Impact of New Cap and Mission Rules

Examining Historical Performance and the Impact of New Rules on our Business

Research
Steve Guggenmos
(571) 382-3520
steve_guggenmos@freddiemac.com

Kevin Burke
(571) 382-4144
kevin_burke@freddiemac.com

Finance
Luis Villavicencio
(703) 714-3102
luis_villavicencio@freddiemac.com

Harinee Alegonda
(703) 714-2879
harinee_alegonda@freddiemac.com

- Multifamily volume cap rules changed for calendar year 2021. The rules stipulate that at least 50% of our business must be mission-driven. Further, a subset of the mission business must be affordable to households making 60% of the area median income (AMI) or less.
- While every year is different, and market conditions and the competitive environment are constantly changing, if we hypothetically apply the new mission rules to our 2019 and 2020 business, our analysis suggests that the mix done in those years would have met the new requirements of 50% of our business being mission.
- Applying the rule related to 60% AMI, we again find that the mix of business would have exceeded the 20% goal. Nationally, the rate was 25.4% by unpaid principal balance (UPB) in 2019 and 25.9% in 2020.
- The mix of markets that contribute to meeting the mission goals changes. Generally, less business will qualify in high-cost urban markets on the coasts, but more will count in the interior of the country.

For 2021, the Federal Housing Finance Agency (FHFA) changed multifamily loan purchase caps for Freddie Mac and Fannie Mae, and at the same time changed the definition of what is considered mission-driven business. The new rule consists of many changes, with the most broadly impactful being the change to the area median income (AMI) thresholds under which conventional units are considered mission-driven.

In regard to the new cap, total originations for Freddie Mac's and Fannie Mae's multifamily lines of business are capped at $70 billion for 2021. Each enterprise must use at least $35 billion of this cap for mission-driven business, including $14 billion for 60% AMI business volume, while the remainder can be used to finance market-rate units at any AMI level.

When these rules change, it raises questions about how it may alter the competitive environment, and whether there is a change to the risk profile of the loans that we fund. By analyzing our business in 2019 and 2020, we find that the new mission rules are not likely to materially alter our risk profile, but that some markets may see changes in volume as a result of the change in what qualifies as mission-driven. For our analysis, we primarily focus on conventional units since this market segment makes up the majority of our business. However, the inclusion rules also changed for units in rural areas, manufactured housing communities (MHCs), units in small multifamily properties, and Targeted Affordable Housing (TAH). The rules for seniors housing remained the same.

The new mission rules classify a greater portion of business as mission-driven in most markets, but the new cap rules no longer have different affordability criteria depending on markets. In the past, markets where tenants pay a relatively high proportion of their income for housing, such as New York City and

Miami, were designated as cost-burdened rental markets and had higher AMI thresholds under which units could either count as mission-driven or be excluded from the cap entirely (depending on the year).

Using the same threshold for high cost-burdened areas and low cost-burdened areas may incentivize a shift toward the lower-cost markets since a relatively lower percentage of units qualify as mission-driven business in high cost-burdened areas. In the absence of rules that account for regional differences, areas with a lower cost of living will be more likely to have units that qualify. The result is that we expect that some business will flow from higher-cost areas, such as San Francisco and Los Angeles, to lower-cost areas, such as Atlanta and Denver.

In our analysis, we examine the effect that the new cap and mission rules would have had on our 2019 and 2020 business, had these rules applied to business in those years. This is a counterfactual analysis that should be viewed as a rough gauge; in the past two years, we did not explicitly attempt to hit these goals since they were not yet in existence. Also, competition changes each year for a variety of reasons independent of the cap rules.

Classification of Mission-Driven Business

There are three methods that FHFA uses to classify business as mission-driven:

1. **Market**
    i. A unit counts as mission-driven if:
        1. It is affordable at 80% of AMI or below (any market), or
        2. It is affordable at 100% of AMI or below (rural market)
2. **TAH**
    i. A property with one or more regulatory agreements is eligible for mission-driven business.
        1. If a property has *less than* 50% of units affordable at 80% AMI or below (60% AMI for Low-Income Housing Tax Credit (LIHTC)), then 50% of the loan amount counts as mission.
        2. If a property has *at least* 50% of units affordable at 80% AMI or below (60% AMI for LIHTC), then 100% of the loan amount counts as mission.
3. **MHC**
    i. An MHC counts as mission-driven if:
        1. It has a specific combination of tenant protections identified in the Duty to Serve regulation, or
        2. It is a resident-owned or nonprofit-owned community.

The TAH inclusion criteria became more restrictive in 2021. In prior years, a TAH property qualified as mission-driven if the property had a regulatory agreement or a recorded use restriction under which at least some units have rent restrictions and are reserved for tenants at certain income levels. In this way, there was no explicit AMI limit. For 2021, an 80% AMI limit (60% AMI for LIHTC) was added to the rule.

The MHC criteria has also changed considerably, though its impact is limited to the MHC market. Instead of all MHCs being considered mission-driven, now only MHCs that receive credit under the Duty to Serve regulation receive mission credit. This change to the rule reduces the number of MHC loans qualifying for mission credit in our retrospective analysis. However, it is important to note that past performance does not necessarily predict future volume, especially since the change to the mission criteria shifts incentives for MHC business.

The most noticeable change in the volume cap rule is the market criteria. In previous years, the standard AMI threshold for mission-driven business was 60% AMI, meaning that any units that are affordable to households making 60% AMI or below would count as mission. Select markets that were considered less affordable had higher thresholds of 80% AMI (cost-burdened rental market, e.g., District of Columbia), 100% AMI (very cost-burdened rental market, e.g., Miami-Dade County, Florida) or 120% AMI (extremely cost-burdened rental market, e.g., New York County, New York).

The threshold moved to 80% AMI for all markets in 2021, eliminating the cost-burdened rental market designations. Other changes from previous years include increasing the rural AMI threshold from 80% to 100% and adjusting the AMI limit to 80% AMI for all small multifamily properties (previously, units in those properties had upward AMI adjustments based on cost-burdened rental market designation).

General Findings of 2019 and 2020 Business Using New Cap and Mission Rules

Summary

Our dataset of 2019 business contains $77.9 billion in loan origination volume.[i] Of this amount, $44.1 billion (56.5%) would have counted as mission business based on new 2021 guidance. This amount incorporates 60% AMI business within it, and this finding indicates that we would have hit the goal of $35 billion. Note that the value of $44.1 billion is based on $77.9 billion in total volume, which is not possible in 2021 given the hard cap of $70 billion. Even still, adjusted to $70 billion, we would have exceeded $35 billion since the rate exceeds 50%.

For 2020 business, our loan origination volume was $82.5 billion, of which $47.7 billion would have counted as mission business per 2021 guidance. In percentage terms, mission business would have accounted for 57.8% of our business – above the 50% threshold – implying that we would have hit the target even with a downward adjustment due to the cap constraint of $70 billion.

Exhibit 1: Yearly Mission Volume (in $Billions)

Year	Volume	Mission Volume	Mission Rate	Mission Volume (adj. for $70B cap)	Hypothetical Mission Goal	Volume Minus Goal
2019	$77.9	$44.1	56.5%	$39.6	$35	$4.6
2020	$82.5	$47.7	57.8%	$40.5	$35	$5.5

Source: Freddie Mac. All mission figures in this table are the result of counterfactual analysis and do not necessarily reflect what true mission volume amounts would have been.

Compared with the previous guidance, the new mission criteria encompass significantly more of our business. Specifically, only 39.2% and 39.6% in 2019 and 2020, respectively, counted under the rules for mission-driven business in place in both of those years.

[i] This number differs slightly from official figures since there were some exclusions based on business that does not count toward affordable housing goals.

Comparison Across Metros – 2019

Mission-driven business increased in most metro areas if we apply the 2021 guidance to 2019 volumes. Of the 294 metros areas where Freddie Mac financed loans in 2019, 189 (64.3%) of them gained mission-driven units under the new rules relative to the rules actually in existence in 2019. Gains ranged from very small (e.g., 49.0% to 50.7% in Milwaukee) to substantial (e.g., 17.0% to 87.9% in Knoxville, Tennessee). Sixty-five metros did not have any change in mission-driven business.

In 40 metros[ii], the share of business qualifying as mission-driven decreased under the 2021 rules. In most of those metros, the MHC sector was the reason for the decline, since the mission criteria for MHCs is more restrictive under the new mission rules. Mission-driven business declined in nine metros (shown in Exhibit 2) primarily due to the elimination of cost-burdened rental market designations, and those metros comprise an outsized share of total business; by UPB, 23.5% of Freddie Mac's total Multifamily business was in those nine metros and they are composed of a high number of cost-burdened rental markets.

San Francisco provides a representative example. The metro area comprises five counties, all of which are either very cost-burdened or extremely cost-burdened, which means that the AMI threshold would have been either 100% or 120% of AMI for units to count toward mission. Under the methodology in place in 2019, 75.0% of business counted as mission-driven. Using the new methodology, only 49.6% of our business in San Francisco would have counted.

Comparison Across Metros – 2020

Applying the new mission rules retrospectively, the results for 2020 largely mirror those of 2019. From our sample of 290 metros, 174 (60.0%) would have gained mission-driven business under the new rules relative to the 2020 rules. Many prominent markets would have gained large shares of mission-driven business, including Knoxville (18.2% to 90.2%), New Orleans (18.5% to 92.6%) and Dallas (30.1% to 68.4%). Sixty-three metros would not have had any change in mission-driven business.

The list of metros that would have experienced a mission-driven decline is almost identical to that of 2019, as seen in Exhibit 2. Under the 2020 mission-driven rules, these metros all had higher AMI thresholds for affordability, ranging from 100% to 120%. Capping all business at 80% AMI excludes units that would have counted at the 100% or 120% threshold, thus resulting in significantly less mission-driven business in those markets.

[ii] The list of metros can be found in the Appendix.

Exhibit 2: Change in Mission-Driven Business among Metros with Loss

Metro	Number of Counties	Number of Cost-Burdened Counties (CB/VCB/ECB-Total)		% of Mission-Driven Business by UPB (Old)		% of Mission-Driven Business by UPB (New)	
		2019	2020	2019	2020	2019	2020
Boston-Cambridge-Newton, MA-NH	7	1/3/0 – 4	1/3/1 – 5	67.6%	58.7%	51.5%	30.8%
Bridgeport-Stamford-Norwalk, CT	1	0/1/0 – 1	0/1/0 – 1	64.3%	77.6%	58.4%	35.8%
Los Angeles-Long Beach-Anaheim, CA	2	0/1/1 – 2	0/1/1 – 2	52.5%	62.1%	28.2%	29.1%
Miami-Fort Lauderdale-Pompano Beach, FL	3	2/1/0 – 3	0/3/0 – 3	22.5%	44.0%	13.5%	21.7%
New York-Newark-Jersey City, NY-NJ-PA	23	5/8/5 – 18	7/6/7 – 20	57.1%	47.6%	45.3%	32.4%
Riverside-San Bernardino-Ontario, CA	2	0/2/0 – 2	0/2/0 – 2	47.2%	53.1%	18.5%	18.8%
San Diego-Chula Vista-Carlsbad, CA	1	0/1/0 – 1	0/1/0 – 1	48.4%	58.6%	27.5%	40.1%
San Francisco-Oakland-Berkeley, CA	5	0/2/3 – 5	0/2/3 – 5	75.0%	76.4%	49.6%	50.5%
San Jose-Sunnyvale-Santa Clara, CA	2	0/2/0 – 2	–	43.4%	–	33.2%	–
Santa Maria-Santa Barbara, CA	1	–	0/1/0 – 1	–	28.6%	–	19.2%

Source: Freddie Mac. UPB amounts for each metro are in the Appendix.

Within Market Dynamics[iii]

The analysis above illustrates how at a national level, the mix of business that we financed in 2019 and 2020 would have allowed us to meet our mission goals in those years if we apply the new rules. We then illustrated that there would be a shift in what markets count. Now, we present some intramarket dynamics.

As mentioned earlier, in previous years the threshold for mission-driven business for most markets was 60%, meaning that market-rate units with rents at or below this level would count as mission. In markets where tenants tend to spend higher portions of their income on rent, the threshold was higher at either 80% AMI, 100% AMI or 120% AMI. To better understand the impact of the new universal 80% AMI threshold, we can use data from Yardi® Matrix to identify which segment of the market is being targeted.

[iii] Data in this section comes from Freddie Mac tabulations of Yardi Matrix data. This data typically only includes base rent in its rent figures, which is different than our standard method of including both rent and utilities. This is a data limitation and does not significantly alter the analysis.

In a market formerly considered standard (60% AMI threshold), the movement up to 80% AMI is significant. For example, in Atlanta, the monthly rent amount at the 60% AMI threshold was $1,233 in 2020, while the corresponding figure at 80% AMI was $1,644.

This difference translates into a substantial change in the population of units that would be classified as mission-driven. We know this not only by looking at our data, in which we observe a mission-driven business rate change from 33.6% to 72.6%, but also by comparing the rate change against properties in Yardi Matrix's database. Yardi Matrix has a larger population than our own.

At the 60% AMI threshold of $1,233 in Atlanta, 47.1% of properties would qualify as mission-driven. However, at the 80% threshold of $1,644, 87.5% of properties would count as mission. An outsized portion of this pick up comes from properties with relatively higher rents for the market and greater amenities, where the rate moves from 10.8% to 70.4%.

In a metro with some or all counties formerly considered cost-burdened rental markets, the story is quite different. In the New York metro area, there are 23 counties, including six very cost-burdened rental markets (100% AMI) and seven extremely cost-burdened rental markets (120% AMI). The median family income in New York was $96,500 in 2020, which translates to $2,413 monthly rent for 100% AMI and $2,895 monthly rent for 120% AMI.

Under the new mission rules, the threshold for extremely cost-burdened rental markets moved from 120% AMI to 80% AMI, or $1,930 per month in rent. Across all seven of those counties, there are only 188 properties (20.7%) in Yardi Matrix's database that are at or below this level, all of which have rents that are significantly below the market average. In Manhattan, only 15 properties (3.6%) are affordable at 80% AMI or below, compared with 88 properties (20.9%) at 120% or below. These findings illustrate how moving the AMI threshold can have a profound effect on which properties qualify as mission-driven.

Given the scarcity of available units in high-cost areas like Manhattan, there are likely to be fewer mission-driven units under the new rules and a material portion of the units that do qualify will likely have some form of public subsidy.

60% AMI Business Summary

Summary

In 2019, our 60% AMI business volume would have been $19.8 billion – above the $14 billion threshold. As with total mission business, we need to adjust downward based on total volume for 2021, since we have a hard cap of $70 billion. Doing so, however, would still suggest that we would hit the target. The percentage of our business at or below 60% AMI in 2019 was 25.4%, which is above the implied new threshold of 20% for 60% AMI ($14 billion / $70 billion).

In 2020, our 60% AMI business volume would have been $21.4 billion. Even when making the downward adjustment based on total volume, this amount still comfortably hits the 60% AMI mark. Specifically, $21.4 billion translates to 25.9%, which is higher than the implied 20% threshold.

Comparison Across Metros – 2019

The rate of 60% AMI business varies substantially across metros. As a general trend, more affordable metros have a higher rate of 60% AMI business, whereas less affordable metros tend to struggle in this category. For example, Minneapolis is known for being relatively affordable among major metros and had a 60% AMI rate of 31.7%. On the other hand, Miami is notorious in the industry for being unaffordable and is considered by some industry analysts to be the nation's least affordable metro. In Miami, the 60% AMI business rate is just 8.0%.

Exhibit 3 shows metros with the highest and lowest 60% AMI business rates among the top 50 metros in which Freddie Mac financed loans. Metros with the lowest 60% AMI rates (on the left side) are generally considered less affordable markets, whereas metros on the right side are all considered relatively affordable markets.

Exhibit 3: Top 50 Metros with the Highest and Lowest Rates of 60% AMI Business in 2019

Rank	Metro	60% AMI Business Rate	Rank	Metro	60% AMI Business Rate
50	Tampa-St. Petersburg-Clearwater, FL	3.1%	10	Washington-Arlington-Alexandria, DC-VA-MD-WV	43.3%
49	Orlando-Kissimmee-Sanford, FL	3.8%	9	Hartford-East Hartford-Middletown, CT	44.8%
48	Miami-Fort Lauderdale-Pompano Beach, FL	8.0%	8	Buffalo-Cheektowaga, NY	45.1%
47	Las Vegas-Henderson-Paradise, NV	8.2%	7	Austin-Round Rock-Georgetown, TX	45.3%
46	Riverside-San Bernardino-Ontario, CA	11.5%	6	Columbus, OH	45.7%
45	Salt Lake City, UT	12.2%	5	Pittsburgh, PA	47.0%
44	Nashville-Davidson--Murfreesboro--Franklin, TN	12.2%	4	Indianapolis-Carmel-Anderson, IN	51.8%
43	Denver-Aurora-Lakewood, CO	12.5%	3	Kansas City, MO-KS	58.2%
42	Portland-Vancouver-Hillsboro, OR-WA	13.1%	2	Raleigh-Cary, NC	63.2%
41	Memphis, TN-MS-AR	13.3%	1	Oklahoma City, OK	66.4%

Source: Freddie Mac

Comparison Across Metros – 2020

The trends for 2019 described above continued in 2020. Miami substantially increased its share of 60% AMI business at 19.6% by UPB, but the rate is still comparatively low. Surprisingly, some metros often considered more affordable had very low percentages of 60% AMI business. For example, San Antonio and Birmingham both had 60% AMI rates of below 20%.

The other end of the spectrum is primarily occupied by more affordable metros, such as Kansas City, Missouri (74.7%), Cincinnati (48.2%) and Indianapolis (48.1%). However, there are some surprises as well. San Francisco and Washington, D.C. ranked 12th and 15th, respectively, despite both being known as some of the most affordability-challenged markets in the nation. In addition, Urban Honolulu, which is not included in our list because it is not a top 50 market, has a very high rate of 62.6%, despite also being known as a severely rent-burdened market. These findings show that the link between low AMI business and general affordability is not always clear cut.

Exhibit 4 is the same as Exhibit 3 except that it lists top and bottom metros for 2020 instead of 2019.

Exhibit 4: Top 50 Metros with the Highest and Lowest Rates of 60% AMI Business in 2020

Rank	Metro	60% AMI Business Rate	Rank	Metro	60% AMI Business Rate
50	Tampa-St. Petersburg-Clearwater, FL	7.8%	**10**	Detroit-Warren-Dearborn, MI	43.3%
49	Riverside-San Bernardino-Ontario, CA	10.8%	**9**	St. Louis, MO-IL	43.8%
48	Las Vegas-Henderson-Paradise, NV	12.7%	**8**	Buffalo-Cheektowaga, NY	45.9%
47	Sacramento-Roseville-Folsom, CA	13.8%	**7**	Virginia Beach-Norfolk-Newport News, VA-NC	46.1%
46	Boston-Cambridge-Newton, MA-NH	14.7%	**6**	Indianapolis-Carmel-Anderson, IN	48.1%
45	Orlando-Kissimmee-Sanford, FL	15.8%	**5**	Cincinnati, OH-KY-IN	48.2%
44	Birmingham-Hoover, AL	16.9%	**4**	Providence-Warwick, RI-MA	48.5%
43	New Orleans-Metairie, LA	17.2%	**3**	Richmond, VA	53.1%
42	Phoenix-Mesa-Chandler, AZ	17.8%	**2**	Oklahoma City, OK	60.2%
41	San Antonio-New Braunfels, TX	18.8%	**1**	Kansas City, MO-KS	74.7%

Source: Freddie Mac

Conclusion

Mission-driven business has always been a core part of our business model and the new mission requirements are in line with that commitment. Indeed, our historical financing activities demonstrate that these rules do not necessitate a change in those commitments or the general risk profile of the loans we purchase to meet the broad mission-driven parameters or the 60% AMI subcategory.

However, this does not mean that there will not be a shift in composition of loans that contribute to the goals. It is still too early to tell how markets will be impacted by the new rules, but since affordability thresholds are the same across the country, metros with a higher percentage of affordable units will naturally be a greater source of mission-driven business. Conversely, it may be more difficult to find mission units in metros like Los Angeles and New York. However, we also note in our analysis that these trends are not always present, since our analysis shows that some less affordable metros have produced a high rate of 60% AMI units, and vice versa. Further, within markets the mix of what counts as mission changes as well. In any case, Freddie Mac remains firm in its commitment to provide liquidity, stability and affordability in all markets.

Links

Appendix A (2021)

Appendix A (2019-2020)

Appendix A (2018)

Appendix

List of Metros with Declines in Mission Business – 2019

Metro	Mission-Driven Business by UPB (Old)	Mission-Driven Business by UPB (New)	Change in Mission-Driven Business
Appleton, WI	$6,567,000	$3,075,000	-$3,492,000
Bay City, MI	$1,845,000	$0	-$1,845,000
Bend, OR	$34,866,642	$29,436,357	-$5,430,285
Boston-Cambridge-Newton, MA-NH	**$1,184,348,991**	**$901,971,603**	**-$282,377,387**
Bridgeport-Stamford-Norwalk, CT	**$237,638,522**	**$215,537,921**	**-$22,100,601**
Brownsville-Harlingen, TX	$4,397,708	$1,987,708	-$2,410,000
Chico, CA	$15,947,702	$12,062,702	-$3,885,000
Elkhart-Goshen, IN	$6,834,000	$0	-$6,834,000
Fond du Lac, WI	$13,016,000	$0	-$13,016,000
Grand Rapids-Kentwood, MI	$60,635,409	$60,342,571	-$292,838
Homosassa Springs, FL	$1,587,000	$0	-$1,587,000
Iowa City, IA	$2,353,000	$0	-$2,353,000
Lakeland-Winter Haven, FL	$17,772,757	$13,013,417	-$4,759,341
Lexington-Fayette, KY	$9,408,333	$3,828,333	-$5,580,000
Los Angeles-Long Beach-Anaheim, CA	**$1,941,033,166**	**$1,042,043,339**	**-$898,989,827**
Madison, WI	$35,703,875	$31,647,000	-$4,056,875
Miami-Fort Lauderdale-Pompano Beach, FL	**$483,491,127**	**$290,803,604**	**-$192,687,523**
Modesto, CA	$5,977,044	$5,140,313	-$836,731
Napa, CA	$16,596,812	$2,376,812	-$14,220,000
New York-Newark-Jersey City, NY-NJ-PA	**$3,379,660,457**	**$2,682,508,008**	**-$697,152,449**
Niles, MI	$5,838,000	$1,526,000	-$4,312,000
Orlando-Kissimmee-Sanford, FL	$251,053,433	$162,951,836	-$88,101,598
Oshkosh-Neenah, WI	$3,967,000	$0	-$3,967,000
Peoria, IL	$7,784,000	$5,808,429	-$1,975,571
Pittsburgh, PA	$165,720,510	$134,760,480	-$30,960,031

Portland-South Portland, ME	$76,786,450	$74,536,450	-$2,250,000
Reading, PA	$57,695,865	$21,290,599	-$36,405,266
Riverside-San Bernardino-Ontario, CA	**$480,200,490**	**$188,205,927**	**-$291,994,563**
San Diego-Chula Vista-Carlsbad, CA	**$520,437,203**	**$296,114,693**	**-$224,322,510**
San Francisco-Oakland-Berkeley, CA	**$826,456,218**	**$546,328,141**	**-$280,128,078**
San Jose-Sunnyvale-Santa Clara, CA	**$532,718,240**	**$407,087,291**	**-$125,630,949**
San Luis Obispo-Paso Robles, CA	$10,513,581	$6,013,581	-$4,500,000
Santa Rosa-Petaluma, CA	$28,070,594	$26,735,594	-$1,335,000
Sheboygan, WI	$8,252,000	$0	-$8,252,000
St. Cloud, MN	$11,257,579	$8,287,000	-$2,970,579
Twin Falls, ID	$1,956,000	$0	-$1,956,000
Visalia, CA	$6,319,000	$2,462,000	-$3,857,000
Waterloo-Cedar Falls, IA	$4,220,000	$1,633,000	-$2,587,000
Wausau-Weston, WI	$9,461,000	$0	-$9,461,000
Yakima, WA	$11,720,000	$0	-$11,720,000

Source: Freddie Mac. Bolded metros are those that appear in Exhibit 2.

List of Metros with Declines in Mission Business – 2020

Metro	Mission-Driven Business by UPB (Old)	Mission-Driven Business by UPB (New)	Change in Mission-Driven Business
Albany-Lebanon, OR	$19,006,786	$1,601,786	-$17,405,000
Bakersfield, CA	$17,293,944	$15,580,944	-$1,713,000
Bloomington, IN	$13,749,892	$8,463,392	-$5,286,500
Boston-Cambridge-Newton, MA-NH	**$701,628,611**	**$367,559,360**	**-$334,069,251**
Bridgeport-Stamford-Norwalk, CT	**$148,160,735**	**$68,310,107**	**-$79,850,627**
Buffalo-Cheektowaga, NY	$45,430,300	$34,534,300	-$10,896,000
Cedar Rapids, IA	$28,539,505	$10,882,505	-$17,657,000
Champaign-Urbana, IL	$11,597,000	$5,170,000	-$6,427,000
Coeur d'Alene, ID	$13,783,388	$12,667,658	-$1,115,730
Columbus, IN	$47,659,902	$21,990,902	-$25,669,000
Davenport-Moline-Rock Island, IA-IL	$55,820,911	$36,957,647	-$18,863,264
Dubuque, IA	$26,717,379	$1,637,379	-$25,080,000
Duluth, MN-WI	$5,812,000	$0	-$5,812,000
Erie, PA	$4,186,876	$2,036,876	-$2,150,000
Evansville, IN-KY	$42,637,152	$14,903,717	-$27,733,435
Farmington, NM	$14,475,000	$0	-$14,475,000
Grand Forks, ND-MN	$38,928,280	$33,417,000	-$5,511,280
Grand Junction, CO	$4,455,000	$0	-$4,455,000
Grants Pass, OR	$7,240,000	$0	-$7,240,000
Jackson, MI	$4,645,000	$0	-$4,645,000
Kankakee, IL	$4,611,000	$0	-$4,611,000
Kingston, NY	$2,789,333	$128,333	-$2,661,000
Lafayette, LA	$15,377,663	$14,441,000	-$936,663
Lakeland-Winter Haven, FL	$77,889,942	$52,644,781	-$25,245,161
Las Cruces, NM	$19,689,000	$3,562,000	-$16,127,000
Longview, WA	$17,854,000	$1,787,000	-$16,067,000
Los Angeles-Long Beach-Anaheim, CA	**$2,342,266,617**	**$1,095,711,362**	**-$1,246,555,255**
Miami-Fort Lauderdale-Pompano Beach, FL	**$879,825,408**	**$433,093,601**	**-$446,731,807**
Morristown, TN	$4,425,268	$1,670,000	-$2,755,268
Muskegon, MI	$5,946,306	$5,840,162	-$106,144
New York-Newark-Jersey City, NY-NJ-PA	**$3,138,947,935**	**$2,134,016,490**	**-$1,004,931,445**

Norwich-New London, CT	$2,925,000	$0	-$2,925,000
Ocala, FL	$3,120,000	$0	-$3,120,000
Owensboro, KY	$4,995,000	$0	-$4,995,000
Oxnard-Thousand Oaks-Ventura, CA	$104,132,904	$83,120,904	-$21,012,000
Peoria, IL	$42,083,000	$24,886,000	-$17,197,000
Poughkeepsie-Newburgh-Middletown, NY	$67,775,535	$63,440,535	-$4,335,000
Providence-Warwick, RI-MA	$97,879,439	$92,514,744	-$5,364,695
Redding, CA	$2,110,000	$0	-$2,110,000
Riverside-San Bernardino-Ontario, CA	**$772,115,274**	**$273,672,247**	**-$498,443,028**
Salem, OR	$61,654,619	$30,874,082	-$30,780,537
San Diego-Chula Vista-Carlsbad, CA	**$745,890,795**	**$510,138,994**	**-$235,751,801**
San Francisco-Oakland-Berkeley, CA	**$739,318,899**	**$488,688,482**	**-$250,630,417**
San Jose-Sunnyvale-Santa Clara, CA	$349,999,528	$336,480,298	-$13,519,231
Santa Cruz-Watsonville, CA	$8,831,932	$6,903,932	-$1,928,000
Santa Maria-Santa Barbara, CA	**$21,591,233**	**$14,464,955**	**-$7,126,278**
Santa Rosa-Petaluma, CA	$64,913,632	$33,294,632	-$31,619,000
Seattle-Tacoma-Bellevue, WA	$1,031,100,547	$1,022,643,657	-$8,456,890
Sioux City, IA-NE-SD	$22,864,019	$13,816,949	-$9,047,070
Syracuse, NY	$20,623,000	$19,065,000	-$1,558,000
Tuscaloosa, AL	$7,752,000	$0	-$7,752,000
Twin Falls, ID	$4,290,000	$0	-$4,290,000
Wichita, KS	$18,430,759	$15,375,189	-$3,055,569

Source: Freddie Mac. Bolded metros are those that appear in Exhibit 2.