

(2) When the contract rent does not include all utilities, the contract rent plus:

- (i) The actual cost of utilities not included in the contract rent; or
- (ii) A utility allowance.

Rental housing means dwelling units in multifamily housing and dwelling units that are not owner occupied in single-family housing.

Rental unit means a dwelling unit that is not owner-occupied and is rented or available to rent.

Residence means a property where one or more families reside.

Residential mortgage means a mortgage on single-family or multifamily housing.

Rural area means any underserved area located outside of any metropolitan area.

Seasoned mortgage means a mortgage on which the date of the mortgage note is more than 1 year before the GSE purchased the mortgage.

Second mortgage means any mortgage that has a lien position subordinate only to the lien of the first mortgage.

Secondary residence means a dwelling where the mortgagor maintains (or will maintain) a part-time place of abode and typically spends (or will spend) less than the majority of the calendar year. A person may have more than one secondary residence at a time.

Secretary means the Secretary of Housing and Urban Development and, where appropriate, any person designated by the Secretary to perform a particular function for the Secretary, including any HUD officer, employee, or agent.

Single-family housing means a residence consisting of one to four dwelling units. Single-family housing includes condominium dwelling units and dwelling units in cooperative housing projects.

Underserved area means:

(1) For purposes of the definitions of "central city" and "other underserved area," a census tract having:

- (i) A median income at or below 120 percent of the median income of the metropolitan area and a minority population of 30 percent or greater; or
- (ii) A median income at or below 90 percent of median income of the metropolitan area.

(2) For purposes of the definition of "rural area":

(i) In areas other than New England, a county having:

- (A) A median income at or below 120 percent of the State nonmetropolitan median income and a minority population of 30 percent or greater; or
- (B) A median income at or below 95 percent of the greater of the:

(1) State non-metropolitan median income; or

(2) Nationwide non-metropolitan median income; and

(ii) In New England, an entire county having the characteristics in paragraph (2)(i)(A) or (B) of this definition or the remainder of a county, where a portion of the county is in a metropolitan area and the remainder of the county has the characteristics in paragraph (2)(i)(A) or (B) of this definition.

Utilities means charges for electricity, piped or bottled gas, water, sewage disposal, fuel (oil, coal, kerosene, wood, solar energy, or other), and garbage and trash collection. Utilities do not include charges for telephone service.

Utility allowance means either:

(1) The amount to be added to contract rent when utilities are not included in contract rent (also referred to as the "AHS-derived utility allowance"), as issued annually by the Secretary; or

(2) The utility allowance established under the HUD Section 8 Program (42 U.S.C. 1437f) for the area where the property is located.

Very-low-income has the same definition as "very low-income" has in FHEFSSA.

Wholesale exchange means a transaction in which a GSE buys or otherwise acquires mortgages held in portfolio or securitized by the other GSE, or where both GSEs swap such mortgages.

Working day means a day when HUD is officially open for business.

Subpart B—Housing Goals

§ 81.11 General.

This subpart establishes: three housing goals, as required by FHEFSSA; requirements for measuring performance under the goals; and procedures for monitoring and enforcing the goals.

§ 81.12 Low- and Moderate-Income Housing Goal.

(a) *Purpose of goal.* This annual goal for the purchase by each GSE of mortgages on housing for low- and moderate-income families ("the Low- and Moderate-Income Housing Goal") is intended to achieve increased purchases by the GSEs of such mortgages.

(b) *Factors.* In establishing the Low- and Moderate-Income Housing Goals, the Secretary considered the factors in 12 U.S.C. 4562(b). A statement documenting the Secretary's considerations and findings with respect to these factors, entitled "Secretarial Considerations to Establish the Low- and Moderate-Income Housing

Goal," was published in the Federal Register on December 1, 1995.

(c) *Goals.* The annual goals for each GSE's purchases of mortgages on housing for low- and moderate-income families are:

(1) For 1996, 40 percent of the total number of dwelling units financed by that GSE's mortgage purchases in 1996;

(2) For each of the years 1997–99, 42 percent of the total number of dwelling units financed by that GSE's mortgage purchases in each of those years; and

(3) For 2000 and thereafter the Secretary shall establish annual goals; pending establishment of goals for 2000 and thereafter, the annual goal for each of those years shall be 42 percent of the total number of dwelling units financed by that GSE's mortgage purchases in each of those years.

§ 81.13 Central Cities, Rural Areas, and Other Underserved Areas Housing Goal.

(a) *Purpose of the goal.* This annual goal for the purchase by each GSE of mortgages on housing located in central cities, rural areas, and other underserved areas is intended to achieve increased purchases by the GSEs of mortgages financing housing in areas that are underserved in terms of mortgage credit.

(b) *Factors.* In establishing the Central Cities, Rural Areas, and Other Underserved Areas Goals, the Secretary considered the factors in 12 U.S.C. 4564(b). A statement documenting the Secretary's considerations and findings with respect to these factors, entitled "Secretarial Considerations to Establish the Central Cities, Rural Areas, and Other Underserved Areas Housing Goal," was published in the Federal Register on December 1, 1995.

(c) *Goals.* The annual goals for each GSE's purchases of mortgages on housing located in central cities, rural areas, and other underserved areas are:

(1) For 1996, 21 percent of the total number of dwelling units financed by that GSE's mortgage purchases in 1996;

(2) For each of the years 1997–99, 24 percent of the total number of dwelling units financed by that GSE's mortgage purchases in each of those years; and

(3) For 2000 and thereafter the Secretary shall establish annual goals; pending establishment of goals for 2000 and thereafter, the annual goal for each of those years shall be 24 percent of the total number of dwelling units financed by that GSE's mortgage purchases in each of those years.

(d) *Measuring performance.* The GSEs shall determine on a mortgage-by-mortgage basis, through geocoding or any similarly accurate and reliable method, whether a mortgage finances