median Household Income	Current Approach Excludes Puerto Rico	Proposed Approach Excludes Puerto Rico	% Median Shift to Nation	Notes
County Median	828	625		
State Non-Metro	1,128	588		
U.S. Non-Metro		743	37.9%	Counties that Change
Not Calculated	2	2		
Total	1,958	1,958		

Map 1 on the following page shows counties based on median household income used in the current eligibility approach. Map 2 on the following page shows counties based on median household income using the proposed eligibility approach. Map 3 highlights those counties where the approach will likely change.

Map 1. Outside Metropolitan Area Counties, Current DTS Eligibility Formula*

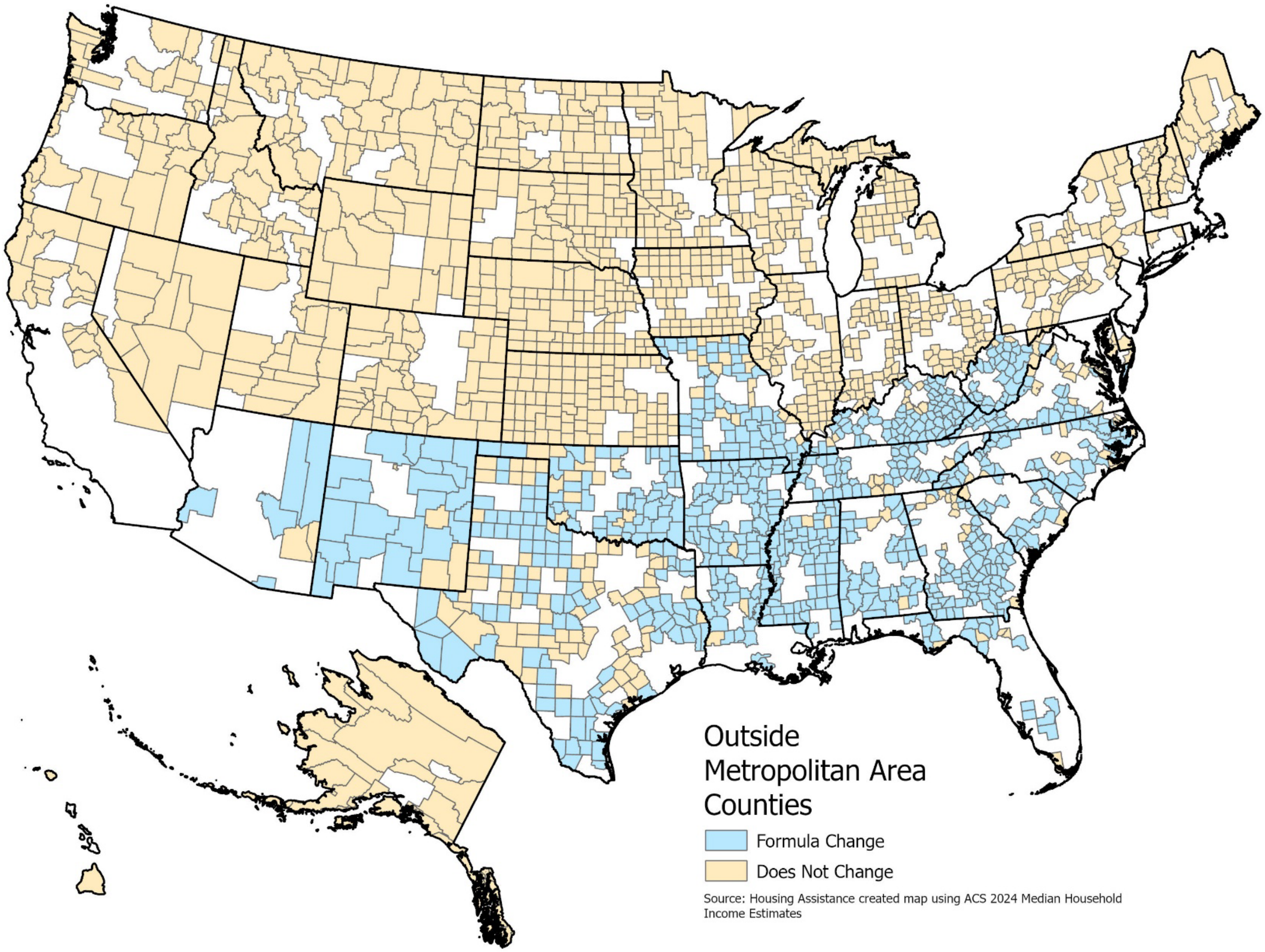


Map 2. Outside Metropolitan Area Counties, Proposed DTS Eligibility Formula*



Source: Housing Assistance created map using ACS 2024 Median Household Income Estimates

Map 3. Outside Metropolitan Area Counties, DTS Eligibility Formula Change*



Source: Housing Assistance created map using ACS 2024 Median Household Income Estimates

Of the 755 counties where the new formula would result in a shift to the U.S. outside metropolitan estimate, the median household income (comparing the old and new ACS 2024 median point estimates) estimates varied by 10% or more in 351. See Table 5.

Table 5. Counties Where Formula Change is Likely to Have an Impact by Percent Change in ACS 2024 Median Household Income Estimate

County Classification	Includes Puerto Rico	%	Excludes Puerto Rico	%
Total Non-Metro Counties Changing	755		743	
Non-Metro Counties Changing Point Estimate Difference Old and New Up to 10%	351	46.5%	339	45.6%
Non-Metro Counties Changing Point Estimate Difference Old and New Up to 20%	128	17.0%	116	15.6%

Map 4 highlights the areas with the most change.

Focused Area Outcomes

HAC has also analyzed the impact of the change specifically on DTS designated rural persistent poverty counties and high-needs rural regions (for this analysis, DTS Middle Appalachia, Lower Mississippi Delta, and Colonias) counties. In approximately 87 percent of persistent poverty counties (247 including Puerto Rico) there would be a change, and the U.S. outside metropolitan area median would be used. The same outcome holds excluding Puerto Rico. See Tables 6 and 7.

Table 6. DTS Persistent Poverty Counties by Eligibility Formula Change – Includes Puerto Rico

Outside Metropolitan (Non-Metro) Area Counties - Highest Median Household Income	Current Approach Includes Puerto Rico	Proposed Approach Includes Puerto Rico	% Median Shift to Nation
County Median	32	3	
State Non-Metro	251	33	
U.S. Non-Metro		247	87.3%
Not Calculated			
Total	283	283	

Table 7. DTS Persistent Poverty Counties by Eligibility Formula Change – Excludes Puerto Rico

Outside Metropolitan (Non-Metro) Area Counties - Highest Median Household Income	Current Approach Excludes Puerto Rico	Proposed Approach Excludes Puerto Rico	% Median Shift to Nation
County Median	25	3	
State Non-Metro	246	33	
U.S. Non-Metro		235	86.7%
Not Calculated			
Total	271	271	

The same pattern emerges for high-needs rural region counties. Approximately 85 percent of outside metropolitan area, high needs region counties (328) would likely shift to the U.S. outside metropolitan area median. See Table 7.

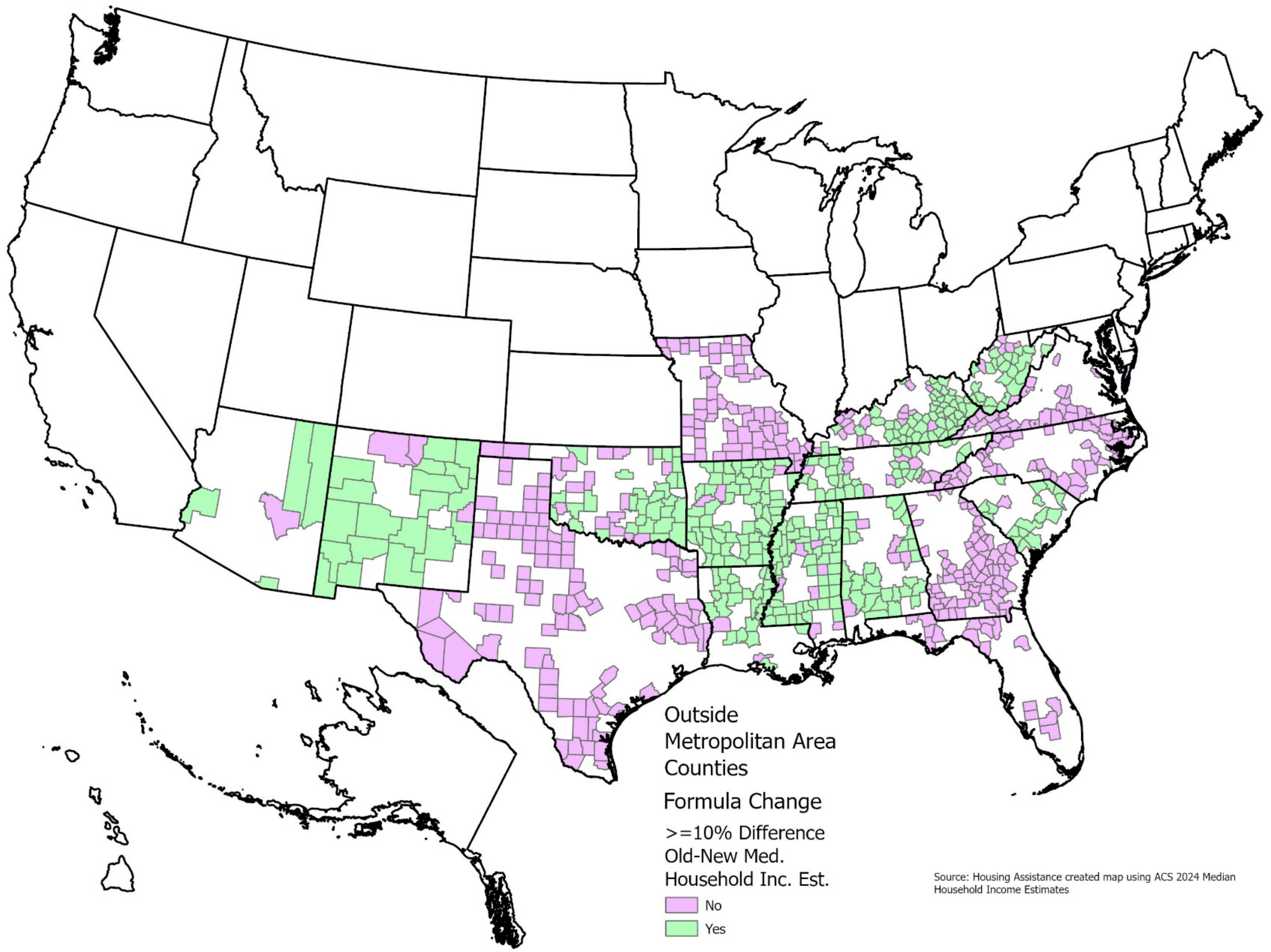
Table 8. DTS High-Needs Region Counties by Eligibility Formula Change

Outside Metropolitan (Non-Metro) Area Counties - Highest Median Household Income	Current Approach Excludes Puerto Rico	Proposed Approach Excludes Puerto Rico	% Median Shift to Nation
County Median	113	35	
State Non-Metro	274	24	
U.S Non-Metro		328	84.8%
Not Calculated			
Total	387	387	

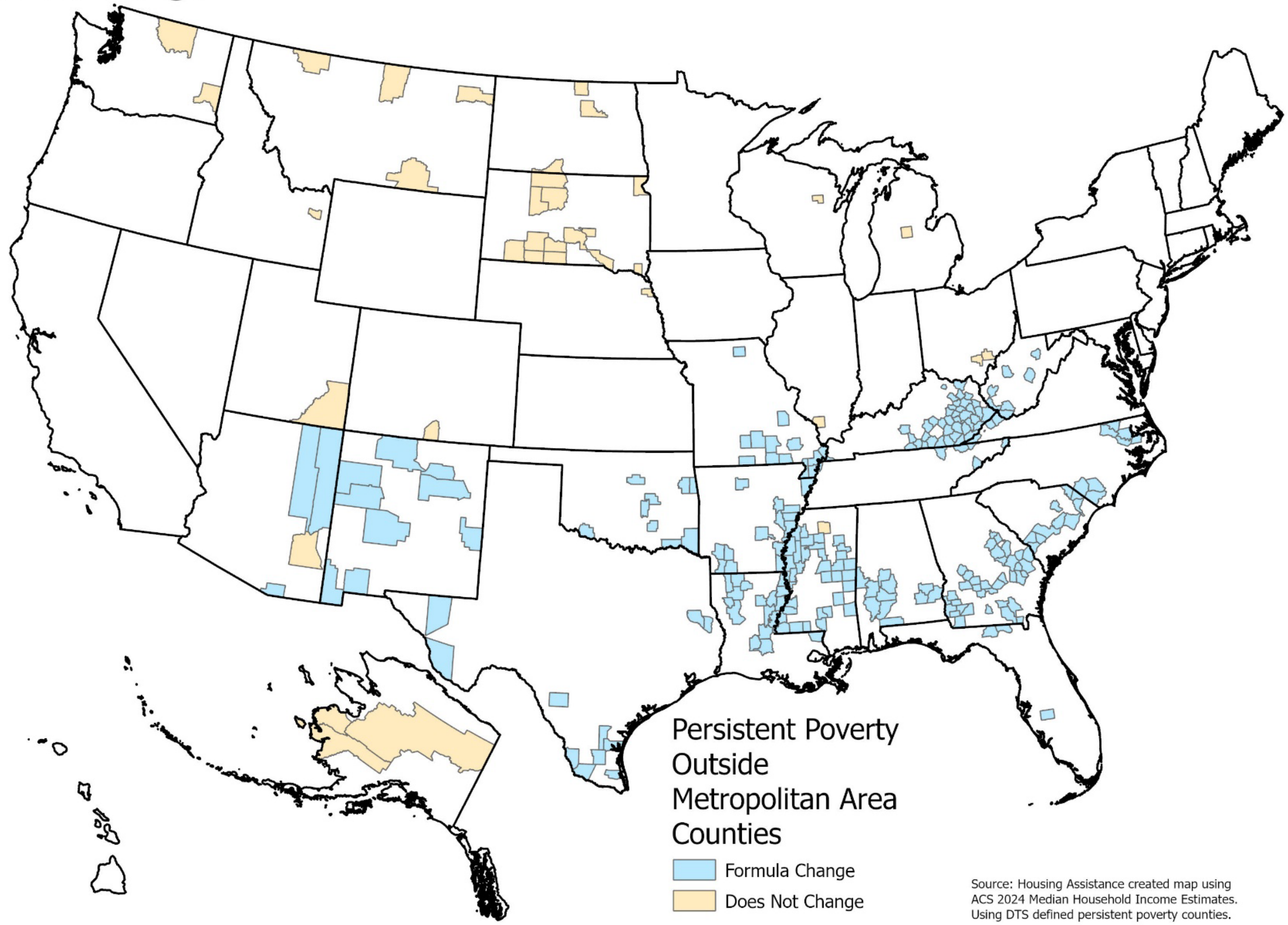
Maps 5 and 6 highlight where these persistent poverty and high need region counties are located and where the change is likely to occur.

There is an overlap between DTS high need region and persistent poverty classifications. While 178 counties (both metro and non-metro) receive both classifications, the majority do not. Two hundred twenty nine of the 407 DTS persistent poverty counties are not in a high need region. Map 7 highlights this relationship.

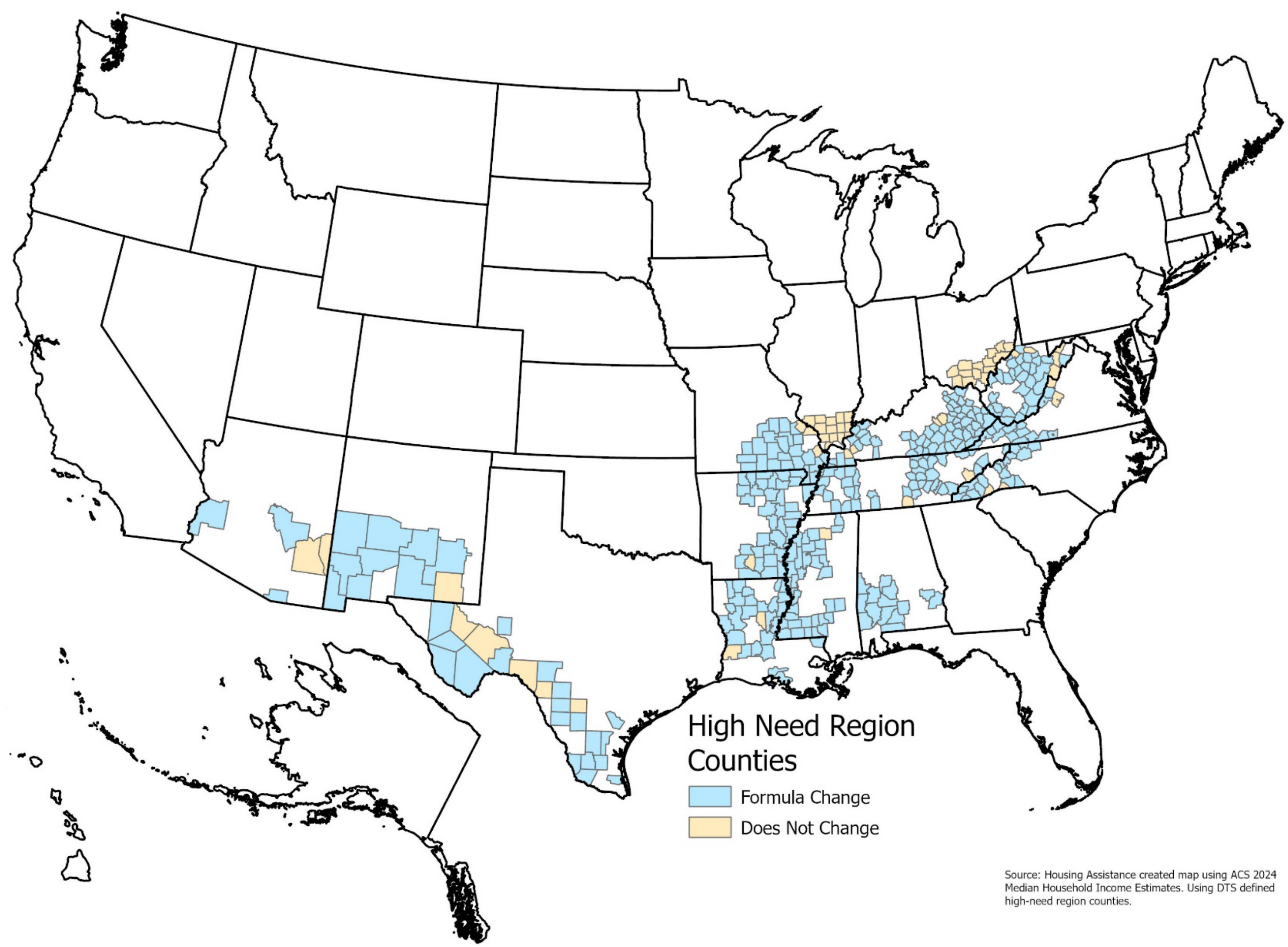
Map 4. Outside Metropolitan Area Counties, DTS Eligibility Formula Percent Change*



Map 5. Outside Metropolitan Area DTS Persistent Poverty Counties, Eligibility Formula Change*



Map 6. Outside Metropolitan Area DTS High-Need Region Counties, Eligibility



Map 7. All Counties by DTS High-Need Region and Persistent Poverty Classifications