U.S. DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT
WASHINGTON, DC 20410-8000

OFFICE OF HOUSING

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MEMORANDUM FOR: All Section 542(b) Small Buildings Risk Sharing Lender Applicants

FROM: Benjamin T. Metcalf, Deputy Assistant Secretary for Multifamily Housing Programs, HT

SUBJECT: Small Buildings Risk Sharing (SBRS) Initiative Frequently Asked Questions (FAQs)

On July 16, 2015, the Department announced the opening of the Small Buildings Risk Sharing (SBRS) Initiative. SBRS is intended to increase the supply and preservation of small properties that face significant obstacles accessing fixed rate, low cost long-term financing. One of the objectives of SBRS is to attract new lenders to an underserved segment of the market with the inclusion of high capacity CDFIs and other public or quasi-public agencies to the Risk Sharing program. Additionally, in January 2016 approved MAP lenders may also apply to participate. SBRS will utilize the existing Risk Sharing program platform that allows delegated processing, decision making, and closing procedures to enhance the delivery of affordable housing in local markets.

Since the Initiative opened on July 16, 2015, Multifamily (MF) has participated in several calls with stakeholder groups and individual lenders which offered the opportunity to clarify SBRS guidelines. The following is a summary of recent frequently asked questions and Multifamily's responses. These clarify but do not supersede or replace the terms of SBRS as published in the Federal Register.

Frequently Asked Questions (FAQs)

What projects are eligible to participate in the SBRS Initiative?

Eligible properties are five (5) or more units. Financing of an existing property without rehabilitation is permitted as long as the needs in a Capital Needs Assessment are addressed by immediate capital improvements and/or adequate reserves. Refinance or purchase transactions without substantial rehabilitation are 'insured upon completion' only.

Projects must qualify as affordable housing, consistent with the Section 42 Low Income Housing Tax Credit (LIHTC) program: 20 percent of the units restricted to households at 50 percent AMI, or 40 percent of the units restricted to households at 60 percent MI.

Does SBRS intend for the Capital Needs Assessment to include an estimate of the property's needs for the life of the loan up to a term of 40 years?

No, SBRS is not requiring a Capital Needs Assessment (CNA) to estimate the property's needs for 40 years. However, the assessment should generally be for the lesser of 20 years, or two years plus the term of the Risk Sharing loan. Lenders should provide their proposed standards for CNAs, and indicate in their underwriting and servicing guidelines how they will adequately provide for the project's physical needs.

Is there a specific affordability requirement that requires 20 percent at 50 percent AMI, or 40 percent at 60 percent AMI of the units of each size (e.g., 1 bedroom, 2 bedrooms) must meet tenant income and rent standards?

HUD will accept the following standards. Lenders must provide the standard(s) it proposes to use in its underwriting and servicing standards in its application to HUD.

- Either 20 percent of the units of <u>every size</u> must be affordable at 50 percent AMI; or 40 percent of the units of every size must be affordable at 60 percent AMI; or

- Either 20 percent of the units, containing at least 20 percent of the <u>total bedrooms</u> in the property, must be affordable at 50 percent AMI; or 40 percent of the units, containing at least 40 percent of the <u>total bedrooms</u> in the property, must be affordable at 60 percent AMI.

  Consistent with LIHTC policy, an efficiency unit is treated as 2/3 of a bedroom; or

- Either 20 percent of the units, containing at least 20 percent of the <u>total residential floor area</u> of the property must be affordable at 50 percent AMI; or 40 percent of the units, containing at least 40 percent of the <u>total residential floor area</u> of the property must be affordable at 60 percent AMI.

What underwriting standards will be used?

Lenders largely use their own underwriting standards, asset management and servicing policies as disclosed and approved by HUD in its application to the Risk Sharing Program and in accordance with SBRS program standards.

Is new construction permitted?

No, SBRS Initiative is a preservation initiative. Refinance, moderate rehabilitation, and substantial rehabilitation are eligible uses. As noted above, a refinance without substantial rehabilitation may only be 'insured upon completion.' Substantial rehabilitation loans may be 'insured upon completion' or 'insured advances.' Construction "take-outs" after projects achieve stabilization are eligible.

Are there specific property stabilization standards?

Lenders should provide their stabilization standards for substantial rehabilitation, and existing refinance/moderate rehabilitation in its application to HUD. An example of an acceptable standard for a construction take-out loan is 6 months sustaining occupancy and breakeven operations. If a lender is proposing a different standard for certain types of projects, other than the SBRS standard of 93 percent occupancy, this should be proposed to HUD in its application.

What is the definition of substantial rehabilitation?

Substantial rehabilitation is defined as "any scope of work that either a) Exceeds in aggregate cost a sum equal to the 'base per dwelling unit limit' times the applicable 'High Cost Factor', or b) Replacement of two or more building systems. 'Replacement' is when the cost of replacement work exceeds 50 percent of the cost of replacing the entire system. The base limit will be adjusted annually based on the percentage change published by the Consumer Financial Protection Bureau, or other inflation cost index published by HUD."

The 2015 base per dwelling unit is $15,000. Refer to the chart attached to this document for applicable 'High Cost Factors' based on the location of the property.

Would the Department consider different 'equity take-out' or cash-out guidelines so that the constraint is based on the property's loan to value?

The SBRS standard for equity take-outs is that the amount of 'cash out' to the owner cannot exceed the scope of work paid for by the Risk Sharing loan proceeds, and the project's physical needs must be met through the scope work or adequate reserves. However, Multifamily is favorably inclined to consider waiver requests to this standard to allow equity take-outs on loans up to 80 percent loan to value, and with assurance that all current and anticipated physical needs of the property that are identified by the CNA are adequately addressed through rehabilitation and/or funded reserve accounts. Lenders should provide the standards it would use in its application package to HUD for consideration.

What is the maximum loan amount?

Loan amounts are limited to $3,000,000 or $5,000,000 in 'High Cost Areas' as designated by HUD. For the purpose of establishing the maximum loan amount <u>solely</u> in SBRS, properties located in areas with a 'High Cost Factor' of 200 or higher are eligible for loan amounts up to $5,000,000. Refer to the chart attached to this document for applicable areas.

Can the SBRS loan be assumed?

Yes, the SBRS loan may be assumed, subject to the QPE's approval of the property purchaser. All SBRS program requirements, including affordability restrictions, remain and continue to be the obligation of the purchaser assuming the SBRS loan.

What will the Mortgage Insurance Premium (MIP) be?

FHA will charge 25 basis points for the Mortgage Insurance Premium fee. The Risk Sharing lender may charge a spread that is in line with market and compensates them for the risk.

Who is responsible for asset management and loan servicing?

Asset management and loan servicing functions are the responsibility of the lender.

What are HUD's tenant income and rent compliance monitoring standards?

A lender will provide its compliance and servicing policies and procedures to HUD for review/approval in its application. Lenders may rely on certifications from building owners. HUD is not requiring lenders to annually income/rent certify its projects. Refer to 'Program Details', pages 23-25.

Can QPE lenders utilize 'sub-servicing partnerships'?

Yes, QPEs may contract its servicing; however HUD's Risk Sharing Agreement is solely with the QPE. The QPE may not sell or assign the loan. Refer to 'Program Details', Part VI, page 26.

Which office will process loan applications?

Loan applications for firm approval (commitment) are processed in HUD's Regional/Satellite office in the geographical area where the property is located.

What is the time frame for HUD to review a complete loan application package, and assuming no deficiencies, issue a firm approval (commitment) letter?

HUD's local office will issue its approval in 30 days.

What does HUD review in order to issue its firm approval (commitment) letter?

The SBRS lender underwrites the loan and makes the credit decision. HUD is responsible for certain limited reviews. Lenders will submit a "Request for HUD-retained reviews" which includes reviews of:

- Previous Participation of Principals (2530s) - principals of the mortgagor, general contractor, consultant or management agent in accordance with the Previous Participation and Clearance Review Procedures of 24 CFR part 200.210 through 200.218.
- Environmental review - to determine compliance with the requirements of the National Environmental Policy Act of 1969 and related laws and authorities, HUD's local office will visit each project site, and prepare the applicable environmental reviews as set forth in 24 CFR part 50.
- Intergovernmental review and a subsidy layering review.

What happens in the event of a claim?

Upon filing of a claim, HUD pays 100 percent of the unpaid principal balance plus interest at the mortgage note rate from the date of default to the date of the initial claim payment upfront. The lender issues a 5-year debenture to HUD, and has up to 5 years to reach final settlement and share 50/50 in the profit or loss with HUD.

What is the application process and criteria for lenders to participate in SBRS?

The SBRS application process has two stages, "Pre-Qualification" and "Final Application", and is described in "Application Requirements" which is on HUD's website. The link is: http://portal.hud.gov/hudportal/HUD?src=/program_offices/housing/mfh/progdesc/progsec542b.

In order to participate in any of FHA's insurance programs, lenders must be approved by FHA, and some of the criteria for that approval may be the same as the criteria in order to qualify for SBRS, but these are two separate processes/approvals. It is important to note that SBRS has two categories of lenders: "Mission Based" and "Private" (or MAP) lenders and the approval process is slightly different. Because MAP lenders are already approved FHA lenders, there is no need for these lenders to be approved again by FHA.

"Mission Based" SBRS applicants will need to apply for FHA approval, but are not required to have this approval when they submit a "Pre-Qualification" application to SBRS. However, Mission Based/CDFI applicants must verify submission of a complete FHA lender application as part their SBRS "Final Application." FHA classifies approved mortgagees based on the functions it will perform and organization type. Mission Based/CDFI lenders must be approved as "FHA Non-supervised Mortgagees." Details are in Handbook 4060.1, Rev-2 at: http://portal.hud.gov/hudportal/HUD?src=/program_offices/administration/hudclips. An FHA Lender Approval Application, Form 92001-A, can be downloaded from HUD's website at: http://portal.hud.gov/hudportal/documents/huddoc?id=92001-a.pdf. Additional requirements for FHA Lender applications are on HUD's website: http://portal.hud.gov/hudportal/HUD?src=/program_offices/housing/sfh/lender/lendappr.

What is the 'affordable' lending experience lenders must meet in order to qualify under SBRS? Would a lender's experience making loans in 'naturally' affordable areas be considered?

SBRS lenders must have demonstrable experience lending under regulatory frameworks with income and/or rent restrictions that require compliance reviews such as in the LIHTC program. However, multifamily lending under other federal or state programs with similar restrictive covenants such as CDBG, HOME, Section 8, or USDA Rural Housing would qualify.

SBRS added several financial capacity requirements in the Final Notice. Is there an alternate means to qualify if the lender cannot meet the minimum net asset ratio (NAR) or does not have an AERIS/CARS or similar rating from a nationally recognized rating agency?

The financial capacity standards are that "QPEs must either have a minimum net worth of $7.5 million and a 20 percent net asset ratio, or have a minimum net worth of $7.5 million and a CAMELS composite rating of 1 or 2 under the Uniform Financial Institutions Rating System (UFIRS) or equivalent nationally recognized rating system." An example of an alternate rating is a rating from AERIS/CARS.

SBRS lenders (QPEs) are not required to have additional reserves so long as it meets these minimum standards. If the lender cannot meet these requirements, it must establish a dedicated reserve in the initial amount of $500,000 and thereafter it must be computed on the basis of all Risk Sharing loans in the lender's portfolio.

What is the Federal Financing bank (FFB)?

The FFB is a government corporation, under the general supervision and direction of the Secretary of the Treasury, created by Congress to help Federal agencies efficiently finance their programs at the lowest cost to the taxpayer and to fund any obligation that is fully guaranteed by another Federal agency.

Will the FFB financing increase the burden to the taxpayer?

No, FFB financing relies entirely on the full faith and credit guarantee provided by the Federal Housing Administration and exposes the taxpayer to no further real estate risk.

Will conventional private lenders that currently have access to Ginnie Mae be eligible to access FFB capital?

All SBRS lenders (QPEs) that meet the qualifications under SBRS are expected to be eligible to access FFB financing for SBRS loans. However, loans originated under SBRS may not, by statute, be securitized through Ginnie Mae. Conventional MAP lenders will continue to have access to Ginnie Mae securitization for non-SBRS loans insured under 'traditional' full insurance FHA programs. MAP lenders may utilize FFB financing solely for loans insured under the SBRS Initiative. MAP loans and Risk Sharing loans are separate and distinct programs.

Are SBRS lenders required to utilize FFB capital?

No, SBRS lenders may finance loans without FFB. There will be two separate Risk Sharing Agreements (RSAs): one for non-FFB Risk Sharing loans, and one for FFB Risk Sharing loans. Lenders will execute one or both Risk Sharing Agreements that will assume either FFB financing or loans insured without FFB as a source of capital.

Will FFB financed loans have lock-out provisions and prepayment penalties?

FFB is considering several different SBRS loan structures on which to base its pricing. These options include loans with and without various prepayment penalties and lockout periods for fully amortizing 30 and 40 year terms, and the 15 year balloon, with a 30 year amortization.

Will 'regular' SBRS (or non-FFB) loans have a prepayment penalty?

No, SBRS does not impose prepayment penalties.

Small Buildings Risk Sharing (SBRS)

HIGH COST AREAS: designate the areas in which SBRS loan amounts may be $5,000,000. Areas with a High Cost Factor of 200 or higher are designated "High Cost Areas" in the Small Buildings Risk Sharing (SBRS) Initiative.

HIGH COST FACTORS: determine in part, whether a SBRS loan scope of work constitutes a 'substantial rehabilitation' loan. Substantial rehabilitation is: any scope of work that either a) Exceeds in aggregate cost a sum equal to the 'base per dwelling unit limit' times the applicable High Cost Factor, OR b) Replacement of two or more building systems*. 'Replacement' is when the cost of replacement work exceeds 50 percent of the cost of replacing the entire system. The 2015 base limit of $15,000 may be adjusted annually based on the percentage change published by the Consumer Financial Protection Bureau, or other inflation cost index published by HUD. *Refer to draft 2015 MAP Guide, Ch. 5 for definition of building systems.

Region	State	County	High Cost Factor
Northeast	Connecticut	ALL	270%
	Delaware	ALL	270%
	Maine	ALL	270%
	Maryland	ALL	270%
	Massachusetts	ALL	270%
	New Hampshire	ALL	270%
	New Jersey	ALL	270%
	New York	ALL	270%
	Pennsylvania	ALL	270%
	Rhode Island	ALL	270%
	Vermont	ALL	270%
	Virginia	ALL	265%
	West Virginia	ALL	270%
	Washington D.C.	ALL	270%
Southeast	Alabama	ALL	221%
	Florida	See separate tab	
	Georgia	ALL	258%
	Kentucky	ALL	245%
	Mississippi	ALL	217%
	North Carolina	ALL	239%
	South Carolina	ALL	244%
	Tennessee	See separate tab	
	Puerto Rico	ALL	270%
	U.S. Virgin Islands	ALL	405%
Midwest	Illinois	ALL	270%
	Indiana	ALL	251%
	Michigan	See separate tab	
	Minnesota	ALL	270%
	Ohio	See separate tab	
	Wisconsin	ALL	270%
Southwest	Arkansas	ALL	217%
	Iowa	ALL	217%
	Kansas	ALL	238%
	Louisiana	See separate tab	
	Missouri	ALL	270%
	Nebraska	ALL	228%
	New Mexico	ALL	247%
	Oklahoma	See separate tab	
	Texas	See separate tab	
West	Alaska	ALL	405%
	Arizona	ALL	254%
	California	ALL	270%
	Colorado	ALL	270%
	Hawaii	ALL	405%
	Idaho	ALL	270%
	Montana	ALL	251%
	Nevada	ALL	270%
	North Dakota	ALL	248%
	Oregon	ALL	270%
	South Dakota	ALL	234%
	Utah	ALL	266%
	Washington	ALL	270%
	Wyoming	ALL	261%

Production Region	County	High Cost Factor
Jacksonville, FL	Escambia	250%
	Santa Rosa	250%
	Okaloosa	250%
	Walton	250%
	Holmes	250%
	Washington	250%
	Jackson	250%
	Bay	250%
	Calhoun	250%
	Gulf	250%
	Gadsden	250%
	Liberty	250%
	Franklin	250%
	Wakulla	250%
	Leon	250%
	Jefferson	250%
	Madison	250%
	Taylor	250%
	Dixie	250%
	Lafayette	250%
	Suwannee	250%
	Hamilton	250%
	Columbia	250%
	Gilchrist	250%
	Levy	250%
	Baker	250%
	Union	250%
	Bradford	250%
	Alachua	250%
	Marion	250%
	Putnam	250%
	Clay	250%
	Duval	250%
	Nassau	250%
	St. Johns	250%
	Flagler	250%

Production Region	County	High Cost Factor
Miami, FL	Charlotte	256%
	Glades	256%
	Martin	256%
	Palm Beach	256%
	Hendry	256%
	Lee	256%
	Collier	256%
	Broward	256%
	Monroe	256%
	Miami-Dade	256%

Production Region	County	High Cost Factor
Tampa, FL	Citrus	268%
	Sumter	268%
	Lake	268%
	Volusia	268%
	Seminole	268%
	Orange	268%
	Brevard	268%
	Osceola	268%
	Polk	268%
	Hernando	268%
	Pasco	268%
	Hillsborough	268%
	Pinellas	268%
	Manatee	268%
	Sarasota	268%
	Desoto	268%
	Hardee	268%
	Highlands	268%
	Okeechobee	268%
	Indian River	268%
	St. Lucie	268%

Production Region	Parish	High Cost Factor	Production Region	Parish	High Cost Factor
New Orleans, LA		221%	Shreveport, LA		216%

Production Region	County	High Cost Factor	Production Region	County	High Cost Factor	Production Region	County	High Cost Factor
Detroit, MI	Monroe	270%	Grand Rapids, MI	Berrien	246%	Grand Rapids, MI	Alger	246%
	Lewanee	270%		Cass	246%		Delta	246%
	Washtenaw	270%		St. Joseph	246%		Menomine	246%
	Wayne	270%		Branch	246%		Dickinson	246%
	Macomb	270%		Hillsdale	246%		Marquette	246%
	Oakland	270%		Jackson	246%		Baraga	246%
	Livingston	270%		Calhoun	246%		Iron	246%
	Shiawassee	270%		Kalamazoo	246%		Houghton	246%
	Genesee	270%		Van Buren	246%		Ontonagor	246%
	Lapeer	270%		Allegan	246%		Gogebic	246%
	Sanilac	270%		Barry	246%		Keneenaw	246%
	Huron	270%		Eaton	246%			
	Tuscola	270%		Ongham	246%			
	Saginaw	270%		Cliton	246%			
	Bay	270%		Ionia	246%			
	Midland	270%		Kent	246%			
	Gladwin	270%		Ottawa	246%			
	Arenac	270%		Muskegon	246%			
	Ogemaw	270%		Oceana	246%			
	Iosco	270%		Newaygo	246%			
	Alcona	270%		Montcalm	246%			
	Oscoda	270%		Mecosta	246%			
	Montmorency	270%		Gratiot	246%			
	Presque Isle	270%		Isabella	246%			
	St. Clair	270%		Clare	246%			
				Osceola	246%			
				Lake	246%			
				Mason	246%			
				Manistee	246%			
				Wexford	246%			
				Missaukee	246%			
				Roscommon	246%			
				Crawford	246%			
				Kalkaska	246%			
				Grand Traverse	246%			
				Benzie	246%			
				Leelanau	246%			
				Antrim	246%			
				Otsego	246%			
				Cheboygan	246%			
				Charlevoix Emmet	246%			
				Mackinac	246%			
				Chippewa	246%			
				Luce	246%			

Production Region	County	High Cost Factor	Production Region	County	High Cost Factor	Production Region	County	High Cost Factor
Cincinnati, OH*		245%	Cleveland, OH	Williams	270%	Columbus, OH	Paulding	256%
				Fulton	270%		Putnam	256%
				Lucas	270%		Van Wert	256%
				Defiance	270%		Allen	256%
*Counties in Cincinnati's jurisdiction				Henry	270%		Mercer	256%
have been absorbed by Columbus				Wood	270%		Auglaize	256%
				Hancock	270%		Hardin	256%
				Wyandot	270%		Marion	256%
				Crawford	270%		Logan	256%
				Seneca	270%		Union	256%
				Sandusky	270%		Delaware	256%
				Ottawa	270%		Morrow	256%
				Erie	270%		Knox	256%
				Huron	270%		Licking	256%
				Richland	270%		Coshocton	256%
				Ashland	270%		Muskingum	256%
				Lorain	270%		Guernsey	256%
				Cuyahoga	270%		Noble	256%
				Medina	270%		Belmot	256%
				Wayne	270%		Monroe	256%
				Holmes	270%		Washington	256%
				Tuscarawas	270%		Morgan	256%
				Stark	270%		Perry	256%
				Summit	270%		Fairfield	256%
				Lake	270%		Franklin	256%
				Geauga	270%		Madison	256%
				Portage	270%		Clark	256%
				Ashatabula	270%		Champaign	256%
				Trumbull	270%		Miami	256%
				Mahoning	270%		Shelby	256%
				Columbiana	270%		Darke	256%
				Carroll	270%		Preble	256%
				Jefferson	270%		Montgomery	256%
				Harrison	270%		Butler	256%
							Hamilton	256%
							Warren	256%
							Greene	256%
							Clermont	256%
							Brown	256%
							Clinton	256%
							Fayette	256%
							Highland	256%
							Adams	256%
							Scioto	256%
							Pike	256%
							Ross	256%
							Pickaway	256%
							Hocking	256%
							Vinton Jackso	256%
							Lawrence	256%
							Gallia	256%
							Meigs	256%
							Athens	256%

Production Region	County	High Cost Factor	Production Region	County	High Cost Factor
Oklahoma City, OK	Alfalfa	230%	Tulsa, OK	Adair	226%
	Beaver	230%		Atoka	226%
	Beckham	230%		Bryan	226%
	Blaine	230%		Cherokee	226%
	Caddo	230%		Choctaw	226%
	Canadian	230%		Coal	226%
	Carter	230%		Craig	226%
	Cimmaron	230%		Creek	226%
	Cleveland	230%		Delaware	226%
	Comanche	230%		Haskell	226%
	Cotton	230%		Hughes	226%
	Custer	230%		Latimer	226%
	Dewey	230%		LeFlore	226%
	Ellis	230%		Mayes	226%
	Garfield	230%		McCurtain	226%
	Garvin	230%		McIntosh	226%
	Grady	230%		Muskogee	226%
	Grant	230%		Nowata	226%
	Greer	230%		Okfuskee	226%
	Harmon	230%		Okmulgee	226%
	Harper	230%		Osage	226%
	Jackson	230%		Ottawa	226%
	Jefferson	230%		Pawnee	226%
	Johnston	230%		Pittsburg	226%
	Kay	230%		Pushmataha	226%
	Kingfisher	230%		Rogers	226%
	Kiowa	230%		Sequoyah	226%
	Lincoln	230%		Tulsa	226%
	Logan	230%		Wagoner	226%
	Love	230%		Washington	226%
	Major	230%			
	Marshall	230%			
	McClain	230%			
	Murray	230%			
	Noble	230%			
	Oklahoma	230%			
	Payne	230%			
	Pontotoc	230%			
	Pottawatomie	230%			
	Roger Mills	230%			
	Seminole	230%			
	Stephens	230%			
	Texas	230%			
	Tillman	230%			
	Washita	230%			
	Woods	230%			
	Woodward	230%			

Production Region	County	High Cost Factor	Production Region	County	High Cost Factor	Production Region	County	High Cost Factor
Knoxville, TN	Pickett	227%	Memphis, TN	Lake	219%	Nashville, TN	Stewart	223%
	Fentress	227%		Orion	219%		Montgomery	223%
	Cumberland	227%		Weakley	219%		Robertson	223%
	Bledsoe	227%		Henry	219%		Sumner	223%
	Sequatchee	227%		Benton	219%		Macon	223%
	Grundy	227%		Carroll	219%		Clay	223%
	Marion	227%		Gibson	219%		Overton	223%
	Hamilton	227%		Dyer	219%		Jackson	223%
	Bradley	227%		Lauderdale	219%		Smith	223%
	Polk	227%		Crockett	219%		Trousdale	223%
	Monroe	227%		Madison	219%		Wilson	223%
	Blount	227%		Henderson	219%		Davidson	223%
	Sevier	227%		Decatur	219%		Cheatham	223%
	Cocke	227%		Haywood	219%		Dockson	223%
	Greene	227%		Tipton	219%		Houston	223%
	Unicoi	227%		Shelby	219%		Humphreys	223%
	Carter	227%		Fayette	219%		Perry	223%
	Johnson	227%		Hardeman	219%		Hickman	223%
	Sullivan	227%		Chester	219%		Williamson	223%
	Washington	227%		McNairy	219%		Rutherford	223%
	Hawkins	227%		Hardin	219%		Cannon	223%
	Hamblin	227%					Dekalb	223%
	Brainger	227%					Putnam	223%
	Hancock	227%					White	223%
	Claiborne	227%					Van Buren	223%
	Union	227%					Warren	223%
	Knox	227%					Coffee	223%
	Loudon	227%					Bedford	223%
	McMinn	227%					Marshall	223%
	Weigs	227%					Maury	223%
	Rhea	227%					Lewis	223%
	Roane	227%					Wayne	223%
	Anderson	227%					Lawrence	223%
	Campbell	227%					Giles	223%
	Scott	227%					Lincoln	223%
	Morgan	227%					Moore	223%
							Franklin	223%

Production Region	County	High Cost Factor	Production Region	County	High Cost Factor	Production Region	County	High Cost Factor	Production Region	County	High Cost Factor
Dallas, TX	Anderson	217%	Dallas, TX	Donley	217%	Dallas, TX	Jack	217%	Dallas, TX	Randall	217%
Fort Worth, TX	Andrews	217%	Fort Worth, TX	Eastland	217%	Fort Worth, TX	Jeff Davis	217%	Fort Worth, TX	Reagan	217%
	Archer	217%		Ector	217%		Jones	217%		Red River	217%
	Armstrong	217%		El Paso	217%		Johnson	217%		Reeves	217%
	Bailey	217%		Ellis	217%		Kaufman	217%		Roberts	217%
	Baylor	217%		Erath	217%		Kent	217%		Rockwall	217%
	Bell	217%		Falls	217%		Kimble	217%		Runnels	217%
	Borden	217%		Fannin	217%		King	217%		Rusk	217%
	Bosque	217%		Fisher	217%		Knox	217%		San Saba	217%
	Bowie	217%		Floyd	217%		Lamar	217%		Schleicher	217%
	Brewster	217%		Foard	217%		Lamb	217%		Scurry	217%
	Briscoe	217%		Franklin	217%		Lampasas	217%		Shackelforc	217%
	Brown	217%		Freestone	217%		Limestone	217%		Sherman	217%
	Callahan	217%		Gaines	217%		Lipscomb	217%		Smith	217%
	Camp	217%		Garza	217%		Loving	217%		Somervell	217%
	Carson	217%		Glascock	217%		Lubbock	217%		Stephens	217%
	Cass	217%		Gray	217%		Lynn	217%		Sterling	217%
	Castro	217%		Grayson	217%		Marion	217%		Stonewall	217%
	Cherokee	217%		Gregg	217%		Martin	217%		Sutton	217%
	Childress	217%		Hale	217%		Mason	217%		Swisher	217%
	Clay	217%		Hall	217%		McCulloch	217%		Tarrant	217%
	Cochran	217%		Hamilton	217%		McLennan	217%		Taylor	217%
	Collin	217%		Hansford	217%		Menard	217%		Terrell	217%
	Collingsworth	217%		Hardeman	217%		Midland	217%		Terry	217%
	Cooke	217%		Harrison	217%		Milam	217%		Throckmori	217%
	Coleman	217%		Hartley	217%		Mills	217%		Titus	217%
	Comanche	217%		Haskell	217%		Mitchell	217%		Tom Green	217%
	Concho	217%		Hemphill	217%		Montague	217%		Upshur	217%
	Cooke	217%		Henderson	217%		Moore	217%		Upton	217%
	Cottle	217%		Hill	217%		Morris	217%		Van Zandt	217%
	Coryell	217%		Hockley	217%		Motley	217%		Ward	217%
	Crane	217%		Hood	217%		Navarro	217%		Wheeler	217%
	Crockett	217%		Hopkins	217%		Nolan	217%		Wichita	217%
	Crosby	217%		Howard	217%		Ochiltree	217%		Wilbarger	217%
	Culberson	217%		Hudspeth	217%		Palo Pinto	217%		Winkler	217%
	Dallam	217%		Hunt	217%		Panola	217%		Wise	217%
	Dallas	217%		Hutchinson	217%		Parker	217%		Wood	217%
	Dawson	217%		Irion	217%		Parmer	217%		Yoakum	217%
	Deaf Smth	217%					Pecos	217%		Young	217%
	Delta	217%					Potter	217%			
	Denton	217%					Presidio	217%			
	Dickens	217%					Rains	217%			

Production Region	County	High Cost Factor
Houston, TX	Angelina	213%
	Austin	213%
	Brazoria	213%
	Brazos	213%
	Burleson	213%
	Chambers	213%
	Colorado	213%
	Fort Bend	213%
	Galveston	213%
	Grimes	213%
	Hardin	213%
	Harris	213%
	Houston	213%
	Jasper	213%
	Jefferson	213%
	Leon	213%
	Liberty	213%
	Madison	213%
	Matagorda	213%
	Montgomery	213%
	Nacodoches	213%
	Newton	213%
	Orange	213%
	Polk	213%
	Robertson	213%
	Sabine	213%
	San Augustine	213%
	San Jacinto	213%
	Shelby	213%
	Trinity	213%
	Tyler	213%
	Walker	213%
	Waller	213%
	Washington	213%
	Wharton	213%

Production Region	County	High Cost Factor
Lubbock, TX*		209%

* Part of Dallas/Fort Worth

Production Region	County	High Cost Factor
San Antonio, TX	Aransas	193%
	Atascosa	193%
	Bandera	193%
	Bastrop	193%
	Bee	193%
	Bexar	193%
	Blanco	193%
	Brooks	193%
	Burnet	193%
	Caldwell	193%
	Calhoun	193%
	Cameron	193%
	Comal	193%
	DeWitt	193%
	Dimmit	193%
	Duval	193%
	Edwards	193%
	Fayette	193%
	Frio	193%
	Gillespie	193%
	Goliad	193%
	Gonzales	193%
	Guadalupe	193%
	Hays	193%
	Hidalgo	193%
	Jackson	193%
	Jim Hogg	193%
	Jim Wells	193%
	Karnes	193%
	Kendall	193%
	Kenedy	193%
	Kerr	193%
	Kinney	193%
	Kleberg	193%
	La Salle	193%
	Lavaca	193%
	Lee	193%
	Live Oak	193%
	Llano	193%
	Maverick	193%
	McMullen	193%
	Medina	193%
	Nueces	193%

Production Region	County	High Cost Factor
San Antonio, TX	Real	193%
	Refugio	193%
	San Patricic	193%
	Starr	193%
	Travis	193%
	Uvalde	193%
	Val Verde	193%
	Victoria	193%
	Webb	193%
	Willacy	193%
	Williamson	193%
	Wilson	193%
	Zapata	193%
	Zavala	193%