thus, would controvert the general rule of statutory construction that effect must be given, if possible, to every word, clause and sentence of a statute.³¹ "A statute should be construed so that effect is given to all its provisions, so that no part will be inoperative or superfluous, void or insignificant, and so that one section will not destroy another unless the provision is the result of obvious mistake or error."³²

"Rural Areas" and "Central Cities" Are Not Terms of Art

Fannie Mae also asserted that "central cities" is a term of art in housing legislation and that "rural areas" has a clear meaning. Fannie Mae commented that OMB has never limited its list of cities in the manner contemplated by the proposed rule. HUD's definition, therefore, is inconsistent with commonly understood meaning and contradicts FHEFSSA's purpose. Fannie Mae argued that the definition of "central cities" for the transition period "is a clear indication of the type of definition that Congress had in mind when considering this goal."

The terms "central cities" and "rural areas" are not terms of art and do not have clear meanings. While other statutes and regulations contain definitions of "central cities" and "rural areas," these definitions are not uniform. With respect to "central cities," the fact that Congress felt the need to define "central cities" for the transition period indicates that the term may have more than one reasonable interpretation. In fact, different Federal agencies define central cities differently.³³

Fannie Mae's comments concede that the term "rural areas" has no established meaning in housing legislation. While other statutes and regulations contain definitions of "rural

³³ Compare 55 Fed. Reg. 12155 (Mar. 30, 1990) (definition of "central cities" used by the Statistical Policy Office of OMB) with 41 C.F.R. § 101–17.003– 35 (General Services Administration's Federal Property Management Regulations).

Related definitions used by the Bureau of the Census, define "urbanized area central places" in a manner which indicates that the "central" area could be only a portion of a political unit. The Bureau of the Census provides that for extended cities, an "urbanized area central place" includes those metropolitan area central cities entirely or partially within the urbanized area, but that only the urban portion of an extended city is classified as central. 55 Fed. Reg. 42593 (Oct. 22, 1993).

areas," these are not uniform.34 Moreover, while the terms "central cities" and "rural areas" have been used in other statutes, the purposes of those statutes have been very different, *i.e.*, they have not been designed to set goals for providing mortgage credit to such areas. For example, OMB's statutory authority for defining central cities is the Paperwork Reduction Act, and OMB's purpose is to define areas that are "central" to a large geographic area. OMB established criteria for central cities which were relevant to this charge. Were HUD to focus on the same criteria, HUD would be taking into account factors that are not directly relevant to determining whether an area is underserved by mortgage credit.

The construction given to a term in one statute is not to be imparted to the construction of the same or similar term in another act, or even another section of the same act, if the purposes of the two acts or sections are different.³⁵ Given the different purposes of the statutes and regulations defining "central cities" and "rural areas," those definitions do not bar HUD from, and in fact mitigate in favor of HUD's, adopting definitions for these terms more consistent with the overall structure and purposes of FHEFSSA and its legislative history.

Special Affordable Housing Goal, Section 81.14

FHEFSSA requires the Secretary to establish Special Affordable Housing Goals for the GSEs' mortgage purchases on rental and owner-occupied housing to meet the then-existing unaddressed needs of, and to be affordable to, lowincome families in low-income areas and very-low-income families. Under the proposed rule, the goal was equally divided between rental (single-family and multifamily) and owner-occupied housing. The rental portion of the goal was targeted to very-low-income families while the owner-occupied portion targeted very-low-income families in addition to low-income families in low-income areas.

In response to comments received and upon further consideration by the Secretary, this final rule substantially changes the proposed rule's formulation of the Special Affordable Housing Goal. First, mortgage purchases financing

housing for low-income renters in lowincome areas now count toward achievement of the goal. Second, the equal division between rental and owner-occupied housing has been removed. Instead, each GSE may choose the type of housing (rental, owneroccupied, single-family, or multifamily) to finance to achieve the goal. However, the goal does require a set minimum of each GSE's purchases to be multifamily mortgages. Finally, the goal allows dwelling units affordable to low-income families in multifamily properties to count where thresholds, based on the LIHTC thresholds, are met.

The final rule provides that the Special Affordable Housing Goal for 1996 is 12 percent of the total number of dwelling units financed by each GSE's mortgage purchases. The goal for 1997–1999 and pending new goals is 14 percent. Of the total Special Affordable Housing Goal, each GSE must annually purchase multifamily mortgages in an amount at least equal to 0.8 percent of the total dollar volume of mortgages purchased by the respective GSE in 1994. In Appendix D, HUD estimates that 20-23 percent of the conventional conforming mortgage market would qualify under the Special Affordable Housing Goal. In 1994, 16.7 percent of Fannie Mae's purchases financed dwelling units that would count toward the achievement of this goal, as defined in the final rule, compared with 11.4 percent of Freddie Mac's purchases. In 1994, Fannie Mae purchased \$1.91 billion of mortgages on multifamily housing that would have counted toward the achievement of this goal, or 1.25 percent of its total 1994 business. In 1994, Freddie Mac purchased \$425 million of mortgages on multifamily housing that would have counted toward this goal, or 0.36 percent of its total 1994 business.

Rental and Owner Subgoals

Both GSEs' objected to the fact that the proposed rule would have imposed a 50-50 split between rental and owneroccupied housing for the Special Affordable Housing Goal. Fannie Mae commented that the Secretary "failed to provide an acceptable rationale" for dividing the Special Affordable Housing Goal equally between rental and owneroccupied dwelling units and provided "no compelling justification" for such a split. Freddie Mac also commented that the creation of subgoals for rental and owner-occupied housing made it more difficult to attain the overall goal-even under circumstances in which performance on the owner-occupied subgoal might far surpass the level set by the regulation.

³¹ Sutherland § 46.06. See also United States v. Menasche, 348 U.S. 528, 538–39 (1955); Moskal v. United States, 498 U.S. 103, 109–10 (1990).

³² Sutherland § 46.06. See also United States v. Talley, 16 F.3d 972, 975–76 (8th Cir. 1994); Bridger Coal Co./Pacific Minerals, Inc. v. Director, Office of Workers' Compensation Programs, United States Dept. of Labor, 927 F.2d 1150, 1153 (10th Cir. 1991).

³⁴ See, e.g., 42 U.S.C. 11501(a)(2)(B); 24 CFR 596.3 (definition based on having population of less than 50,000 and being outside of a Metropolitan Statistical Area (MSA)); 12 U.S.C. 2019(b)(3) (definition based simply on having a population of 2500 or less); 42 U.S.C. 2940(e) (definition based simply on being outside of an MSA).

³⁵ Laffey v. Northwest Airlines, Inc., 567 F.2d 429, 461–62 n. 230 (D.C. Cir. 1976), cert. denied, 434 U.S. 1086 (1978).