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Part IV

Department of Housing and Urban Development

**Section 8 Housing Assistance Payments
Program—Contract Rent Annual
Adjustment Factors, Fiscal Year 2007;
Notice**

DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT

[Docket No. FR-5031-N-03]

Section 8 Housing Assistance Payments Program—Contract Rent Annual Adjustment Factors, Fiscal Year 2007

AGENCY: Office of the Secretary, HUD.

ACTION: Notice of Revised Contract Rent Annual Adjustment Factors.

SUMMARY: This notice announces revised Annual Adjustment Factors (AAFs) that are applied to Section 8 contract rents for specific programs. These factors are applied at Housing Assistance Payment (HAP) contract anniversaries for those calendar months commencing after the effective date of this notice. The AAFs are based on residential rent and utilities time-series cost indices from the Bureau of Labor Statistics Consumer Price Index (CPI) surveys.

DATES: *Effective Date:* February 1, 2007.

FOR FURTHER INFORMATION CONTACT: David Vargas, Senior Advisor, Housing Voucher Management and Operations Division, Office of Public Housing and Voucher Programs, (202) 708-0477 can respond to questions relating to the Section 8 Voucher, Certificate, and Moderate Rehabilitation programs; Mark Johnston, Office of Special Needs Assistance Programs, Office of Community Planning and Development, (202) 708-1234 for questions regarding the Single Room Occupancy Moderate Rehabilitation program; Willie Spearmon, Director, Office of Housing Assistance and Grant Administration, Office of Housing, (202) 708-3000, for questions relating to all other Section 8 programs. Marie L. Lihn, Economic and Market Analysis Division, Office of Policy Development and Research (202) 708-0590, is the contact for technical information regarding the development of the factors for specific areas or the methods used for calculating the AAFs. Mailing address for above persons: Department of Housing and Urban Development, 451 Seventh Street, SW., Washington, DC 20410. Hearing- or speech-impaired persons may contact the Federal Information Relay Service at (800) 877-8339 (TTY). (Other than the "800" TTY number, the above-listed telephone numbers are not toll-free.)

SUPPLEMENTARY INFORMATION: In addition to being published in the **Federal Register**, these data will be available electronically from the HUD data information page: <http://www.huduser.org/datasets/aaf.html>.

I. Methodology

AAFs are calculated using CPI data on rents and utilities for all metropolitan areas that are specifically surveyed for the CPI. AAFs for other areas use the more general CPI for rents and utilities calculated for the four Census Regions, Northeast, South, Midwest, and West. AAFs are rent change factors. Two types of AAFs are calculated. One type is a gross rent change factor that should be used when the primary utility (normally heating) is included in the rent. The other type is a shelter rent (i.e., rents without utilities) factor that should be used when the primary utility is not included in rent. Decennial census data are used to establish the relationship between gross rents and shelter rents.

CPI Surveys

For specific metropolitan areas where CPI surveys are conducted, changes in the shelter rent and utilities components are calculated based on the most recent CPI annual average change data. In this publication, the rent and utility CPIs for metropolitan areas are based on changes in the index from 2004 to 2005. The "Highest Cost Utility Included" column in Schedule C is calculated by weighting the rent and utility change factors using the corresponding components of gross rent in a particular area as calculated in the 2000 Census. The "Highest Cost Utility Excluded" column in Schedule C is calculated by eliminating the utility portion of the gross rent change factor.

For areas not covered by a specific metropolitan CPI surveys, HUD uses the CPI surveys for the Northeast, South, Midwest, or West region, as appropriate. Rent and utility change factors are calculated from 2004 to 2005. For areas assigned Census Region CPI factors, both metropolitan and non-metropolitan areas received the same factor.

Geographic Areas

The current and former metropolitan areas that use specific CPI factors are listed alphabetically in the tables, according to the metropolitan area where appropriate. Each AAF applies to a specified geographic area and to units of all bedroom sizes. AAFs are provided:

- For separate metropolitan areas, including counties that are currently designated as non-metropolitan, but are part of the metropolitan area defined in the local CPI survey.
- For the four Census Regions for those metropolitan and non-metropolitan areas that are not covered by the local CPI surveys.

The AAFs shown in Schedule C use the same Office of Management and

Budget (OMB) metropolitan area definitions, as revised by HUD, that are used in the FY2007 Fair Market Rents.

Area Definitions in Schedule C

To make certain that they are using the correct AAFs, users should refer to the area definitions section at the end of Schedule C. For units located in metropolitan areas with a local CPI survey, AAFs are listed separately. For units located in areas without a local CPI survey, the metropolitan or nonmetropolitan counties receive the regional CPI for that Census Region.

The AAF area definitions shown in Schedule C are listed in alphabetical order by state. The associated CPI division is shown next to each state name. Areas whose AAFs are determined by local CPI surveys are listed first. All metropolitan areas with local CPI surveys have separate AAF schedules and are shown with their corresponding county definitions or as metropolitan counties. In the six New England states, the listings are for counties or parts of counties as defined by towns or cities. The remaining counties use the CPI for the Census Region and are not specifically listed on Schedule C or the area file.

Puerto Rico and the Virgin Islands use the South Region AAFs. All areas in Hawaii use the AAFs identified in the Table as "STATE: Hawaii," which are based on the CPI survey for the Honolulu metropolitan area. The Pacific Islands use the West Region AAFs.

II. Applying AAFs to Various Section 8 Programs

AAFs established by this notice are used to adjust contract rents for units assisted in certain Section 8 housing assistance payments programs during the initial (i.e., pre-renewal) term of the HAP contract. Three categories of Section 8 programs use the AAFs:

Category 1—The Section 8 New Construction and Substantial Rehabilitation programs and the Section 8 Moderate Rehabilitation program.

Category 2—The Section 8 Loan Management (LM) and Property Disposition (PD) programs.

Category 3—The Section 8 Project-based Certificate (PBC) program.

Each Section 8 program category uses the AAFs differently. The specific HAP contract, program regulation, program requirement, or law determines the application of the AAFs. Restrictions to the use of AAF are discussed below:

Renewal Rents. AAFs are not used to determine renewal rents after expiration of the original Section 8 HAP contract (either for projects where the Section 8 HAP contract is renewed under a

restructuring plan adopted under 24 CFR part 401; or renewed without restructuring under 24 CFR part 402). In general, renewal rents are determined by applying a state-by-state operating cost adjustment factor (OCAF) published by HUD.

Budget-based Rents. AAFs are not used for budget-based rent adjustments. For projects receiving Section 8 subsidies under the LM program (24 CFR part 886, subpart A) or under the PD program (24 CFR part 886, subpart C), contract rents are adjusted, at HUD's option, either by applying the AAFs, or by budget-based adjustments in accordance with 24 CFR 886.112 and 24 CFR 886.132. Budget-based adjustments are used for most Section 8/202 projects.

Certificate Program. In the past, AAFs were used to adjust the contract rent (including manufactured home space rentals) in both the tenant-based and project-based certificate programs. The tenant-based certificate program has been terminated and all tenancies in the tenant-based certificate program have been converted to the Housing Choice Voucher Program, which does not use AAFs to adjust rents. All tenancies remaining in the project-based certificate program continue to use AAFs to adjust contract rent for outstanding HAP contracts.

Moderate Rehabilitation Program. Under the Section 8 Moderate Rehabilitation program (both the regular program and the single room occupancy program), the public housing agency (PHA) applies the AAF to the base rent component of the contract rent, not the full contract rent. For the other covered programs, the AAF is applied to the whole amount of the pre-adjustment contract rent.

III. Adjustment Procedures

This section of the notice provides a broad description of procedures for adjusting the contract rent. Technical details and requirements are described in HUD notices, issued by the Office of Housing and the Office of Public and Indian Housing.

Because of statutory and structural distinctions among the various Section 8 programs, there are separate rent adjustment procedures for the three program categories:

Category 1: Section 8 New Construction, Substantial Rehabilitation, and Moderate Rehabilitation Programs

In the Section 8 New Construction and Substantial Rehabilitation programs, the published AAF factor is applied to the pre-adjustment contract rent. In the Section 8 Moderate Rehabilitation program, the published

AAF is applied to the pre-adjustment base rent.

For category 1 programs, the Table 1 AAF factor is applied before determining comparability (rent reasonableness). Comparability applies if the pre-adjustment gross rent (pre-adjustment contract rent plus any allowance for tenant-paid utilities) is above the published FMR.

If the comparable rent level (plus any initial difference) is lower than the contract rent as adjusted by application of the Table 1 AAF, the comparable rent level (plus any initial difference) will be the new contract rent. However, the pre-adjustment contract rent will not be decreased by application of comparability.

In all other cases (i.e., unless the contract rent is reduced by comparability):

- The Table 1 AAF is used for a unit occupied by a new family since the last annual contract anniversary.
- The Table 2 AAF is used for a unit occupied by the same family as at the time of the last annual contract anniversary.

Category 2: The Loan Management Program (24 CFR Part 886, Subpart A) and Property Disposition Program (24 CFR Part 886, Subpart C)

At this time, rent adjustment by the AAF in the Category 2 programs is not subject to comparability. (Comparability will again apply if HUD establishes regulations for conducting comparability studies under 42 U.S.C. 1437f(c)(2)(C).) Rents are adjusted by applying the full amount of the applicable AAF under this notice.

The applicable AAF is determined as follows:

- The Table 1 AAF is used for a unit occupied by a new family since the last annual contract anniversary.
- The Table 2 AAF is used for a unit occupied by the same family as at the time of the last annual contract anniversary.

Category 3: Section 8 Certificate Project-Based Certificate Program

The following procedures are used to adjust contract rent for outstanding HAP contracts in the Section 8 PBC program:

- The Table 2 AAF is always used. The Table 1 AAF is not used.
- The Table 2 AAF is always applied before determining comparability (rent reasonableness).
- Comparability always applies. If the comparable rent level is lower than the rent to owner (contract rent) as adjusted by application of the Table 2 AAF, the comparable rent level will be the new rent to owner.

IV. When To Use Reduced AAFs (From AAF Table 2)

In accordance with Section 8(c)(2)(A) of the United States Housing Act of 1937 (42 U.S.C. 1437f(c)(2)(A)), the AAF is reduced by 0.01:

- For all tenancies assisted in the Section 8 Project-Based Certificate program.
- In other Section 8 programs, for a unit occupied by the same family at the time of the last annual rent adjustment (and where the rent is not reduced by application of comparability (rent reasonableness)).

The law provides that:

Except for assistance under the certificate program, for any unit occupied by the same family at the time of the last annual rental adjustment, where the assistance contract provides for the adjustment of the maximum monthly rent by applying an annual adjustment factor and where the rent for a unit is otherwise eligible for an adjustment based on the full amount of the factor, 0.01 shall be subtracted from the amount of the factor, except that the factor shall not be reduced to less than 1.0. In the case of assistance under the certificate program, 0.01 shall be subtracted from the amount of the annual adjustment factor (except that the factor shall not be reduced to less than 1.0), and the adjusted rent shall not exceed the rent for a comparable unassisted unit of similar quality, type, and age in the market area. 42 U.S.C. 1437f(c)(2)(A).

To implement the law, HUD publishes two separate AAF Tables, contained in Schedule C, Tables 1 and 2 of this notice. The difference between Table 1 and Table 2 is that each AAF in Table 2 is 0.01 less than the corresponding AAF in Table 1. Where an AAF in Table 1 would otherwise be less than 1.0, it is set at 1.0, as required by statute; the corresponding AAF in Table 2 will also be set at 1.0, as required by statute.

V. How To Find the AAF

The AAFs are contained in Schedule C, Tables 1 and 2 of this notice. There are two columns in each table. The first column is used to adjust contract rent for units where the highest cost utility is included in the contract rent, i.e., where the owner pays for the highest cost utility. The second column is used where the highest cost utility is not included in the contract rent, i.e., where the tenant pays for the highest cost utility.

The applicable AAF is selected as follows:

- Determine whether Table 1 or Table 2 is applicable. In Table 1 or Table 2, locate the AAF for the geographic area where the contract unit is located.

- Determine whether the highest cost utility is or is not included in contract rent for the contract unit.

- If highest cost utility is included, select the AAF from the column for "highest cost included." If highest cost

utility is not included, select the AAF from the column for "utility excluded."

Accordingly, HUD publishes these Annual Adjustment Factors for the Section 8 Housing Assistance Payments programs as set forth in the Tables.

Dated: January 25, 2007.

Darlene F. Williams,

Assistant Secretary for Policy Development and Research.

BILLING CODE 4210-67-P

SCHEDULE C - TABLE 1 - 2007 CONTRACT RENT AAFS

01/30/07

| | HIGHEST COST UTILITY INCLUDED | EXCLUDED |
|---|----------------------------------|----------|
| Midwest Region | 1.030 | 1.012 |
| Northeast Region | 1.051 | 1.026 |
| South Region | 1.040 | 1.028 |
| West Region | 1.035 | 1.025 |
| Akron, OH MSA | 1.031 | 1.001 |
| Anchorage, AK MSA | 1.023 | 1.010 |
| Metropolitan Area Components: | | |
| Anchorage, AK HMFA | | |
| Matanuska-Susitna Borough, AK HMFA | | |
| Ann Arbor, MI MSA | 1.023 | 1.007 |
| Ashtabula County, OH | 1.039 | 1.000 |
| Atlanta-Sandy Springs-Marietta, GA MSA | 1.021 | 1.000 |
| Metropolitan Area Components: | | |
| Atlanta-Sandy Springs-Marietta, GA HMFA | | |
| Butts County, GA HMFA | | |
| Haralson County, GA HMFA | | |
| Lamar County, GA HMFA | | |
| Meriwether County, GA HMFA | | |
| Atlantic City, NJ MSA | 1.042 | 1.036 |
| Baltimore-Towson, MD MSA | 1.051 | 1.042 |
| Metropolitan Area Components: | | |
| Baltimore-Towson, MD HMFA | | |
| Columbia city, MD HMFA | | |
| Boston-Cambridge-Quincy, MA-NH MSA | 1.032 | 1.006 |
| Metropolitan Area Components: | | |
| Boston-Cambridge-Quincy, MA-NH HMFA | | |
| Brockton, MA HMFA | | |
| Lawrence, MA-NH HMFA | | |
| Lowell, MA HMFA | | |
| Portsmouth-Rochester, NH HMFA | | |
| Western Rockingham County, NH HMFA | | |
| Boulder, CO MSA | 1.021 | 1.008 |
| Bremerton-Silverdale, WA MSA | 1.020 | 1.011 |

SCHEDULE C - TABLE 1 - 2007 CONTRACT RENT AAFS

01/30/07

| | HIGHEST COST INCLUDED | UTILITY EXCLUDED |
|---|--------------------------|---------------------|
| Bridgeport-Stamford-Norwalk, CT MSA | 1.060 | 1.042 |
| Metropolitan Area Components: | | |
| Bridgeport, CT HMFA | | |
| Danbury, CT HMFA | | |
| Stamford-Norwalk, CT HMFA | | |
| Chicago-Naperville-Joliet, IL-IN-WI MSA | 1.038 | 1.023 |
| Metropolitan Area Components: | | |
| Chicago-Naperville-Joliet, IL HMFA | | |
| DeKalb County, IL HMFA | | |
| Gary, IN HMFA | | |
| Grundy County, IL HMFA | | |
| Jasper County, IN HMFA | | |
| Kendall County, IL HMFA | | |
| Kenosha County, WI HMFA | | |
| Cincinnati-Middletown, OH-KY-IN MSA | 1.020 | 1.008 |
| Metropolitan Area Components: | | |
| Brown County, OH HMFA | | |
| Cincinnati-Middletown, OH-KY-IN HMFA | | |
| Grant County, KY HMFA | | |
| Cleveland-Elyria-Mentor, OH MSA | 1.029 | 1.001 |
| Culpeper County, VA | 1.052 | 1.042 |
| Dallas-Fort Worth-Arlington, TX MSA | 1.027 | 1.000 |
| Metropolitan Area Components: | | |
| Dallas, TX HMFA | | |
| Fort Worth-Arlington, TX HMFA | | |
| Wise County, TX HMFA | | |
| Denver-Aurora, CO MSA | 1.023 | 1.007 |
| Detroit-Warren-Livonia, MI MSA | 1.030 | 1.005 |
| Metropolitan Area Components: | | |
| Detroit-Warren-Livonia, MI HMFA | | |
| Livingston County, MI HMFA | | |
| Flint, MI MSA | 1.036 | 1.002 |
| Greeley, CO MSA | 1.030 | 1.006 |
| HAWAII | 1.061 | 1.054 |
| Hagerstown-Martinsburg, MD-WV MSA | 1.053 | 1.042 |
| Metropolitan Area Components: | | |
| Hagerstown, MD HMFA | | |
| Martinsburg, WV HMFA | | |

SCHEDULE C - TABLE 1 - 2007 CONTRACT RENT AAFS

01/30/07

| | HIGHEST COST UTILITY INCLUDED | EXCLUDED |
|---|----------------------------------|----------|
| Henderson County, TX | 1.046 | 1.000 |
| Hood County, TX | 1.043 | 1.000 |
| Houston-Sugar Land-Baytown, TX MSA | 1.034 | 1.008 |
| Metropolitan Area Components: | | |
| Austin County, TX HMFA | | |
| Brazoria County, TX HMFA | | |
| Houston-Baytown-Sugar Land, TX HMFA | | |
| Island County, WA | 1.021 | 1.011 |
| Kankakee-Bradley, IL MSA | 1.041 | 1.021 |
| Kansas City, MO-KS MSA | 1.016 | 1.001 |
| Metropolitan Area Components: | | |
| Bates County, MO HMFA | | |
| Franklin County, KS HMFA | | |
| Kansas City, MO-KS HMFA | | |
| King George County, VA | 1.052 | 1.042 |
| Lenawee County, MI | 1.033 | 1.004 |
| Los Angeles-Long Beach-Santa Ana, CA MSA | 1.067 | 1.064 |
| Metropolitan Area Components: | | |
| Los Angeles-Long Beach, CA HMFA | | |
| Orange County, CA HMFA | | |
| Manchester-Nashua, NH MSA | 1.036 | 1.003 |
| Metropolitan Area Components: | | |
| Hillsborough County, NH (part) HMFA | | |
| Manchester, NH HMFA | | |
| Nashua, NH HMFA | | |
| Miami-Fort Lauderdale-Miami Beach, FL MSA | 1.061 | 1.063 |
| Metropolitan Area Components: | | |
| Fort Lauderdale, FL HMFA | | |
| Miami-Miami Beach-Kendall, FL HMFA | | |
| West Palm Beach-Boca Raton, FL HMFA | | |
| Milwaukee-Waukesha-West Allis, WI MSA | 1.028 | 1.012 |
| Minneapolis-St. Paul-Bloomington, MN-WI MSA | 1.004 | 1.000 |
| Monroe, MI MSA | 1.031 | 1.004 |
| Napa, CA MSA | 1.013 | 1.002 |

SCHEDULE C - TABLE 1 - 2007 CONTRACT RENT AAFS

01/30/07

| | HIGHEST COST UTILITY | |
|--|----------------------|----------|
| | INCLUDED | EXCLUDED |
| New Haven-Milford, CT MSA | 1.062 | 1.040 |
| Metropolitan Area Components: | | |
| Milford-Ansonia-Seymour, CT HMFA | | |
| New Haven-Meriden, CT HMFA | | |
| Waterbury, CT HMFA | | |
| New York-Northern New Jersey-Long Island, NY-NJ-PA MSA | 1.059 | 1.044 |
| Metropolitan Area Components: | | |
| Bergen-Passaic, NJ HMFA | | |
| Jersey City, NJ HMFA | | |
| Middlesex-Somerset-Hunterdon, NJ HMFA | | |
| Monmouth-Ocean, NJ HMFA | | |
| Nassau-Suffolk, NY HMFA | | |
| New York, NY HMFA | | |
| Newark, NJ HMFA | | |
| Pike County, PA HMFA | | |
| Ocean City, NJ MSA | 1.043 | 1.036 |
| Olympia, WA MSA | 1.019 | 1.011 |
| Oxnard-Thousand Oaks-Ventura, CA MSA | 1.067 | 1.064 |
| Philadelphia-Camden-Wilmington, PA-NJ-DE-MD MSA | 1.042 | 1.036 |
| Phoenix-Mesa-Scottsdale, AZ MSA | 1.016 | 1.001 |
| Pittsburgh, PA MSA | 1.040 | 1.014 |
| Metropolitan Area Components: | | |
| Armstrong County, PA HMFA | | |
| Pittsburgh, PA HMFA | | |
| Portland-Vancouver-Beaverton, OR-WA MSA | 1.019 | 1.013 |
| Poughkeepsie-Newburgh-Middletown, NY MSA | 1.062 | 1.041 |
| Racine, WI MSA | 1.030 | 1.012 |
| Riverside-San Bernardino-Ontario, CA MSA | 1.069 | 1.064 |
| Salem, OR MSA | 1.020 | 1.013 |
| San Diego-Carlsbad-San Marcos, CA MSA | 1.041 | 1.037 |
| San Francisco-Oakland-Fremont, CA MSA | 1.010 | 1.002 |
| Metropolitan Area Components: | | |
| Oakland-Fremont, CA HMFA | | |
| San Francisco, CA HMFA | | |

SCHEDULE C - TABLE 1 - 2007 CONTRACT RENT AAFS

01/30/07

| | HIGHEST COST UTILITY INCLUDED | EXCLUDED |
|--|----------------------------------|----------|
| San Jose-Sunnyvale-Santa Clara, CA MSA Metropolitan Area Components: San Benito County, CA HMFA San Jose-Sunnyvale-Santa Clara, CA HMFA | 1.009 | 1.003 |
| Santa Cruz-Watsonville, CA MSA | 1.012 | 1.002 |
| Santa Rosa-Petaluma, CA MSA | 1.012 | 1.002 |
| Seattle-Tacoma-Bellevue, WA MSA Metropolitan Area Components: Seattle-Bellevue, WA HMFA Tacoma, WA HMFA | 1.017 | 1.011 |
| St. Louis, MO-IL MSA Metropolitan Area Components: Bond County, IL HMFA Macoupin County, IL HMFA St. Louis, MO-IL HMFA Washington County, MO HMFA | 1.025 | 1.014 |
| Tampa-St. Petersburg-Clearwater, FL MSA | 1.041 | 1.037 |
| Trenton-Ewing, NJ MSA | 1.061 | 1.042 |
| Vallejo-Fairfield, CA MSA | 1.014 | 1.002 |
| Vineland-Millville-Bridgeton, NJ MSA | 1.043 | 1.036 |
| Washington-Arlington-Alexandria, DC-VA-MD-WV MSA Metropolitan Area Components: Jefferson County, WV HMFA Warren County, VA HMFA Washington-Arlington-Alexandria, DC-VA-MD HMFA | 1.050 | 1.043 |
| Westchester County, NY Statutory Exception Area | 1.060 | 1.043 |
| Worcester, MA MSA Metropolitan Area Components: Eastern Worcester County, MA HMFA Fitchburg-Leominster, MA HMFA Western Worcester County, MA HMFA Worcester, MA HMFA | 1.038 | 1.003 |

SCHEDULE C - TABLE 2 - 2007 CONTRACT RENT AAFS

01/30/07

| | HIGHEST COST UTILITY | |
|---|----------------------|----------|
| | INCLUDED | EXCLUDED |
| Midwest Region | 1.020 | 1.002 |
| Northeast Region | 1.041 | 1.016 |
| South Region | 1.030 | 1.018 |
| West Region | 1.025 | 1.015 |
| Akron, OH MSA | 1.021 | 1.000 |
| Anchorage, AK MSA | 1.013 | 1.000 |
| Metropolitan Area Components: | | |
| Anchorage, AK HMFA | | |
| Matanuska-Susitna Borough, AK HMFA | | |
| Ann Arbor, MI MSA | 1.013 | 1.000 |
| Ashtabula County, OH | 1.029 | 1.000 |
| Atlanta-Sandy Springs-Marietta, GA MSA | 1.011 | 1.000 |
| Metropolitan Area Components: | | |
| Atlanta-Sandy Springs-Marietta, GA HMFA | | |
| Butts County, GA HMFA | | |
| Haralson County, GA HMFA | | |
| Lamar County, GA HMFA | | |
| Meriwether County, GA HMFA | | |
| Atlantic City, NJ MSA | 1.032 | 1.026 |
| Baltimore-Towson, MD MSA | 1.041 | 1.032 |
| Metropolitan Area Components: | | |
| Baltimore-Towson, MD HMFA | | |
| Columbia city, MD HMFA | | |
| Boston-Cambridge-Quincy, MA-NH MSA | 1.022 | 1.000 |
| Metropolitan Area Components: | | |
| Boston-Cambridge-Quincy, MA-NH HMFA | | |
| Brockton, MA HMFA | | |
| Lawrence, MA-NH HMFA | | |
| Lowell, MA HMFA | | |
| Portsmouth-Rochester, NH HMFA | | |
| Western Rockingham County, NH HMFA | | |
| Boulder, CO MSA | 1.011 | 1.000 |
| Bremerton-Silverdale, WA MSA | 1.010 | 1.001 |

SCHEDULE C - TABLE 2 - 2007 CONTRACT RENT AAFS

01/30/07

| | HIGHEST COST UTILITY | |
|---|----------------------|----------|
| | INCLUDED | EXCLUDED |
| Bridgeport-Stamford-Norwalk, CT MSA | 1.050 | 1.032 |
| Metropolitan Area Components: | | |
| Bridgeport, CT HMFA | | |
| Danbury, CT HMFA | | |
| Stamford-Norwalk, CT HMFA | | |
| Chicago-Naperville-Joliet, IL-IN-WI MSA | 1.028 | 1.013 |
| Metropolitan Area Components: | | |
| Chicago-Naperville-Joliet, IL HMFA | | |
| DeKalb County, IL HMFA | | |
| Gary, IN HMFA | | |
| Grundy County, IL HMFA | | |
| Jasper County, IN HMFA | | |
| Kendall County, IL HMFA | | |
| Kenosha County, WI HMFA | | |
| Cincinnati-Middletown, OH-KY-IN MSA | 1.010 | 1.000 |
| Metropolitan Area Components: | | |
| Brown County, OH HMFA | | |
| Cincinnati-Middleton, OH-KY-IN HMFA | | |
| Grant County, KY HMFA | | |
| Cleveland-Elyria-Mentor, OH MSA | 1.019 | 1.000 |
| Culpeper County, VA | 1.042 | 1.032 |
| Dallas-Fort Worth-Arlington, TX MSA | 1.017 | 1.000 |
| Metropolitan Area Components: | | |
| Dallas, TX HMFA | | |
| Fort Worth-Arlington, TX HMFA | | |
| Wise County, TX HMFA | | |
| Denver-Aurora, CO MSA | 1.013 | 1.000 |
| Detroit-Warren-Livonia, MI MSA | 1.020 | 1.000 |
| Metropolitan Area Components: | | |
| Detroit-Warren-Livonia, MI HMFA | | |
| Livingston County, MI HMFA | | |
| Flint, MI MSA | 1.026 | 1.000 |
| Greeley, CO MSA | 1.020 | 1.000 |
| HAWAII | 1.051 | 1.044 |
| Hagerstown-Martinsburg, MD-WV MSA | 1.043 | 1.032 |
| Metropolitan Area Components: | | |
| Hagerstown, MD HMFA | | |
| Martinsburg, WV HMFA | | |

SCHEDULE C - TABLE 2 - 2007 CONTRACT RENT AAFS

01/30/07

| | HIGHEST COST UTILITY INCLUDED | EXCLUDED |
|---|----------------------------------|----------|
| Henderson County, TX | 1.036 | 1.000 |
| Hood County, TX | 1.033 | 1.000 |
| Houston-Sugar Land-Baytown, TX MSA | 1.024 | 1.000 |
| Metropolitan Area Components: | | |
| Austin County, TX HMFA | | |
| Brazoria County, TX HMFA | | |
| Houston-Baytown-Sugar Land, TX HMFA | | |
| Island County, WA | 1.011 | 1.001 |
| Kankakee-Bradley, IL MSA | 1.031 | 1.011 |
| Kansas City, MO-KS MSA | 1.006 | 1.000 |
| Metropolitan Area Components: | | |
| Bates County, MO HMFA | | |
| Franklin County, KS HMFA | | |
| Kansas City, MO-KS HMFA | | |
| King George County, VA | 1.042 | 1.032 |
| Lenawee County, MI | 1.023 | 1.000 |
| Los Angeles-Long Beach-Santa Ana, CA MSA | 1.057 | 1.054 |
| Metropolitan Area Components: | | |
| Los Angeles-Long Beach, CA HMFA | | |
| Orange County, CA HMFA | | |
| Manchester-Nashua, NH MSA | 1.026 | 1.000 |
| Metropolitan Area Components: | | |
| Hillsborough County, NH (part) HMFA | | |
| Manchester, NH HMFA | | |
| Nashua, NH HMFA | | |
| Miami-Fort Lauderdale-Miami Beach, FL MSA | 1.051 | 1.053 |
| Metropolitan Area Components: | | |
| Fort Lauderdale, FL HMFA | | |
| Miami-Miami Beach-Kendall, FL HMFA | | |
| West Palm Beach-Boca Raton, FL HMFA | | |
| Milwaukee-Waukesha-West Allis, WI MSA | 1.018 | 1.002 |
| Minneapolis-St. Paul-Bloomington, MN-WI MSA | 1.000 | 1.000 |
| Monroe, MI MSA | 1.021 | 1.000 |
| Napa, CA MSA | 1.003 | 1.000 |

SCHEDULE C - TABLE 2 - 2007 CONTRACT RENT AAFS

01/30/07

| | HIGHEST COST UTILITY INCLUDED | EXCLUDED |
|--|----------------------------------|----------|
| New Haven-Milford, CT MSA | 1.052 | 1.030 |
| Metropolitan Area Components: | | |
| Milford-Ansonia-Seymour, CT HMFA | | |
| New Haven-Meriden, CT HMFA | | |
| Waterbury, CT HMFA | | |
| New York-Northern New Jersey-Long Island, NY-NJ-PA MSA | 1.049 | 1.034 |
| Metropolitan Area Components: | | |
| Bergen-Passaic, NJ HMFA | | |
| Jersey City, NJ HMFA | | |
| Middlesex-Somerset-Hunterdon, NJ HMFA | | |
| Monmouth-Ocean, NJ HMFA | | |
| Nassau-Suffolk, NY HMFA | | |
| New York, NY HMFA | | |
| Newark, NJ HMFA | | |
| Pike County, PA HMFA | | |
| Ocean City, NJ MSA | 1.033 | 1.026 |
| Olympia, WA MSA | 1.009 | 1.001 |
| Oxnard-Thousand Oaks-Ventura, CA MSA | 1.057 | 1.054 |
| Philadelphia-Camden-Wilmington, PA-NJ-DE-MD MSA | 1.032 | 1.026 |
| Phoenix-Mesa-Scottsdale, AZ MSA | 1.006 | 1.000 |
| Pittsburgh, PA MSA | 1.030 | 1.004 |
| Metropolitan Area Components: | | |
| Armstrong County, PA HMFA | | |
| Pittsburgh, PA HMFA | | |
| Portland-Vancouver-Beaverton, OR-WA MSA | 1.009 | 1.003 |
| Poughkeepsie-Newburgh-Middletown, NY MSA | 1.052 | 1.031 |
| Racine, WI MSA | 1.020 | 1.002 |
| Riverside-San Bernardino-Ontario, CA MSA | 1.059 | 1.054 |
| Salem, OR MSA | 1.010 | 1.003 |
| San Diego-Carlsbad-San Marcos, CA MSA | 1.031 | 1.027 |
| San Francisco-Oakland-Fremont, CA MSA | 1.000 | 1.000 |
| Metropolitan Area Components: | | |
| Oakland-Fremont, CA HMFA | | |
| San Francisco, CA HMFA | | |

SCHEDULE C - TABLE 2 - 2007 CONTRACT RENT AAFS

01/30/07

| | HIGHEST COST INCLUDED | UTILITY EXCLUDED |
|--|--------------------------|---------------------|
| San Jose-Sunnyvale-Santa Clara, CA MSA Metropolitan Area Components: San Benito County, CA HMFA San Jose-Sunnyvale-Santa Clara, CA HMFA | 1.000 | 1.000 |
| Santa Cruz-Watsonville, CA MSA | 1.002 | 1.000 |
| Santa Rosa-Petaluma, CA MSA | 1.002 | 1.000 |
| Seattle-Tacoma-Bellevue, WA MSA Metropolitan Area Components: Seattle-Bellevue, WA HMFA Tacoma, WA HMFA | 1.007 | 1.001 |
| St. Louis, MO-IL MSA Metropolitan Area Components: Bond County, IL HMFA Macoupin County, IL HMFA St. Louis, MO-IL HMFA Washington County, MO HMFA | 1.015 | 1.004 |
| Tampa-St. Petersburg-Clearwater, FL MSA | 1.031 | 1.027 |
| Trenton-Ewing, NJ MSA | 1.051 | 1.032 |
| Vallejo-Fairfield, CA MSA | 1.004 | 1.000 |
| Vineland-Millville-Bridgeton, NJ MSA | 1.033 | 1.026 |
| Washington-Arlington-Alexandria, DC-VA-MD-WV MSA Metropolitan Area Components: Jefferson County, WV HMFA Warren County, VA HMFA Washington-Arlington-Alexandria, DC-VA-MD HMFA | 1.040 | 1.033 |
| Westchester County, NY Statutory Exception Area | 1.050 | 1.033 |
| Worcester, MA MSA Metropolitan Area Components: Eastern Worcester County, MA HMFA Fitchburg-Leominster, MA HMFA Western Worcester County, MA HMFA Worcester, MA HMFA | 1.028 | 1.000 |

SCHEDULE C - CONTRACT RENT ANNUAL ADJUSTMENT FACTORS - AREA DEFINITIONS

ALABAMA (SOUTH)

All Counties in Alabama use the South Region AAF

ALASKA (WEST)

| CPI AREAS: | COUNTIES |
|------------------------------------|-------------------|
| Anchorage, AK MSA | |
| Metropolitan Area Components: | |
| Anchorage, AK HMFA | Anchorage |
| Matanuska-Susitna Borough, AK HMFA | Matanuska-Susitna |

All other Counties use the West Region AAF

ARIZONA (WEST)

| CPI AREAS: | COUNTIES |
|---------------------------------|-----------------|
| Phoenix-Mesa-Scottsdale, AZ MSA | Maricopa, Pinal |

All other Counties use the West Region AAF

ARKANSAS (SOUTH)

All Counties in Arkansas use the South Region AAF

CALIFORNIA (WEST)

| CPI AREAS: | COUNTIES |
|--|---------------------------------|
| Los Angeles-Long Beach-Santa Ana, CA MSA | |
| Metropolitan Area Components: | |
| Los Angeles-Long Beach, CA HMFA | Los Angeles |
| Orange County, CA HMFA: | Orange |
| Napa, CA MSA | Napa |
| Oxnard-Thousand Oaks-Ventura, CA MSA | Ventura |
| Riverside-San Bernardino, CA MSA: | Riverside, San Bernardino |
| San Diego-Carlsbad-San Marcos, CA MSA: | San Diego |
| San Francisco-Oakland-Fremont, CA MSA | |
| Metropolitan Area Components: | |
| Oakland-Fremont, CA HMFA | Alameda, Contra Costa |
| San Francisco, CA HMFA | Marin, San Francisco, San Mateo |
| San Jose-Sunnyvale-Santa Clara, CA MSA | |
| Metropolitan Area Components: | |
| San Benito County, CA HMFA | San Benito |
| San Jose-Sunnydale-Santa Clara, CA HMFA | Santa Clara |
| Santa Cruz-Watsonville, CA MSA: | Santa Cruz |
| Santa Rosa-Petaluma, CA MSA: | Sonoma |
| Vallejo-Fairfield, CA MSA: | Solano |

All other Counties in California use the West Region AAF

SCHEDULE C - CONTRACT RENT ANNUAL ADJUSTMENT FACTORS - AREA DEFINITIONS

COLORADO (WEST)

CPI AREAS:

Boulder, CO MSA:

Denver-Aurora, CO MSA:

Greeley, CO MSA:

All other Counties in Colorado use the West Region AAF

COUNTIES

Boulder

Adams, Arapahoe, Broomfield, Clear Creek, Denver,
Douglas, Elbert, Gilpin, Jefferson, Park.

Weld

CONNECTICUT (NORTHEAST)

CPI AREAS:

Bridgeport-Stamford-Norwalk, CT MSA

Metropolitan Area Components:

Bridgeport, CT HMFA

Danbury, CT HMFA

Stamford-Norwalk, CT HMFA

New Haven-Milford, CT MSA

Metropolitan Area Components:

Milford-Ansonia-Seymour, CT HMFA

New Haven-Meriden, CT HMFA

Waterbury, CT HMFA

COUNTIES/TOWNS

Fairfield County towns of Bridgeport, Easton,
Fairfield, Monroe, Shelton, Stratford, Trumbull
Fairfield County towns of Bethel, Brookfield,
Danbury, New Fairfield, Newtown, Redding,
Ridgefield, Sherman.Fairfield County towns of Darien, Greenwich,
New Canaan, Norwalk, Stamford, Weston, Westport,
WiltonNew Haven County towns of Ansonia, Beacon Falls,
Derby, Milford, Oxford, SeymourNew Haven County towns of Bethany, Branford,
Cheshire, East Haven, Guilford, Hamden, Madison,
Meriden, New Haven, North Branford, North Haven,
Orange, Wallingford, West Haven, Woodbridge
New Haven County towns of Middlebury, Naugatuck,
Prospect, Southbury, Waterbury, Wolcott

All other Counties/Towns in Connecticut use the Northeast Region AAF

DELAWARE (SOUTH)

CPI AREAS:

Philadelphia-Camden-Wilmington, PA-NJ-DE-MD MSA:

All other Counties in Delaware use the South Region AAF

COUNTIES

New Castle

DIST. OF COLUMBIA (SOUTH)

CPI AREAS:

Washington-Arlington-Alexandria, DC-VA-MD HMFA :

COUNTIES

District of Columbia

SCHEDULE C - CONTRACT RENT ANNUAL ADJUSTMENT FACTORS - AREA DEFINITIONS

FLORIDA (SOUTH)

CPI AREAS:

Miami-Fort Lauderdale-Miami Beach, FL MSA:

Tampa-St. Petersburg-Clearwater, FL MSA:

COUNTIES

Broward, Miami-Dade, Palm Beach

Hernando, Hillsborough, Pasco, Pinellas

All other Counties in Florida use the South Region AAF

GEORGIA (SOUTH)

CPI AREAS:

Atlanta-Sandy Springs-Marietta, GA MSA

Metropolitan Area Components:

Atlanta-Sandy Springs-Marietta, GA HMFA:

Butts County, GA HMFA

Haralson County, GA HMFA

Lamar County, GA HMFA

Meriwether County, GA HMFA

COUNTIES

Barrow, Bartow, Carroll, Cherokee, Clayton, Cobb,
Coweta, Dawson, De Kalb, Douglas, Fayette,
Forsyth, Fulton, Gwinnett, Heard, Henry, Jasper,
Newton, Paulding, Pickens, Pike, Rockdale,
Spalding, Walton

Butts

Haralson

Lamar

Meriwether

All other Counties in Georgia use the South Region AAF

HAWAII (WEST)

CPI AREAS:

STATE Hawaii:

COUNTIES

Hawaii, Honolulu, Kalawao, Kauai, Maui

IDAHO (WEST)

All Counties in Idaho use the West Region AAF

ILLINOIS (MIDWEST)

CPI AREAS:

Chicago-Naperville-Joliet, IL-IN-WI MSA

Metropolitan Area Components:

Chicago-Naperville-Joliet, IL HMFA:

De Kalb County, IL HMFA:

Grundy County, IL:

Kankakee-Bradley, IL MSA:

St. Louis, MO-IL MSA

Metropolitan Area Components:

Bond County, IL HMFA:

Macoupin County, IL HMFA:

St. Louis, MO-IL HMFA:

COUNTIES

Cook, Dupage, Kane, Kendall, Lake, McHenry, Will
De Kalb

Grundy

Kankakee

Bond

Macoupin

Calhoun, Clinton, Jersey, Madison, Monroe, St. Clair

All other Counties in Illinois use the Midwest Region AAF

 SCHEDULE C - CONTRACT RENT ANNUAL ADJUSTMENT FACTORS - AREA DEFINITIONS

INDIANA (MIDWEST)

CPI AREAS:

Chicago-Naperville-Joliet, IL-IN-WI MSA

Metropolitan Area Components:

Gary, IN HMFA:

Jasper County, IN HMFA

Cincinnati-Middleton, OH-KY-IN HMFA:

COUNTIES

Lake, Newton, Porter

Jasper

Dearborn, Franklin, Ohio.

All other Counties in Indiana use the Midwest Region AAF

IOWA (MIDWEST)

All Counties in Iowa use the Midwest Region AAF

KANSAS (MIDWEST)

CPI AREAS:

Kansas City, MO-KS MSA

Metropolitan Area Components:

Franklin County, KS HMFA

Kansas City, MO-KS HMFA:

COUNTIES

Franklin

Johnson, Leavenworth, Linn, Miami, Wyandotte

All other Counties in Kansas use the Midwest Region AAF

KENTUCKY (SOUTH)

CPI AREAS:

Cincinnati-Middleton, OH-KY-IN MSA

Metropolitan Area Components:

Cincinnati-Middleton OH-KY-IN HMFA:

Grant County, KY HMFA:

COUNTIES

Boone, Bracken, Campbell, Gallatin, Kenton,
Pendleton

Grant

All other Counties in Kentucky use the South Region AAF

LOUISIANA (SOUTH)

All Parishes in Louisiana use the South Region AAF

MAINE (NORTHEAST)

All Counties in Maine use the Northeast Region AAF

SCHEDULE C - CONTRACT RENT ANNUAL ADJUSTMENT FACTORS - AREA DEFINITIONS

MARYLAND (SOUTH)

CPI AREAS:

Baltimore-Towson, MD MSA

Metropolitan Area Components:

Baltimore-Towson, MD HMFA:

Columbia city, MD MSA

Hagerstown-Martinsburg, MD-WV MSA:

Washington-Arlington-Alexandria, DC-VA-MD HMFA:

Philadelphia-Camden-Wilmington, PA-NJ-DE-MD MSA

COUNTIES

Anne Arundel, Baltimore, Carroll, Harford, Howard,
Queen Anne's, Baltimore city,

Washington

Calvert, Charles, Frederick, Montgomery,

Prince George's

Cecil

All other Counties in Maryland use the South AAF

MASSACHUSETTS (NORTHEAST)

CPI AREAS:

Boston-Cambridge-Quincy, MA-NH MSA

Metropolitan Area Components:

Boston-Cambridge-Quincy, MA-NH HMFA:

COUNTIES

Essex County towns of Amesbury, Beverly, Danvers, Essex, Gloucester, Hamilton, Ipswich, Lynn, Lynnfield, Manchester-by-the-Sea, Marblehead, Middleton, Nahant, Newbury, Newburyport, Peabody, Rockport, Rowley, Salem city, Salisbury, Saugus, Swampscott, Topsfield, Wenham.

Middlesex County towns of Acton, Arlington, Ashby, Ashland, Ayer, Bedford, Belmont, Boxborough, Burlington, Cambridge, Carlisle, Concord, Everett, Framingham, Holliston, Hopkinton, Hudson, Lexington, Lincoln, Littleton, Malden, Marlborough, Maynard, Medford, Melrose, Natick, Newton, North Reading, Reading, Sherborn, Shirley, Somerville, Stoneham, Stow, Sudbury, Townsend, Wakefield, Waltham, Watertown, Wayland, Weston, Wilmington, Winchester, Woburn.

Norfolk County towns of Bellingham, Braintree, Brookline, Canton, Cohasset, Dedham, Dover, Foxborough, Franklin, Holbrook, Medfield, Medway, Millis, Milton, Needham, Norfolk, Norwood, Plainville, Quincy, Randolph town, Sharon, Stoughton, Walpole, Wellesley, Westwood, Weymouth, Wrentham.

Plymouth County towns of Carver, Duxbury, Hanover, Hingham, Hull, Kingston, Marshfield, Norwell, Pembroke, Plymouth, Rockland, Scituate, Wareham.

Suffolk county towns of Boston, Chelsea, Revere, Winthrop.

SCHEDULE C - CONTRACT RENT ANNUAL ADJUSTMENT FACTORS - AREA DEFINITIONS

MASSACHUSETTS (Cont.)

| CPI AREAS: | COUNTIES |
|------------------------------------|--|
| Boston-Cambridge-Quincy, MA-NH MSA | |
| Metropolitan Area Components: | |
| Brockton, MA HMFA: | Norfolk County town of Avon. |
| | Plymouth County towns of Abington, Bridgewater, Brockton, East Bridgewater, Halifax, Hanson, Lakeville, Marion, Mattapoisett, Middleborough, Plympton, Rochester, West Bridgewater town, Whitman. |
| Lawrence, MA-NH HMFA | Essex County towns of Andover, Boxford, Georgetown, Groveland, Haverhill, Lawrence, Merrimac, Methuen, North Andover, West Newbury. |
| Lowell, MA HMFA | Middlesex County town of Billerica, Chelmsford, Dracut, Dunstable, Groton, Lowell, Pepperell, Tewksbury, Tyngsborough, Westford. |
| Worcester, MA MSA | |
| Metropolitan Area Components: | |
| Eastern Worcester County, MA HMFA: | Worcester County towns of Berlin, Blackstone, Bolton, Harvard, Hopedale, Lancaster, Mendon, Milford, Millville, Southborough, Upton. |
| Fitchburg-Leominster, MA HMFA: | Worcester County towns of Ashburnham, Fitchburg, Gardner, Leominster, Lunenburg, Templeton, Westminster, Winchendon. |
| Western Worcester County, MA HMFA: | Worcester County towns of Athol, Hardwick, Hubbardston, New Braintree, Petersham, Phillipston, Royalston, Warren. |
| Worcester, MA HMFA: | Worcester County towns of Auburn, Barre, Boylston, Brookfield, Charlton, Clinton, Douglas, Dudley, East Brookfield, Grafton, Holden, Leicester, Millbury, Northborough, Northbridge, North Brookfield, Oakham, Oxford, Paxton, Princeton, Rutland, Shrewsbury, Southbridge, Spencer, Sterling, Sturbridge, Sutton, Uxbridge, Webster, Westborough, West Boylston, West Brookfield, Worcester. |

All other Counties/Towns in Massachusetts use the Northeast Region AAF

SCHEDULE C - CONTRACT RENT ANNUAL ADJUSTMENT FACTORS - AREA DEFINITIONS

MICHIGAN (MIDWEST)

| CPI AREAS: | COUNTIES |
|----------------------------------|---|
| Ann Arbor, MI MSA: | Washtenaw |
| Detroit-Warren-Livonia, MI MSA | |
| Metropolitan Area Components: | |
| Detroit-Warren-Livonia, MI HMFA: | Lapeer, Macomb, Oakland, St. Clair, Wayne |
| Livingston County, MI HMFA: | Livingston |
| Flint, MI MSA: | Genesee |
| Lenawee County, MI: | Lenawee |
| Monroe, MI MSA: | Monroe |

All other Counties in Michigan use the Midwest Region AAF

MINNESOTA (MIDWEST)

| CPI AREAS: | COUNTIES |
|--|--|
| Minneapolis-St. Paul-Bloomington, MN-WI MSA: | Anoka, Carver, Chisago, Dakota, Hennepin, Isanti, Ramsey, Scott, Sherburne, Washington, Wright |

All other Counties in Minnesota use the Midwest Region AAF

MISSISSIPPI (SOUTH)

All Counties in Mississippi use the South Region AAF

MISSOURI (MIDWEST)

| CPI AREAS: | COUNTIES |
|-------------------------------|--|
| Kansas City, MO-KS MSA | |
| Metropolitan Area Components: | |
| Bates County, MO HMFA | Bates |
| Kansas City, MO-KS HMFA: | Caldwell, Cass, Clay, Clinton, Jackson, Lafayette, Platte, Ray |
| St. Louis, MO-IL MSA | |
| Metropolitan Area Components: | |
| St. Louis, MO-IL HMFA: | Sullivan city part of Crawford, Franklin, Jefferson, Lincoln, St. Charles, St. Louis, Warren, St. Louis city |
| Washington County, MO HMFA: | Washington |

All other Counties in Missouri (including the rest of Crawford County) use the Midwest Region AAF.

MONTANA (WEST)

All Counties in Montana use the West Region AAF

NEBRASKA (MIDWEST)

All Counties in Nebraska use the Midwest Region AAF.

 SCHEDULE C - CONTRACT RENT ANNUAL ADJUSTMENT FACTORS - AREA DEFINITIONS

NEVADA (WEST)

All Counties in Nevada use Midwest Region AAF.

NEW HAMPSHIRE (NORTHEAST)

| CPI AREAS: | COUNTIES |
|--------------------------------------|--|
| Boston-Cambridge-Quincy, MA-NH MSA | |
| Metropolitan Area Components: | |
| Boston-Cambridge-Quincy, MA-NH HMFA: | Rockingham County towns of Seabrook, South Hampton |
| Lawrence, MA-NH HMFA: | Rockingham County towns of Atkinson, Chester, Danville, Derry, Fremont, Hampstead, Kingston, Newton, Plaistow, Raymond, Salem, Sandown, Windham |
| Portsmouth-Rochester, NH HMFA: | Rockingham County towns of Brentwood, East Kingston, Epping, Exeter, Greenland, Hampton, Hampton Falls, Kensington, New Castle, Newfields, Newington, Newmarket, North Hampton, Portsmouth, Rye, Stratham |
| Western Rockingham County, NH HMFA: | Strafford County towns of Barrington, Dover, Durham, Farmington, Lee, Madbury, Middleton, Milton, New Durham, Rochester, Rollinsford, Somersworth, Strafford |
| | Rockingham County towns of Auburn, Candia, Deerfield, Londonderry, Northwood, Nottingham |
| Manchester-Nashua, NH MSA | |
| Metropolitan Area Components: | |
| Hillsborough County, NH (part) HMFA: | Hillsborough County towns of Antrim, Bennington, Deering, Frankestown, Greenfield, Hancock, Hillsborough, Lyndeborough, New Boston, Peterborough, Sharon, Temple, Windsor. |
| Manchester, NH HMFA: | Hillsborough County towns of Bedford, Goffstown, Manchester, Weare. |
| Nashua, NH HMFA: | Hillsborough County towns of Amherst, Brookline, Greenville, Hollis, Hudson, Litchfield, Mason, Merrimack, Milford, Mont Vernon, Nashua, New Ipswich, Pelham, Wilton |

All other Counties/Towns in New Hampshire use Northeast Region AAF.

SCHEDULE C - CONTRACT RENT ANNUAL ADJUSTMENT FACTORS - AREA DEFINITIONS

NEW JERSEY (NORTHEAST)

| CPI AREAS: | COUNTIES |
|--|---------------------------------------|
| Atlantic City, NJ: | Atlantic |
| New York-Northern New Jersey-Long Island, NY-NJ-PA MSA | |
| Metropolitan Area Components: | |
| Bergen-Passaic, NJ HMFA: | Bergen, Passaic |
| Jersey City, NJ HMFA: | Hudson |
| Middlesex-Somerset-Hunterdon, NJ HMFA: | Hunterdon, Middlesex, Somerset |
| New York-Monmouth-Ocean, NY-NJ HMFA: | Monmouth, Ocean |
| Newark, NJ HMFA: | Essex, Morris, Sussex, Union |
| Ocean City, NJ MSA: | Cape May |
| Philadelphia-Camden-Wilmington, PA-NJ-DE-MD MSA | Burlington, Camden, Gloucester, Salem |
| Trenton-Ewing, NJ MSA: | Mercer |
| Vineland-Millville-Bridgeton, NJ MSA: | Cumberland |

Warren County uses the Northeast Region AAF.

NEW MEXICO (WEST)

All Counties in New Mexico use the West Region AAF.

NEW YORK (NORTHEAST)

| CPI AREAS: | COUNTIES |
|--|---|
| New York-Northern New Jersey-Long Island, NY-NJ-PA MSA | |
| Metropolitan Area Components: | |
| Nassau-Suffolk, NY HMFA: | Nassau, Suffolk |
| New York-Monmouth-Ocean, NY-NJ HMFA: | Bronx, Kings, New York, Putnam, Queens, Richmond, Rockland |
| Poughkeepsie-Newburgh-Middletown, NY MSA: | Dutchess, Orange |
| Westchester County, NY HMFA: | Westchester |

All other Counties in New York use the Northeast Region AAF.

NORTH CAROLINA (SOUTH)

All Counties in North Carolina use the South Region AAF.

NORTH DAKOTA (MIDWEST)

All Counties in North Dakota use the Midwest Region AAF.

SCHEDULE C - CONTRACT RENT ANNUAL ADJUSTMENT FACTORS - AREA DEFINITIONS

OHIO (MIDWEST)

CPI AREAS:

Akron, OH MSA:

Ashtabula County, OH:

Cincinnati-Middleton, OH-KY-IN MSA

Metropolitan Area Components:

Brown County, OH HMFA:

Cincinnati-Middleton OH-KY-IN HMFA:

Cleveland-Elyria-Mentor, OH:

COUNTIES

Portage, Summit

Ashtabula

Brown

Butler, Clermont, Hamilton, Warren

Cuyahoga, Geauga, Lake, Lorain, Medina

All other Counties in Ohio use the Midwest Region AAF.

OKLAHOMA (SOUTH)

All Counties in Oklahoma use the South Region AAF.

OREGON (WEST)

CPI AREAS:

Portland-Vancouver-Beaverton, OR-WA MSA:

Salem, OR MSA:

COUNTIES

Clackamas, Columbia, Multnomah, Washington,
Yamhill

Marion, Polk

All other Counties in Oregon use the West Region AAF.

PENNSYLVANIA (NORTHEAST)

CPI AREAS:

New York-Northern New Jersey-Long Island, NY-NJ-PA MSA

Metropolitan Area Components:

Pike County, PA HMFA:

Philadelphia-Camden-Wilmington, PA-NJ-DE-MD MSA:

Pittsburgh, PA MSA:

Metropolitan Area Components:

Armstrong County, PA HMFA:

Pittsburgh, PA HMFA:

COUNTIES

Pike

Bucks, Chester, Delaware, Montgomery, Philadelphia

Armstrong

Allegheny, Beaver, Butler, Fayette, Washington,
Westmoreland

All other Counties in Pennsylvania use the Northeast Region AAF.

RHODE ISLAND (NORTHEAST)

All Counties/Towns in Rhode Island use the Northeast Region AAF.

SOUTH CAROLINA (SOUTH)

All Counties in South Carolina use the South Region AAF.

SOUTH DAKOTA (MIDWEST)

All Counties in South Dakota use the Midwest Region AAF.

SCHEDULE C - CONTRACT RENT ANNUAL ADJUSTMENT FACTORS - AREA DEFINITIONS

TENNESSEE (SOUTH)

All Counties in Tennessee use the South Region AAF.

TEXAS (SOUTH)

| CPI AREAS: | COUNTIES |
|--------------------------------------|---|
| Dallas-Fort Worth-Arlington, TX MSA | |
| Metropolitan Area Components: | |
| Dallas, TX HMFA: | Collin, Dallas, Delta, Denton, Ellis, Hunt, |
| Kaufman, Rockwall | |
| Fort Worth-Arlington, TX HMFA: | Johnson, Parker, Tarrant |
| Wise County, TX HMFA: | Wise |
| Henderson County, TX: | Henderson |
| Hood County, TX: | Hood |
| Houston-Baytown-Sugar Land, TX MSA | |
| Metropolitan Area Components: | |
| Austin, County, TX HMFA: | Austin |
| Brazoria County, TX HMFA: | Brazoria |
| Houston-Baytown-Sugar Land, TX HMFA: | Chambers, Fort Bend, Galveston, Harris, Liberty, Montgomery, San Jacinto, Waller |

All other Counties in Texas use the South Region AAF.

UTAH (WEST)

All Counties in Utah use the West Region AAF.

VERMONT (NORTHEAST)

All Counties/Towns in Vermont use the Northeast Region AAF.

VIRGINIA (SOUTH)

| CPI AREAS: | COUNTIES |
|--|---|
| Culpeper County, VA: | Culpeper |
| King George County, VA: | King George |
| Washington-Arlington-Alexandria, DC-VA-MD-WV MSA | |
| Metropolitan Area Components: | |
| Warren County, VA HMFA: | Warren |
| Washington-Arlington-Alexandria, DC-VA-MD HMFA: | Arlington, Clarke, Fairfax, Fauquier, Loudoun, Prince William, Spotsylvania, Stafford, Alexandria city, Fairfax city, Falls Church city, Fredericksburg city, Manassas Park city, Manassas city |

All other Counties/Cities in Virginia use the South Region AAF.

SCHEDULE C - CONTRACT RENT ANNUAL ADJUSTMENT FACTORS - AREA DEFINITIONS
WASHINGTON (WEST)

| CPI AREAS: | COUNTIES |
|-----------------------------------|------------------|
| Bremerton-Silverdale, WA MSA: | Kitsap |
| Island County, WA: | Island |
| Olympia, WA MSA: | Thurston |
| Portland-Vancouver, OR-WA MSA: | Clark, Skamania, |
| Seattle-Tacoma-Bellevue, WA MSA | |
| Metropolitan Area Components: | |
| Seattle-Tacoma-Bellevue, WA HMFA: | King, Snohomish |
| Tacoma, WA HMFA: | Pierce |

All other Counties in Washington use the West Region AAF.

WEST VIRGINIA (SOUTH)

| CPI AREAS: | COUNTIES |
|--|------------------|
| Hagerstown-Martinsburg, MD-WV MSA:: | Berkeley, Morgan |
| Washington-Arlington-Alexandria, DC-VA-MD-WV MSA | |
| Metropolitan Area Components: | |
| Jefferson County, WV HMFA: | Jefferson |

All other Counties in West Virginia use the South Region AAF.

WISCONSIN (MIDWEST)

| CPI AREAS: | COUNTIES |
|--|---|
| Milwaukee-Waukesha-West Allis, WI MSA: | Milwaukee, Ozaukee, Washington, Waukesha |
| Minneapolis-St. Paul, MN-WI: | Pierce, St. Croix |
| Racine, WI MSA: | Racine |

All other Counties of Wisconsin use the Midwest Region AAF.

WYOMING (WEST)

All Counties in Wyoming use the West Region AAF.

PACIFIC ISLANDS (WEST)

The American Samoa, Guam, Northern Mariana Islands, and Palau use the West Region AAF.

PUERTO RICO (SOUTH)

All Municipios use the South Region AAF.

VIRGIN ISLANDS (SOUTH)

The U.S. Virgin Islands uses the South Region AAF.