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## 2005 Underserved Areas File

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

The annual goal for the purchase by Fannie Mae and Freddie Mac (the GSEs) of mortgages from 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 HUD, is intended to achieve increased purchases by the GSEs of mortgages financing housing in areas that are underserved in terms of mortgage credit.

### 2. Geographical Areas Defined

Following are definitions of geographical areas based on HUD's GSE housing goals regulations at 24 CFR Section 81.2.

#### a. Central Cities and other Underserved 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 metropolitan area (MSA).

#### b. Rural 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 nationwide nonmetropolitan median income.

#### c. Tribal Lands in Metropolitan Areas

- (i) The median income of the Federal or State American Indian reservation or tribal or individual trust land 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) The median income of the Federal or State American Indian reservation or tribal or individual trust land at or below 90 percent of median income of the metropolitan area (MSA).

d. Tribal Lands in Nonmetropolitan Areas

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

or

- (ii) The median income of the Federal or State American Indian reservation or tribal or individual trust land at or below 95 percent of the greater of the: (A) State nonmetropolitan median income; or (B) Nationwide nonmetropolitan median income.

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

In cases where a Federal or State American Indian reservation or tribal or individual trust land crosses an MSA or state boundary, the greater of the MSA or MSAs median income(s), state nonmetropolitan median incomes or nationwide nonmetropolitan median income, as applicable, are used to determine 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 underservice criterion applicable to the most populous part of the tribal area is applied, which is the nonmetropolitan part in this case.

**3. The 2005 Underserved Areas File**

The 2005 Underserved Areas File incorporates the census tract boundaries and tract numbering system used in Census 2000. HUD's determination of underserved areas for 2005 is now 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 2005 HUD classifies Census Tracts as metropolitan or nonmetropolitan based on the Office of Management and Budget's specification of MSAs in June, 2003 and updated in December, 2003.

For 2005, underserved areas are determined 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. The Census Bureau has specified that the entirety of Sullivan City is within the St. Louis MSA and the portion of Crawford County outside of Sullivan City is nonmetropolitan. In the 2005 Underserved Areas File, the census tract in Crawford County that contains a portion of Sullivan City is treated as a split tract, as in the past. The 2005 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 ten 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 (December 2003); 99999 = nonmetropolitan.<sup>1</sup>  
 AIAN: 4-digit Census code for the American Indian/Alaska Native area; 9999 = not in an AIAN area  
 SERVED: 1-digit underserved flag, see below

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. Multiple records are included 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). Tract records for U.S. territories (other than Puerto Rico) are not included; they 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, or if underserved status is otherwise not determined.

Additional census tract-level records are included to facilitate geocoding of GSE mortgage purchases in Broomfield County, Colorado, whose boundaries were established after the 2000 Census tract boundaries were defined. The contents of the added Census tract records for Broomfield County are based on the contents of the records for the Census tracts from which Broomfield County was created, but with Broomfield County's county code (FIPS code 014) substituted for the original county code. 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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<sup>1</sup> Nonmetropolitan includes micropolitan areas.