2013 Low-Income Areas File

Synopsis: FHFA's 2013 Low-Income Areas File establishes low-income area designations for census tracts in Metropolitan Statistical Areas (MSAs) and nonmetropolitan areas of states. These designations are applicable to Fannie Mae and Freddie Mac (the Enterprises) and the Federal Home Loan Banks (FHLBanks) and their scoring of mortgage purchases toward the single-family home purchase low-income area housing goal established under HERA.

1. Low-Income Areas Defined

The following are FHFA's definitions applicable to low-income areas based on the Enterprise housing goals regulations at 12 CFR 1282.1[1] and the FHLBanks housing goals regulations at 12 CFR 1281.1[2].

a. Families in low-income areas means:
   (i) Any family that resides in a census tract or block numbering area in which the median income does not exceed 80 percent of the area median income;
   (ii) Any family with an income that does not exceed area median income at the time of loan origination that resides in a minority census tract; and
   (iii) Any family with an income that does not exceed area median income at the time of loan origination that resides in a designated disaster area.

b. Minority census tract means a census tract that has a minority population of at least 30 percent and a median income of less than 100 percent of the area median income.

2. The 2013 Low-Income Areas File

The 2013 Low-Income Areas File incorporates the census tract boundaries and tract numbering system used in the 2010 decennial census. FHFA's determination of low-income areas for 2013 is based on 2010 Census data for minority percentages for census tracts, and area median incomes for census tracts, metropolitan areas, counties, and state nonmetropolitan areas as provided in the 5-year American Community Survey (ACS) data.[3] These median incomes change annually with each new release of the 5-year ACS data. For 2013 we use the latest 2007-2011 ACS release. FHFA classifies census tracts as metropolitan or nonmetropolitan based on the Office of Management and Budget's (OMB) specification of MSAs in June 2003 and updated through December 2012.[4]

FHFA defines low-income areas at the tract level in both metropolitan and nonmetropolitan areas. The one exception is in the St. Louis MSA where parts of Sullivan City lie within Franklin County and Crawford County, Missouri. By statute, the entirety of Sullivan City is within the St. Louis MSA.[5] The portion of Crawford County outside of Sullivan City is nonmetropolitan. In the 2013 Low-Income Areas File, the census tract in Crawford County that contains a portion of Sullivan City is treated as a split tract. The 2013 Low-Income 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 Low-Income Areas file is column formatted and has ten fields, values of which may have leading zeros. We do not provide tract records for the U.S. territories of American Samoa, Guam, the Northern Mariana Islands, and the Virgin Islands.

STATE:	2-digit numeric state FIPS code
CNTY:	3-digit numeric county FIPS code
TRACT:	6-digit 2010 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 through December 2012, 99999 = nonmetropolitan.[6]
LYA:	1-digit code designating a low-income area, see below
PCTMIN:	Percent minority population in census tract
MIN_TRCT:	1-digit code designating a minority tract, see below
CENINC:	Median income based on 5-year ACS data for Census 2010 tract boundary definitions. Missing tract median income is indicated by a zero.
MEDINC:	MSA area median income (AMI) based on 5-year ACS data or, if in a nonmetropolitan county, the maximum of the county median income or the state nonmetropolitan area median income (both based on 5-year ACS data). Area median incomes are geocoded for MSA boundaries as revised through December 2012.
DDA:	1-digit code indicating whether a census tract is located in a county designated a disaster area eligible for individual assistance within the previous three years, see below.

The 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 low-income areas in their entirety for the purposes of housing goals.

The LYA field can be interpreted as:

LYA=1, tract median income (CENINC) is at or below 80 percent of applicable AMI
LYA=0, tract median income is greater than 80 percent of applicable AMI
LYA=9, tract median income or AMI is missing

The MIN_TRCT field can be interpreted as:

MIN_TRCT=1, tract has a minority population of at least 30 percent and a median income of less than 100 percent of the AMI
MIN_TRCT=0, tract has a minority population of less than 30 percent or a median income of 100 percent or more of the AMI
MIN_TRCT=9, tract percent minority or tract median income is missing

The DDA field can be interpreted as:

DDA=1, the census tract is located in a county designated a disaster area eligible for individual assistance within the previous three years

DDA=0, the tract census tract is not located in a county designated a disaster area eligible for individual assistance within the previous three years

Now that the 2010 Census tract geography is released we no longer include the additional census tract records to facilitate geocoding of mortgage purchases in Broomfield County, Colorado (FIPS county code 014) that were necessary with the 2000 Census tract geography. We also no longer include the additional census tract records reflecting the recent borough/census area (county equivalents) designations in Alaska as geocoding systems should now recognize these changes.[7] We do, however, now 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.[8] These additional census tract records will facilitate geocoding of mortgage purchases in these counties.

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[1] 75 Fed. Reg. 55892 (September 14, 2010) and 77 Fed. Reg. 67535 (November 13, 2012).

[2] 75 Fed. Reg. 81096 (December 27, 2010).

[3] http://www.census.gov/acs/www/

[4] See OMB Bulletin No. 03-04 (June 6, 2003) and No. 04-03 (February 18, 2004). Subsequent OMB Bulletins, Nos. 05-02 (February 22, 2005) and 06-01 (December 5, 2005) updated various statistical area definitions but these did not affect MSA boundaries. Under Bulletin 06-01, Sebastian, FL qualifies as a new principal city of the Vero Beach, FL Metropolitan Statistical Area. OMB renamed this MSA to be the Sebastian-Vero Beach, FL Metropolitan Statistical Area, thus changing its MSA code from 46940 to 42680. This change was reflected in the 2006 file. For 2007 OMB Bulletin No. 07-01 (December 18, 2006) redesignated Micropolitan Statistical Areas 29420 and 37380 as Metropolitan Statistical Areas. Under OMB Bulletin No. 08-01 (November 20, 2007), Bradenton, FL replaced Sarasota, FL as the most populous principal city of the Sarasota-Bradenton-Venice, FL Metropolitan Statistical Area. OMB renamed this MSA to be the Bradenton-Sarasota-Venice, FL Metropolitan Statistical Area, thus changing its MSA code from 42260 to 14600. Under OMB Bulletin No. 09-01 (November 20, 2008) three formerly Micropolitan Statistical Areas now qualify as new Metropolitan Statistical Areas. These MSAs are 16020, 31740, and 31860. Under OMB Bulletin 10-02 (December 1, 2009) three

existing Metropolitan Statistical Areas were renumbered due to changes in principal cities. These new MSAs are 35840 (was 14600), 18880 (was 23020), and 44600 (was 48260). There are no revisions to existing MSA codes applicable to 2011, 2012, or 2013.

[5] Public Law 100-202, Section 530.

[6] Nonmetropolitan includes Micropolitan Statistical Areas.

[7] http://www.census.gov/geo/www/tiger/ctychng.html

[8] http://www.census.gov/acs/www/data_documentation/geography_notes/