## C. Consideration of the Factors

1 and 2. Data Submitted to the Secretary in Connection With the Special Affordable Housing Goal for Previous Years, and the Performance and Efforts of the Enterprises Toward Achieving the Special Affordable Housing Goal in Previous Years

The discussions of these two factors have been combined because they overlap to a significant degree.

a. GSE Performance Relative to the 1993–94 Goals

For the 1993–94 transition period the Special Affordable Housing Goal was established in dollar terms. FHEFSSA called for special affordable purchases of \$2.0 billion by Fannie Mae and \$1.5 billion by Freddie Mac, and the legislative history made it clear that such purchases should be "above and beyond their existing performance and commitments." <sup>1</sup> The specified amounts of the goals were evenly divided between multifamily and single family housing.

The Special Affordable Housing Goals for 1993–94 were \$12.7 billion single family and \$3.6 billion multifamily for Fannie Mae, and \$11.1 billion single family and \$0.8 billion multifamily for Freddie Mac.<sup>2</sup> Fannie Mae's qualifying mortgage purchases in 1993 and 1994 together amounted to \$16.7 billion single-family and \$4.5 billion multifamily. Thus Fannie Mae surpassed the 1993–94 single-family and multifamily portions of the goal by 32 percent and 26 percent, respectively.

Freddie Mac's qualifying mortgage purchases in 1993 and 1994 together amounted to \$12.2 billion single-family and \$495 million multifamily. Thus Freddie Mac surpassed the 1993–94 single-family goal by 10 percent but fell short on the multifamily portion of the goal by 38 percent.

b. 1993–94 GSE Performance Relative to Final Rule Special Affordable Housing Goals for 1996–1999

Owner-occupied housing. Between 1993 and 1994, both GSEs increased significantly the purchase of mortgages on owner-occupied housing that would qualify under this goal. (See Table C.1.)

Rental housing. As in the case of owner-occupied housing, between 1993 and 1994 both GSEs increased significantly the purchase of mortgages financing rental units affordable to verylow-income families. (See Table C.2.)

In this final rule, the Special Affordable Housing Goal has been broadened relative to the proposed rule, to include low-income renters in lowincome areas. This change increases the number of qualifying mortgages by 8.5 percent for Fannie Mae in 1993 and 10.2 percent in 1994, and 6.1 percent for Freddie Mac in 1993 and 6.5 percent in 1994. (See Table C.3.)

This final rule also includes as eligible all rental units affordable to low-income families in properties where at least 40 percent of the units qualify as very-low-income, or where at least 20 percent of the units qualify as especially-low-income. (Especially-lowincome means no more than 50 percent of area median.) This provision makes a difference of approximately 5,100 units in Fannie Mae's 1993 performance, and 11,600 in 1994. For Freddie Mac, there is no effect for 1993, and approximately 1,300 units for 1994. (See Table C.4.)

Summary. Table C.5 summarizes the GSEs' purchases in 1993 and 1994 that would qualify under the final rule's Special Affordable Housing Goal: Fannie Mae's and Freddie Mac's qualifying purchases in 1994 were 16.7 percent and 11.4 percent of total eligible purchases, respectively. Thus Fannie Mae would have achieved both the 1996 goal and the goal for 1997 and thereafter, and Freddie Mac would nearly have achieved the 1996 goal. BILLING CODE 4210-32-P

<sup>&</sup>lt;sup>1</sup>Senate Report, p. 36.

<sup>&</sup>lt;sup>2</sup> The 1993–94 dollar-based goals were extended on a pro-rated basis for 1995.