# 2020 Rural Areas File

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.[1]  FHFA's Duty to Serve regulation provides eligibility for Duty to Serve credit for Enterprise mortgage purchases and other activities in "rural areas," as defined in the regulation.[2]  Additionally, the regulation specifies support for high-needs rural regions as a Regulatory Activity that the Enterprises may consider when developing their plans for the Duty to Serve program.

FHFA's 2020 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.  Rural Areas Defined

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 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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[1] 12 U.S.C. § 4565.

[2] 12 C.F.R. § 1282.1.

## 2. The 2020 Rural Areas File

The 2020 Rural Areas File incorporates the census tract numbering system used in the 2010 Census. FHFA's determination of "rural areas" for 2020 is based on 2010 census data for census tract boundaries, the USDA RUCA codes,[3] and housing units per square mile as derived from Census' tract relationship file.[4] The classification of census tracts as metropolitan or nonmetropolitan is based on OMB's specification of MSAs in September 2018 and updated through December 2019.[5]

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.[6] The portion of Crawford County outside of Sullivan is nonmetropolitan. In the 2020 Rural Areas File, the census tract in Crawford County that contains a portion of Sullivan is treated as a split tract. The 2020 Rural Areas File contains two records for this census tract – one record for the nonmetropolitan portion of the tract and one record for the metropolitan portion of the tract.

The 2020 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 final rule. Given how colonias are defined in the final rule, 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 2010 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), as revised through December 2019. '99999' represents a nonmetropolitan area.[7]
> 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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[3] http://www.ers.usda.gov/data-products/rural-urban-commuting-area-codes.aspx.

[4] https://www.census.gov/geographies/reference-files/time-series/geo/relationship-files.html.

[5] 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.

[6] Treasury, Postal Service and General Government Appropriations Act, 1988, Pub. L. No. 100-202, § 530, 101 Stat. 1329-419 (1987).

[7] "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[8]
>    PERPOV=0, county is not designated as a Persistent Poverty county

The 2020 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. We include 12 additional tract records for Madison and Oneida Counties, New York (FIPS county codes 053 and 065 respectively) that resulted from corrections to the Oneida American Indian Reservation boundaries after the 2010 Census Tract definitions were finalized. We also provide 7 additional tract records for Pima County, Arizona (FIPS county code 019) and 1 additional tract record for Los Angeles County, California (FIPS county code 037) corrected by the Census Bureau in 2013. Bedford City, Virginia is no longer an independent city and became a town within Bedford County on July 1, 2013. We include an additional tract record to reflect this change. These additional census tract records facilitate geocoding of mortgage purchases in these counties.[9] Two U.S. county/county equivalents changed names and geocodes during 2015. In Alaska, Wade Hampton Census Area (FIPS county code 270) became Kusilvak Census Area (FIPS county code 158), and in South Dakota, Shannon County (FIPS county code 113) became Oglala Lakota County (FIPS county code 102).[10] Census tract records for both old and new geocodes are provided to facilitate geocoding.

For questions concerning the format of the 2020 Rural Areas File, please contact:

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[8] Consolidated Appropriations Act, 2017, Pub. L. No. 115-31, 131 Stat. 135 (2017).
[9] https://www.census.gov/programs-surveys/acs/technical-documentation/table-and-geography-changes.html.
[10] https://www.census.gov/programs-surveys/acs/technical-documentation/table-and-geography-changes.2015.html.