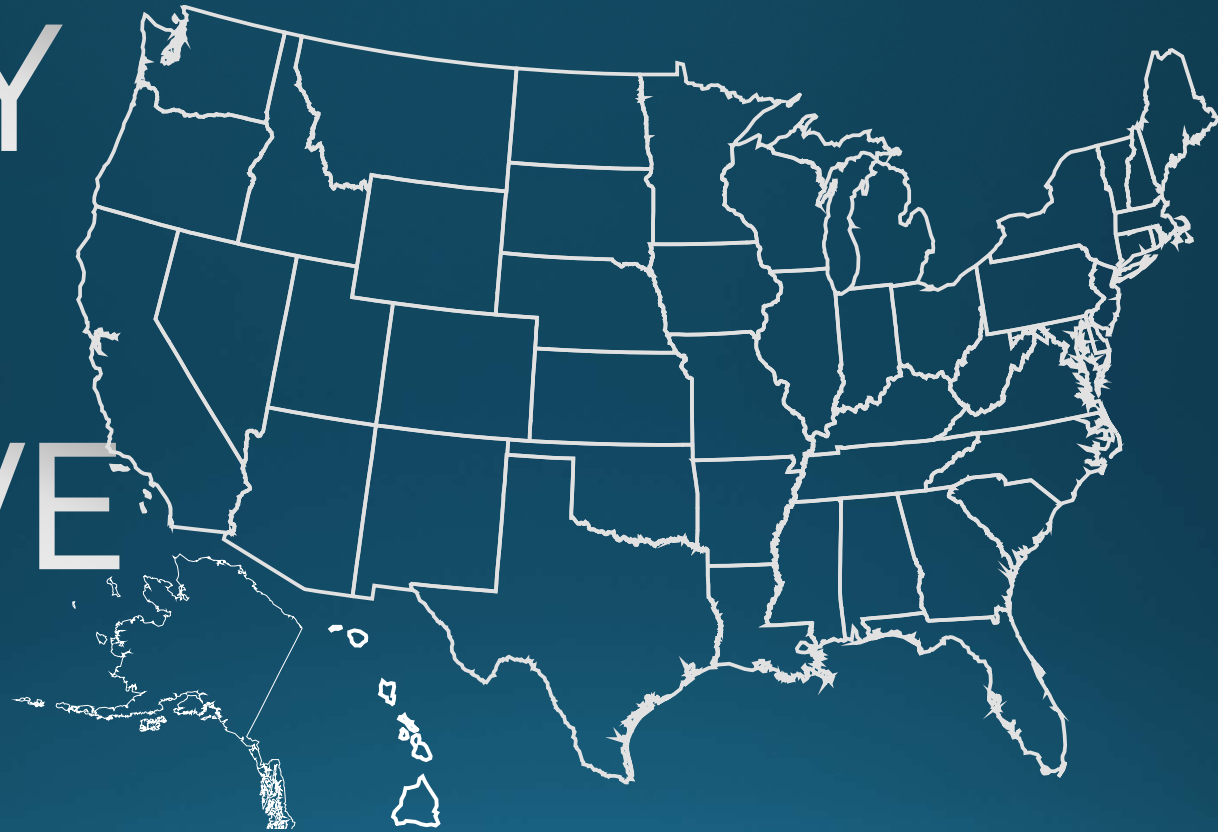


# DUTY TO SERVE



and What it Means for Rural America

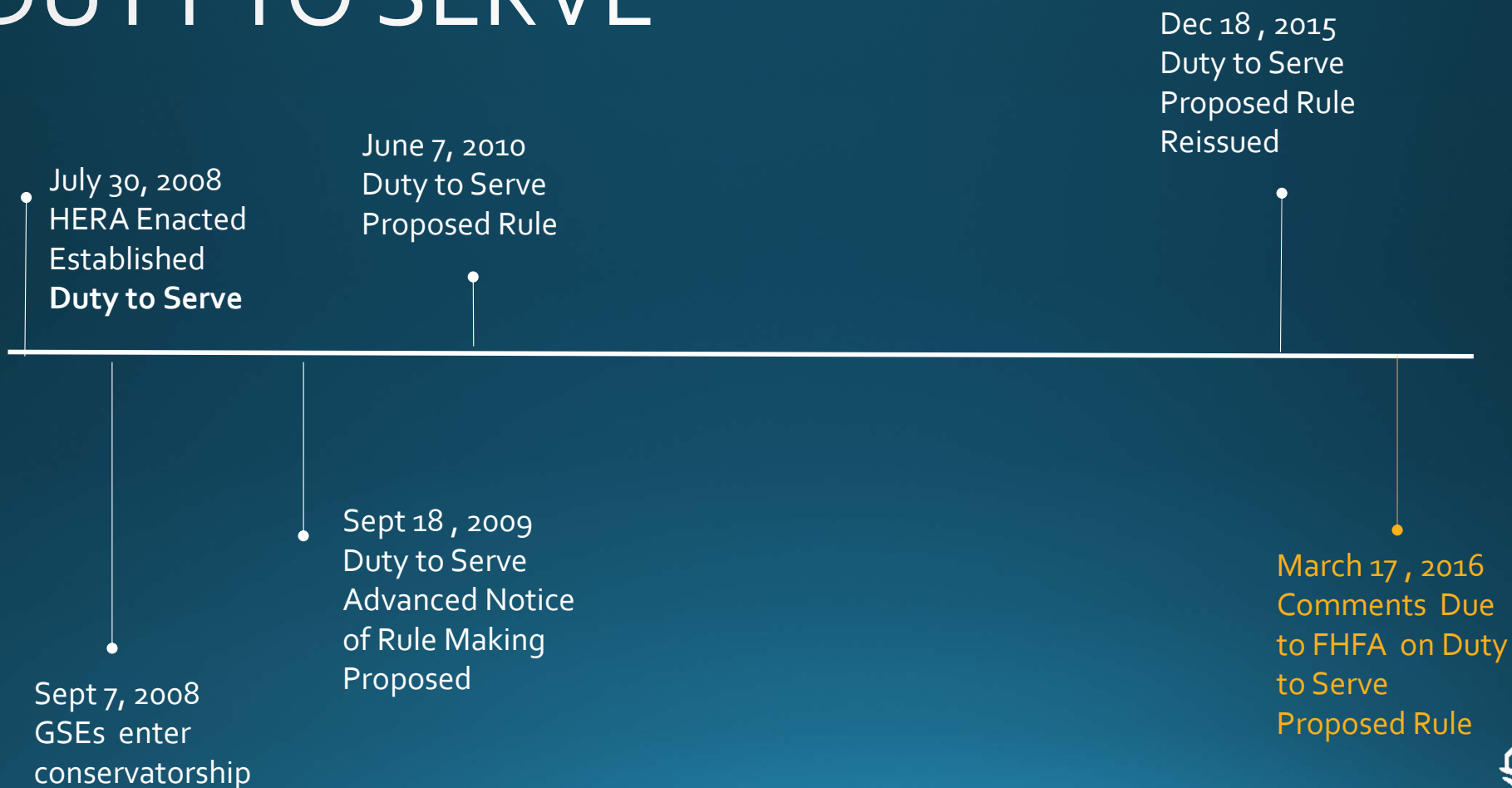


# DUTY TO SERVE

- 2008 Housing and Economic Recovery Act
- GSEs (Fannie Mae and Freddie Mac)
- Duty to Serve “Underserved Markets”
- Increase liquidity and investment capital in these markets
- Federal Housing Finance Agency (FHFA)



# DUTY TO SERVE



# DUTY TO SERVE

- THREE SPECIFIC UNDERSERVED MARKETS

1. Rural Housing

2. Housing Preservation

3. Manufactured Housing



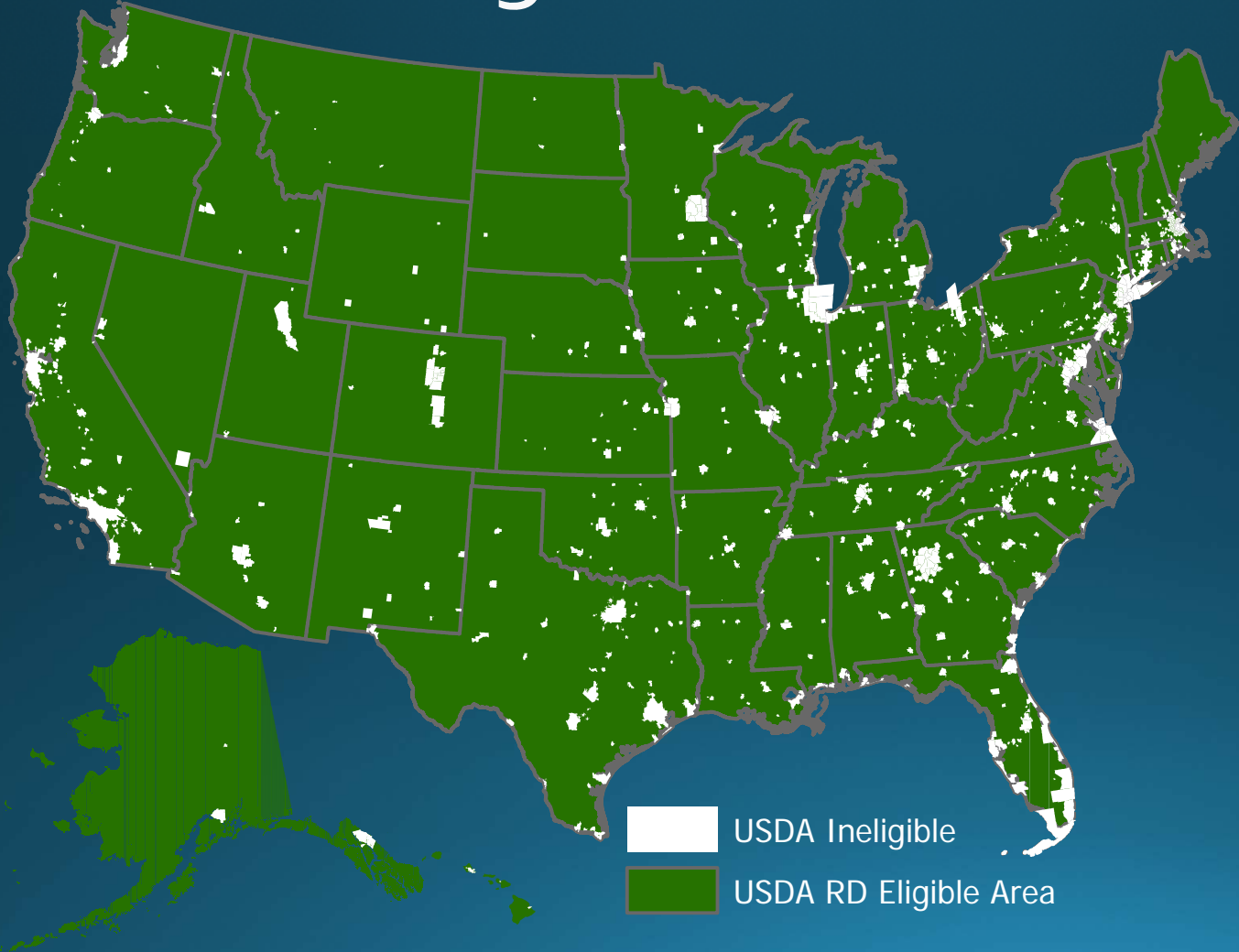


# DUTY TO SERVE

- RURAL MARKET CORE ACTIVITY
- “define eligible activities for the rural market as Enterprise activities that facilitate a secondary market for mortgages on residential properties for very low, low-, or moderate income families in rural areas.” (section 1282.35(b)).



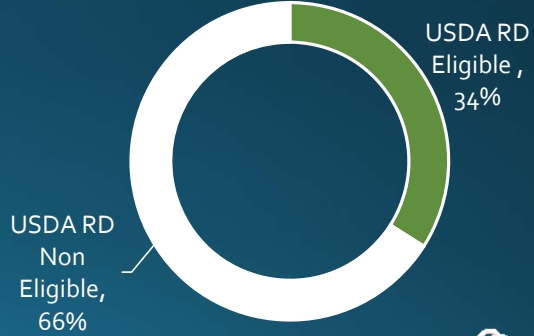
# USDA-RD Eligible Areas



109 Million  
Population\*

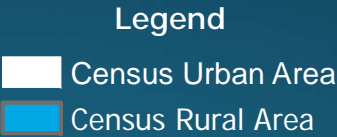
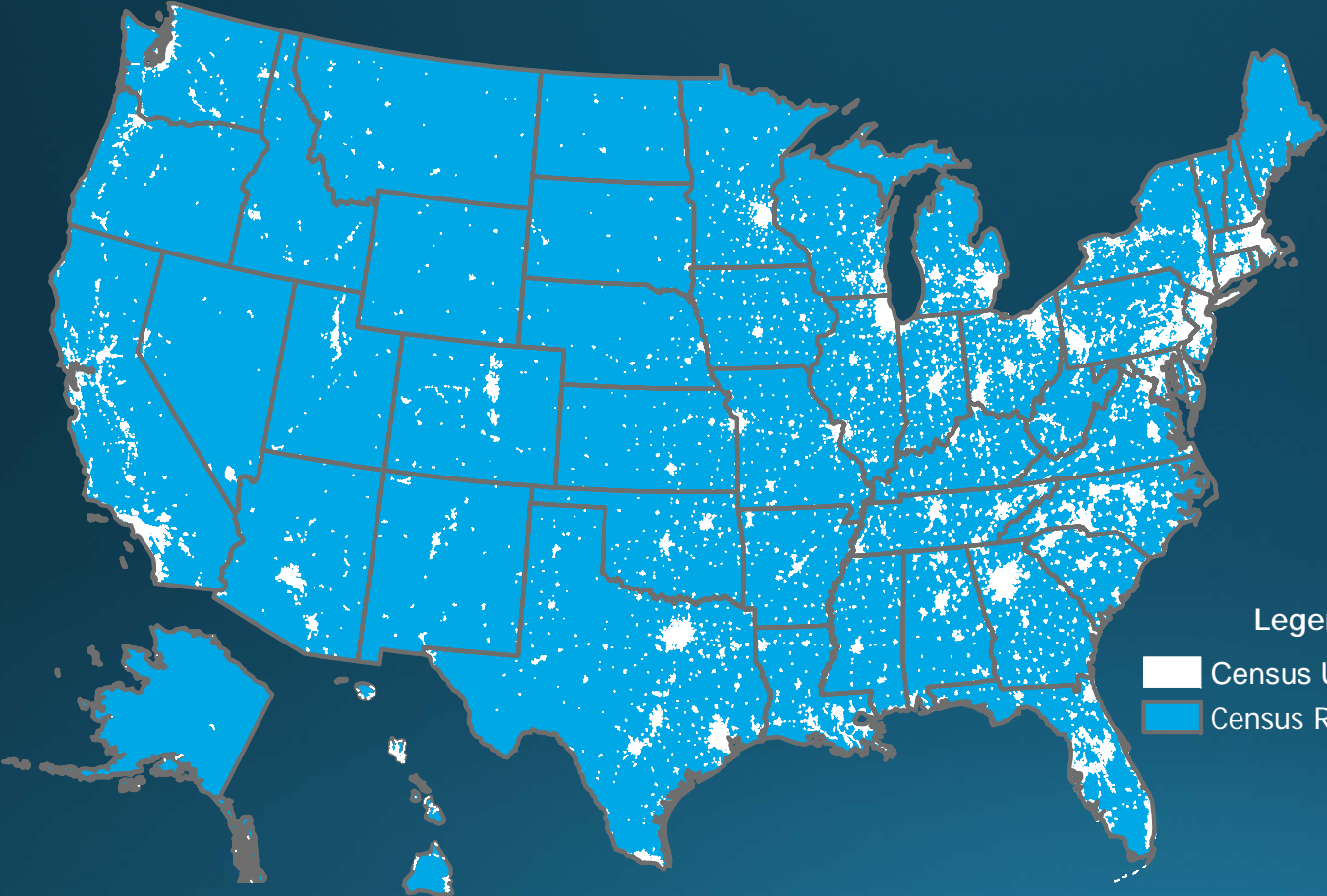
\*estimate

USDA RD Eligible Area  
Population

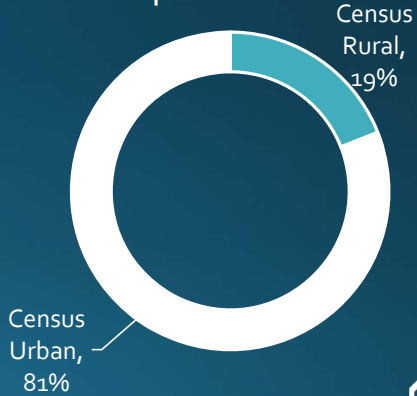


# Census Defined Rural Areas

59 Million  
Population



Census Defined Rural  
Population



Source: Housing Assistance Council (HAC) Tabulations of Census Data



# CFPB Rural Area

- Adjacency to OMB Metropolitan Areas
- Urban Influence codes
- Rural “Blocks”

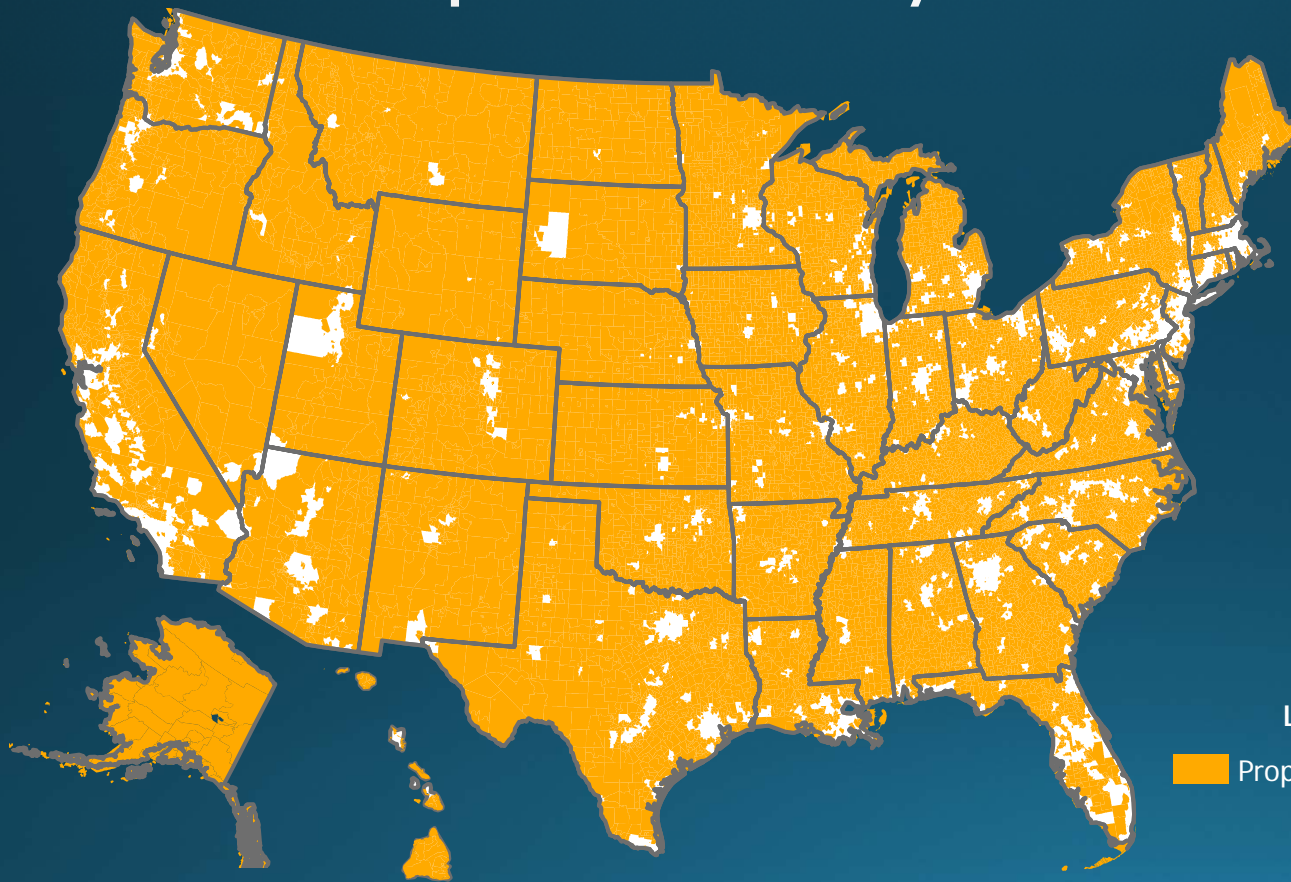


# FHFA Proposed Duty to Serve Rural Area

- “RURAL AREA” Definition (Section 1281.1)
  - Census Tract outside of Metropolitan Area (OMB)
  - Census Tract in Metropolitan Area, outside of an Urbanized Area, or Urban Cluster (USDA-ERS RUCA Code)



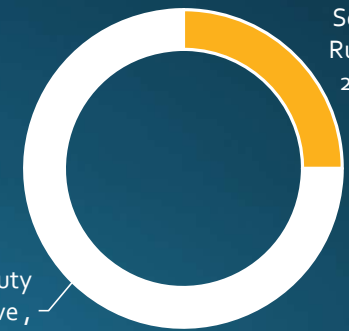
# FHFA Proposed Duty to Serve Rural Area



77.1 Million  
Population

Proposed Duty To Serve  
Population

Legend  
Proposed Rural Area



Non Duty  
to Serve,  
75%

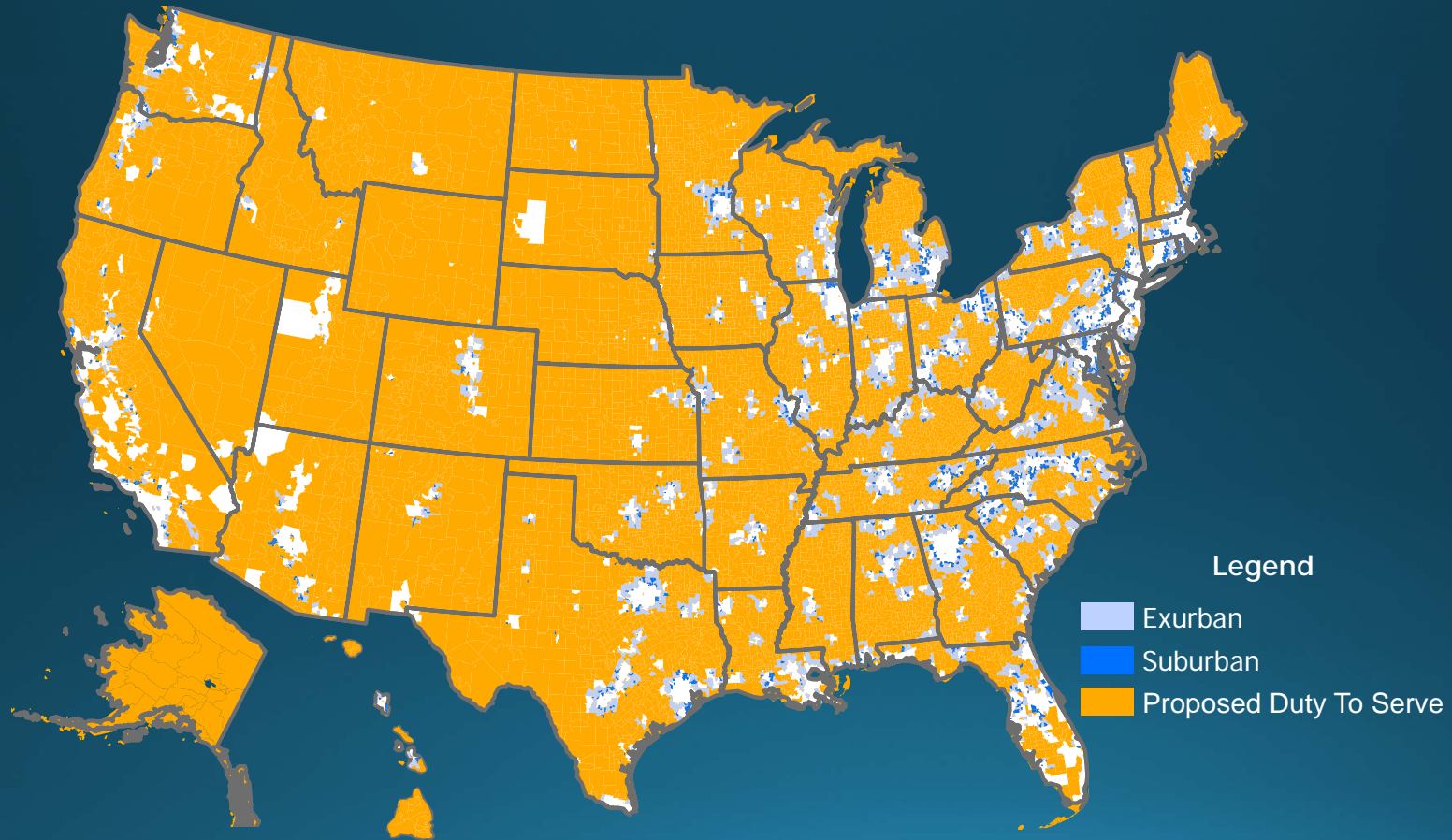
Duty to  
Serve  
Rural,  
25%

Source: Housing Assistance Council (HAC) Tabulations of Census Data





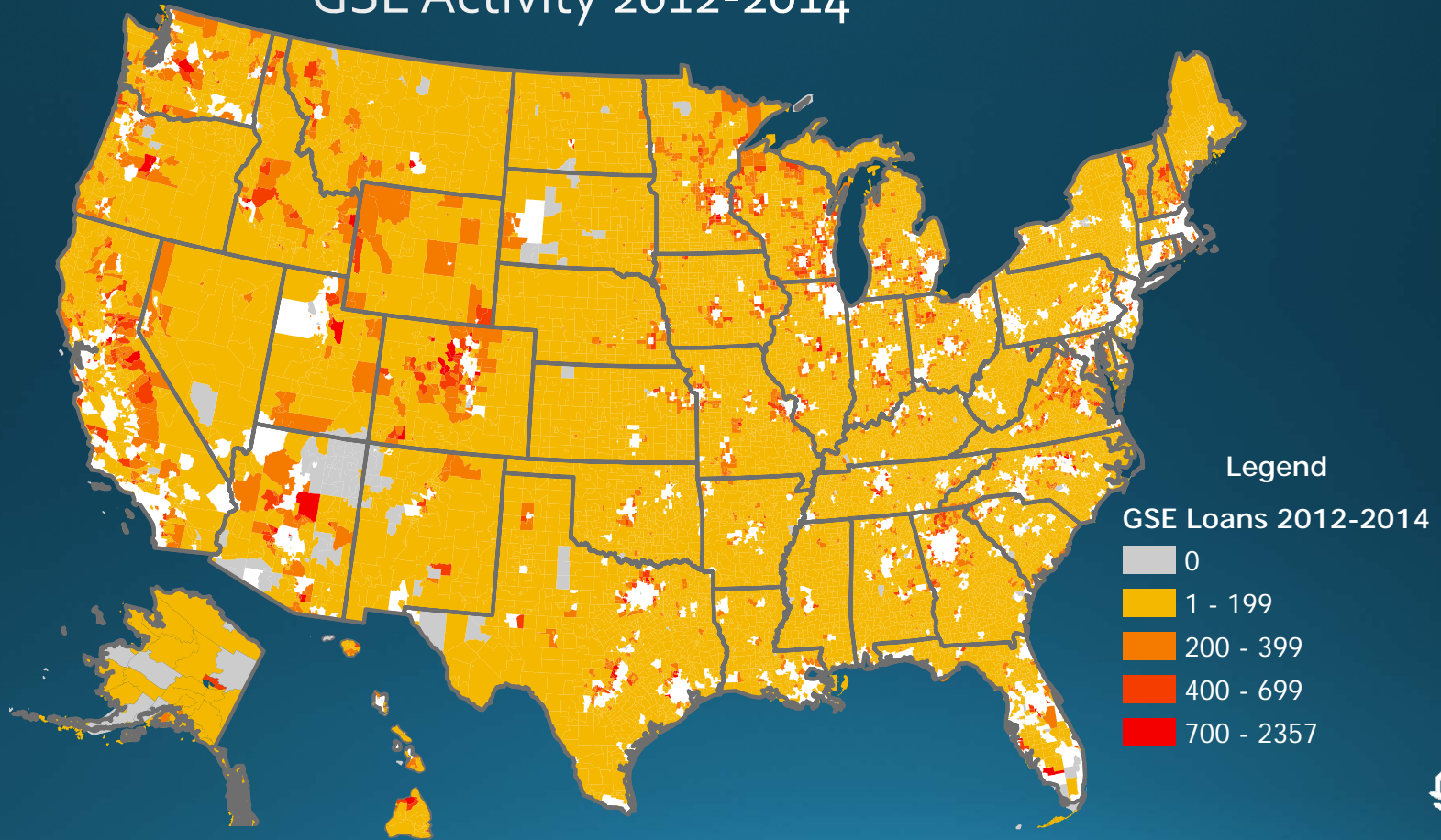
# FHFA Proposed Duty to Serve Rural Area



Source: Housing Assistance Council (HAC) Tabulations of Census Data

# FHFA Proposed Duty to Serve Rural Area

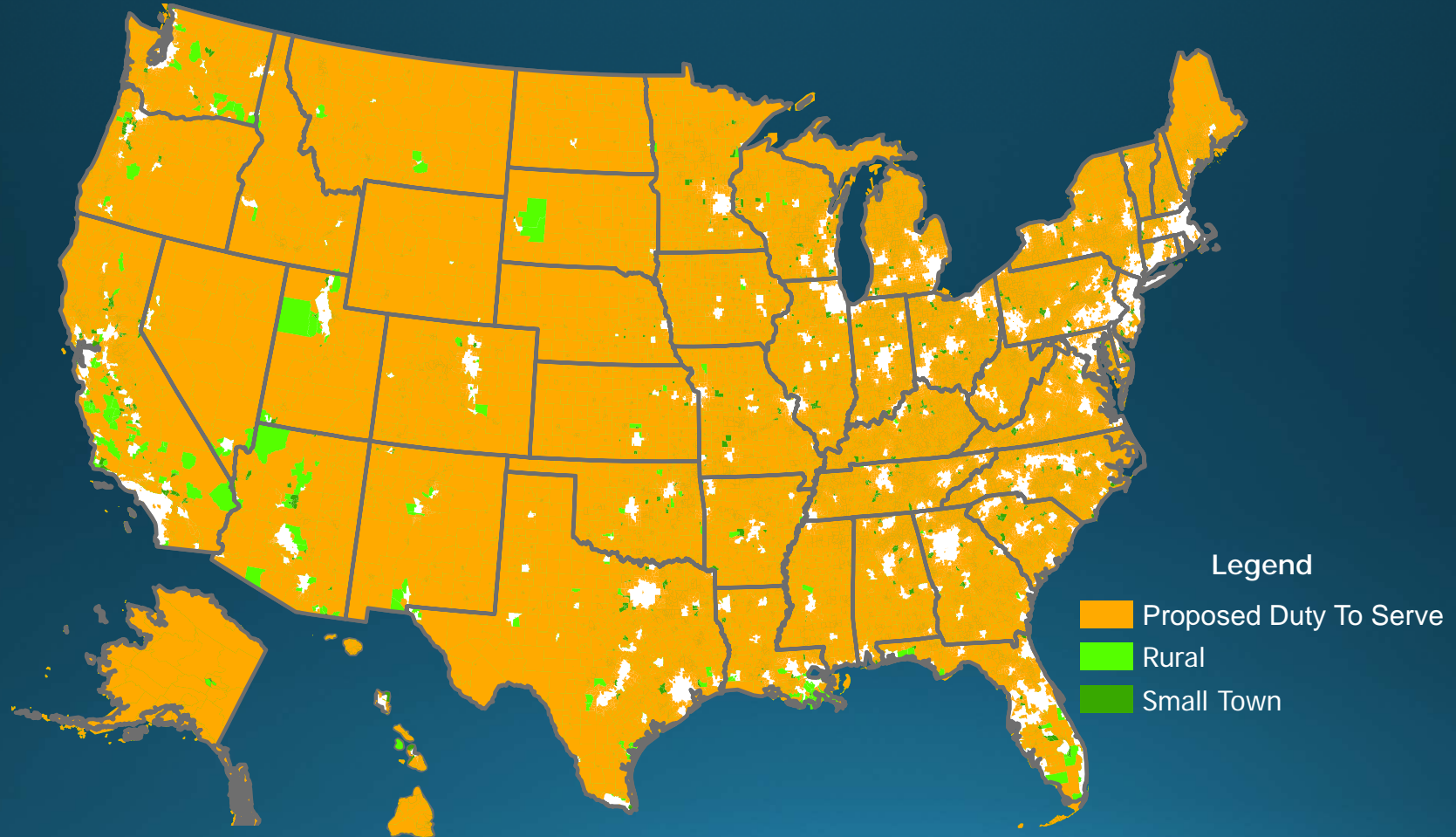
GSE Activity 2012-2014



Source: Housing Assistance Council (HAC) Tabulations of Census Data



# FHFA Proposed Duty to Serve Rural Area



Source: Housing Assistance Council (HAC) Tabulations of Census Data

# DUTY TO SERVE

Census Tract Look-up Resource  
<http://arcg.is/1LvvzqV>

FFIEC:

<https://geomap.ffiec.gov/FFIECGeocMap/GeocodeMap1.aspx>



# DUTY TO SERVE

- Requests for Comments
- 70. Would one of the four definitions discussed above better serve Duty to Serve objectives, and if so, why?
- 71. How could operational concerns about Enterprise implementation under each of the definitions be addressed?

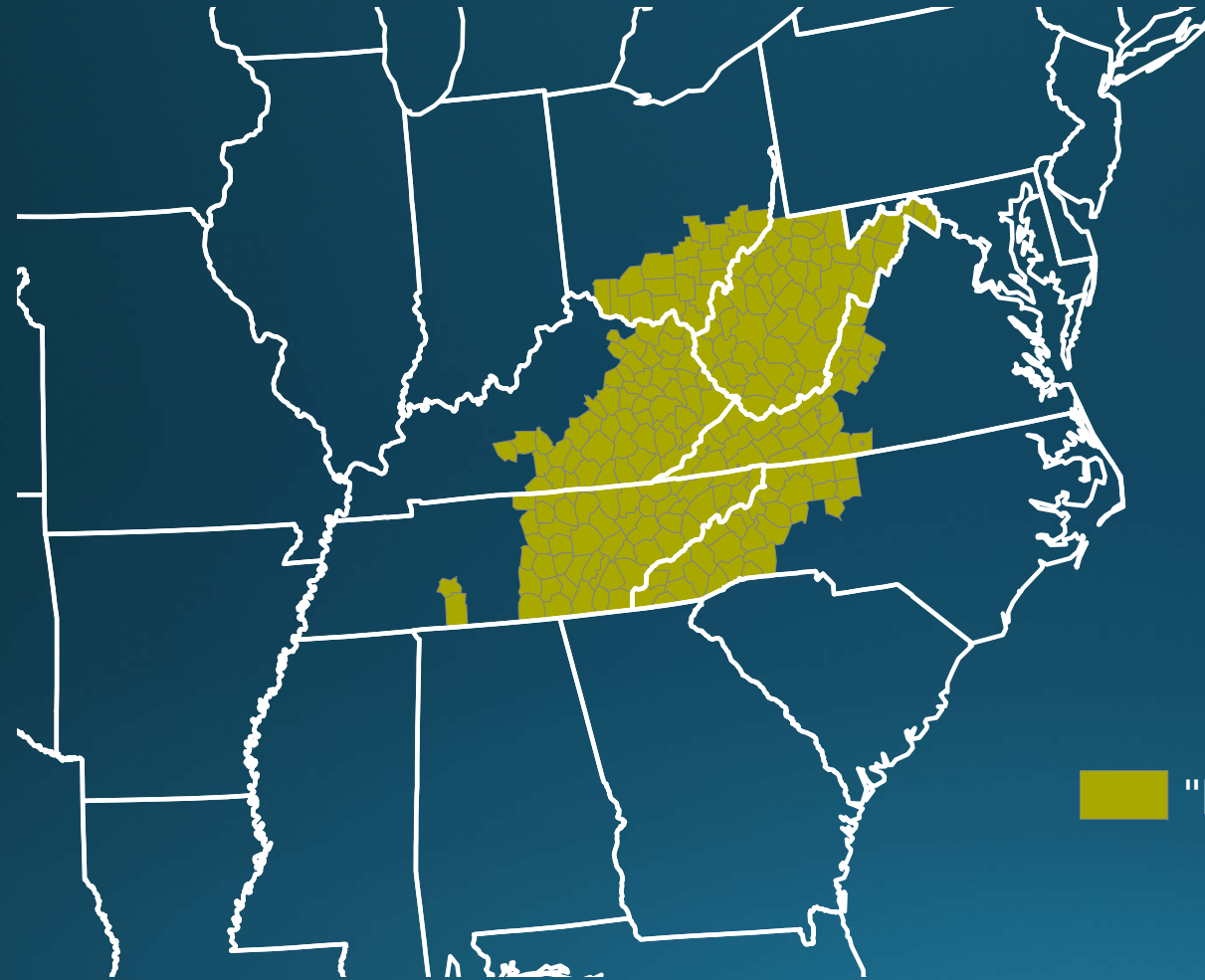


# DUTY TO SERVE

- REGULATORY REQUIREMENT: HIGH NEED RURAL AREAS
- “Middle” Appalachia
- Lower Mississippi Delta
- Colonias
- Native American Lands
- Migrant and Seasonal Farmworkers



# "Middle" Appalachia



## Legend

 "Middle" Appalachia

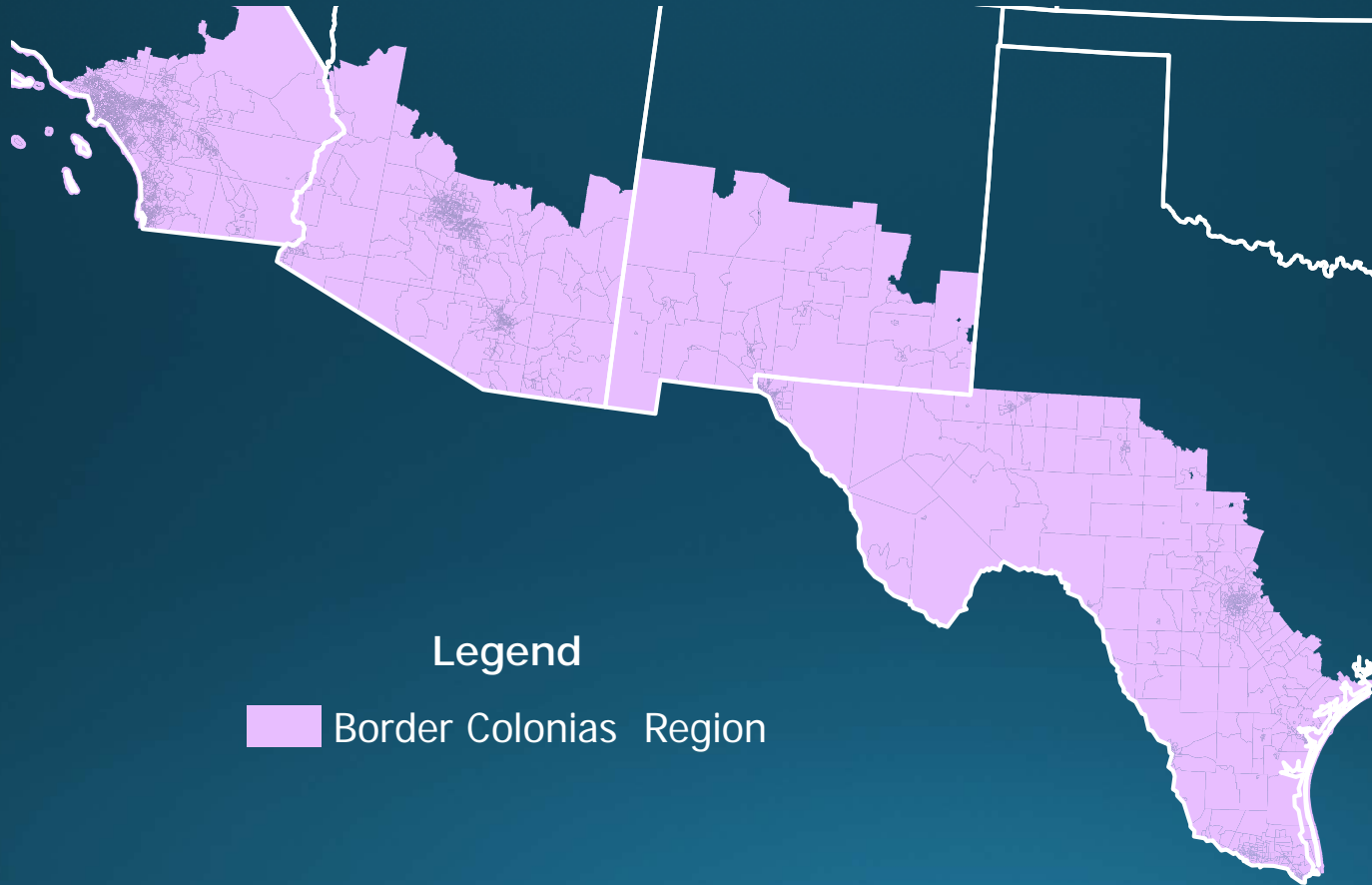
Source: Housing Assistance Council (HAC) Tabulations of ARC Data



# Lower Mississippi Delta



# Colonias



## Legend

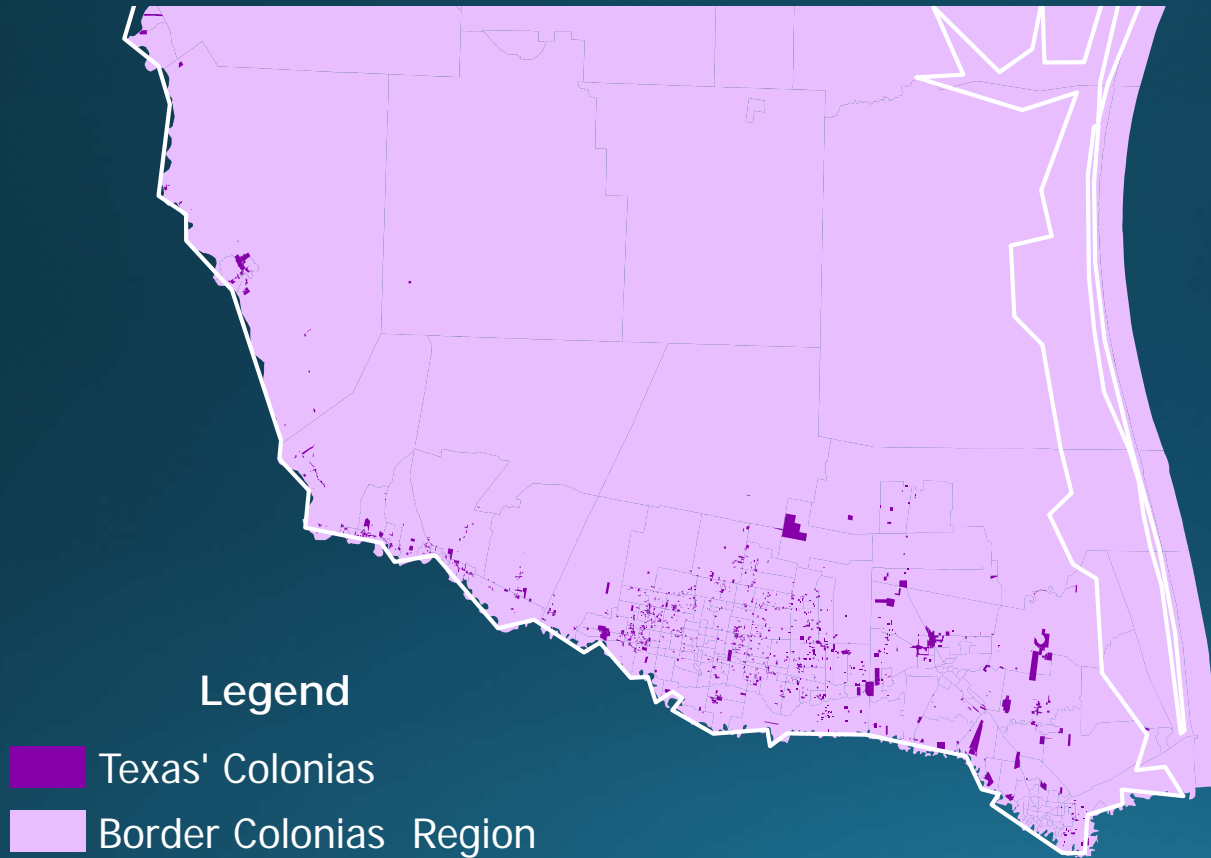
 Border Colonias Region





Source: Housing Assistance Council (HAC) Tabulations of Census Data



# Colonias



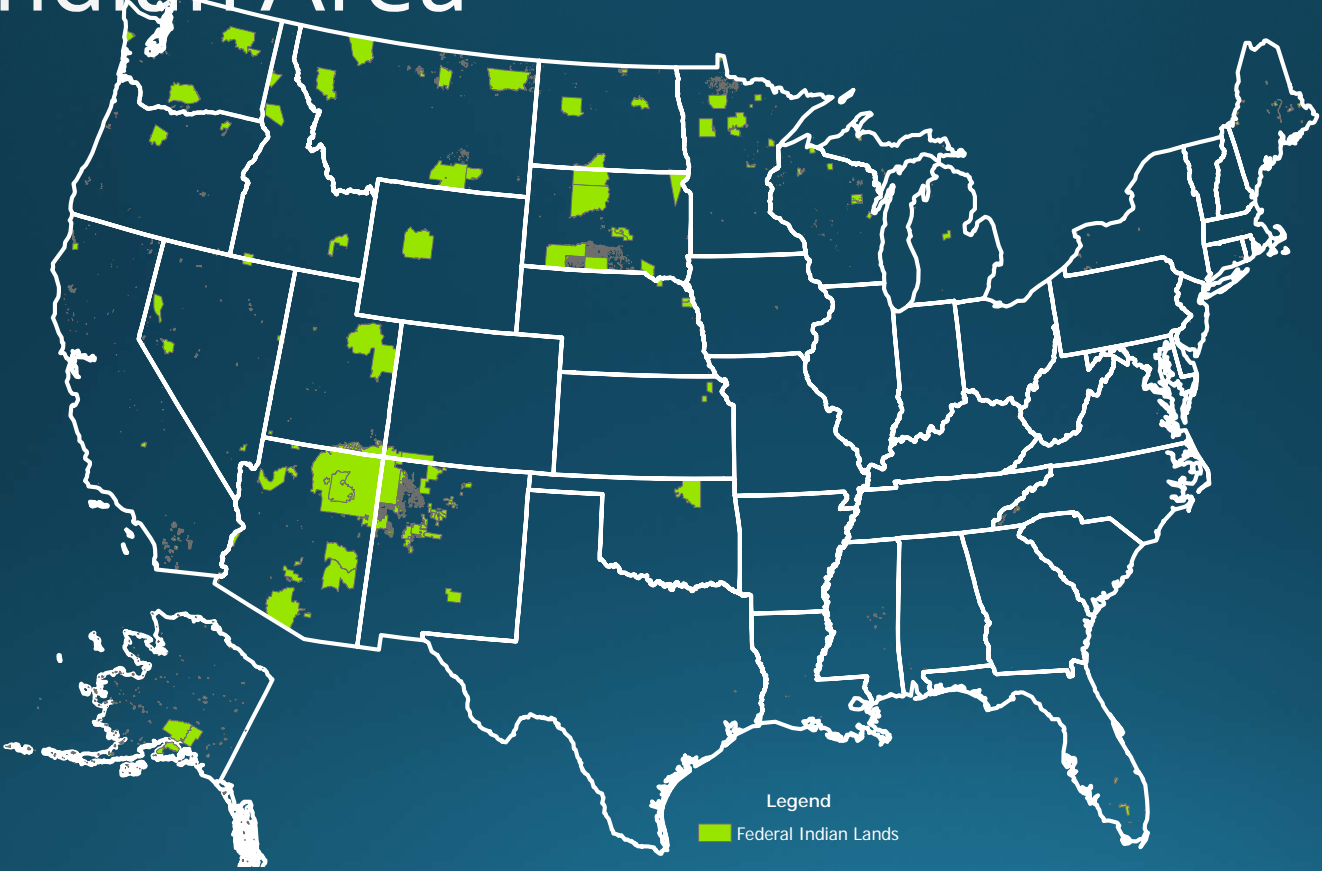
## Legend

-  Texas' Colonias
-  Border Colonias Region





# Federally Recognized Indian Tribe Located in an Indian Area



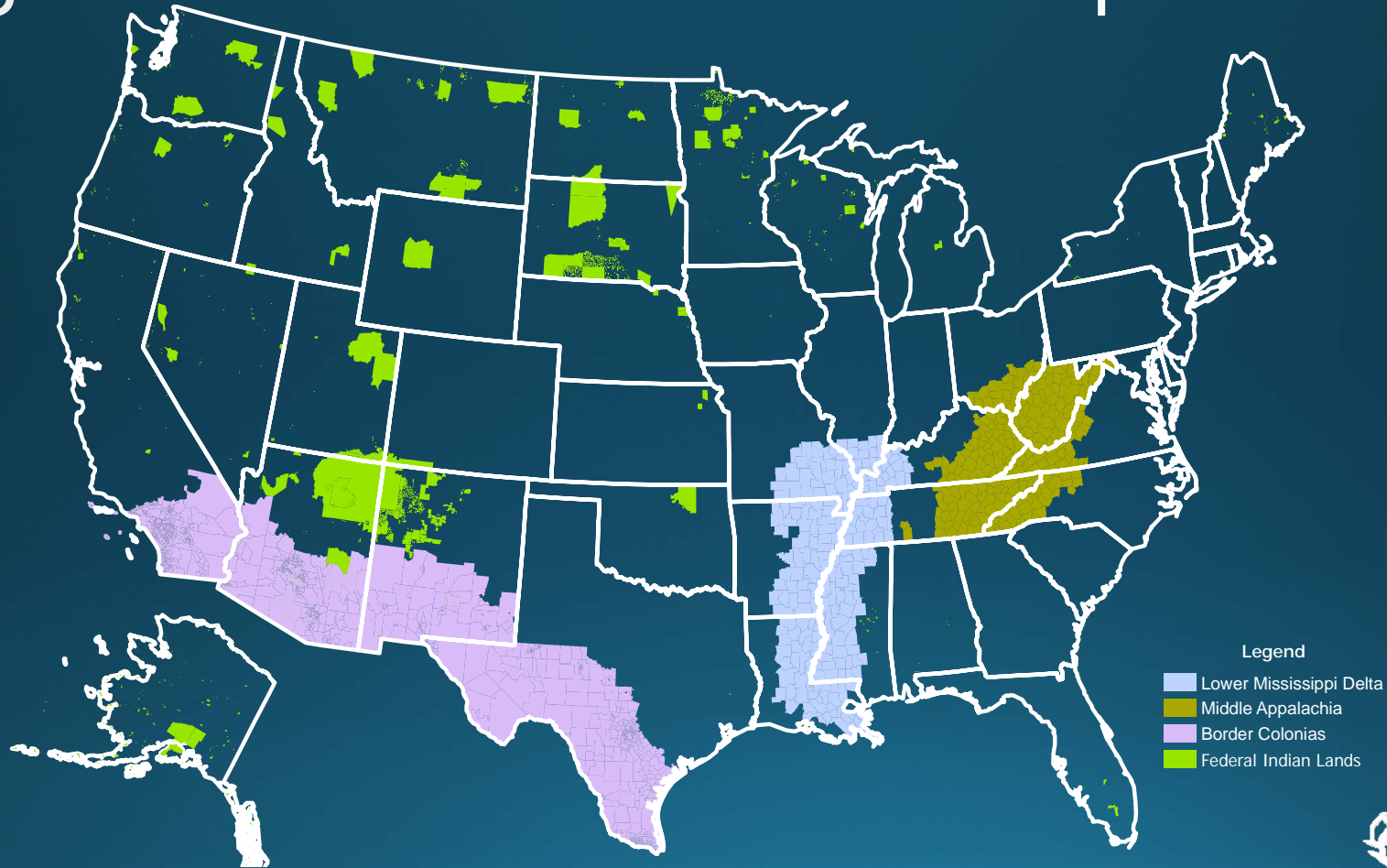
Source: Housing Assistance Council (HAC) Tabulations of Census Data

# Migrant and Seasonal Farmworker

- Department of Labor (DOL) Definition
- “Migrant” Agricultural Workers
  - Generally absent overnight
- “Seasonal” Agricultural Workers
  - Not absent overnight, but transported by day-haul operation



# High Need Rural Areas and Populations



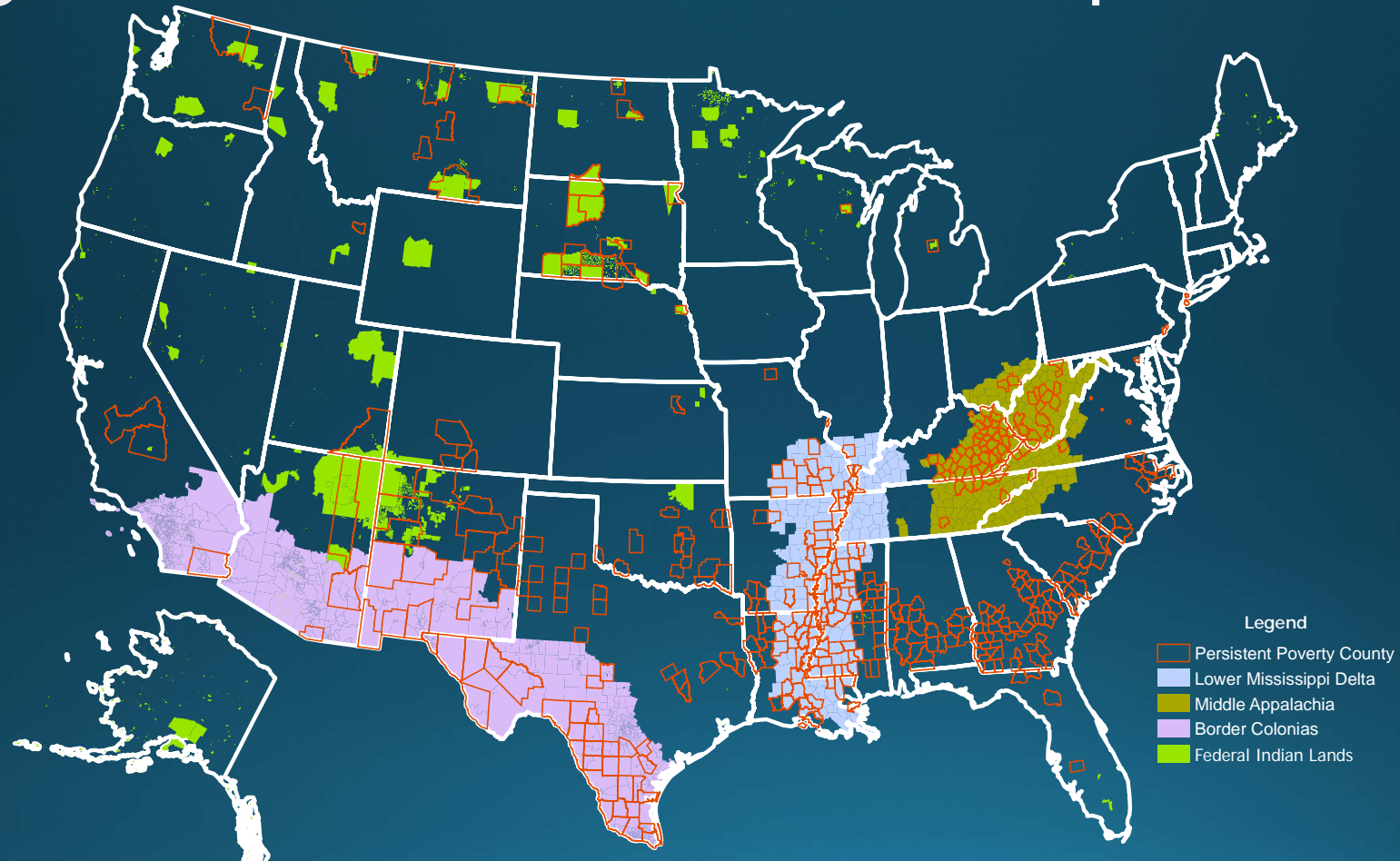
## Legend

- Lower Mississippi Delta
- Middle Appalachia
- Border Colonias
- Federal Indian Lands



Source: Housing Assistance Council (HAC) Tabulations of Census Data

# High Need Rural Areas and Populations



Source: Housing Assistance Council (HAC) Tabulations of Census Data

# DUTY TO SERVE

- Requests for Comments
- 72. Should Enterprise support for housing for high-needs rural regions and high-needs rural populations be a Regulatory Activity?
- 73. What activities could the Enterprises undertake to provide liquidity and other support to high needs rural regions and high-needs rural populations?
- 74. How should FHFA define “colonia” for Duty to Serve purposes?



# DUTY TO SERVE

- Requests for Comments
- 75. How should FHFA define “member of an Indian tribe,” “Federally recognized Indian tribe,” and “Indian Area” for Duty to Serve purposes?
- 76. What specific actions could the Enterprises take to assist the needs of migrant and seasonal agricultural workers?
- 77. Are there high-needs rural regions and/or high needs rural populations in addition to those identified above that should be included in this section, and, if so, how should they be defined to receive duty to serve credit?





# DUTY TO SERVE

- Requests for Comments
- 78. How might loan sellers and the Enterprises collect data establishing that housing to be financed would specifically benefit migrant and seasonal agricultural workers?
- 79. Should FHFA define “high-needs populations” to include other categories of agricultural workers with high-needs housing issues in addition to seasonal and migrant agricultural workers? Should FHFA include agricultural workers in permanent annual employment in the definition?



# DUTY TO SERVE

- Link to Proposed Rule:  
<https://www.fhfa.gov/SupervisionRegulation/Rules/Pages/Enterprise-Duty-to-Serve-Underserved-Markets-Proposed-Rule.aspx>







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