1. Why is the CDFI Fund updating its Investment Area eligibility data?

The CDFI Fund has updated Investment Areas using the U.S. Census Bureau’s 2011-2015 American Community Survey (ACS) to provide more current socioeconomic and demographic data that reflect changes since the 2006-2010 ACS CDFI Investment Area data was posted. The CDFI Fund revises program eligibility criteria to coincide with each subsequent full five-year ACS data release, which is the 2011-2015 release. Please note that while the Census Bureau has issued a more recent five-year ACS release (e.g. 2012-2016), the CDFI Fund will not update the eligibility data annually because of the cost and
complexity. The next ACS update is planned to coincide with the 2020 Decennial Census release, which is anticipated to be available in 2022.

2. **What is a CDFI Investment Area?**

Investment areas are defined in the *Code of Federal Regulations* at 12 C.F.R. §1805.201(b)(3)(ii). A CDFI Investment Area is defined as a geographic unit (or contiguous geographic units), such as a census tract, located within the United States, that meets at least one of the following criteria:

- Has a population poverty rate of at least 20 percent;
- Has an unemployment rate 1.5 times the national average;
- For a metropolitan area has a median family income (MFI) at or below 80 percent of the greater of either the metropolitan or national metropolitan MFI;
- For a non-metropolitan area that has an MFI at or below 80 percent of the greater of either the statewide or national non-metropolitan MFI;
- Is wholly located within an Empowerment Zone or Enterprise Community; or
- Has a county population loss greater than or equal to 10 percent between the two most recent census periods for Metro areas or five percent over last five years for Non-Metro areas.

3. **What is a CDFI Target Market?**

A Target Market refers to one or more Investment Area(s) and/or Targeted Population(s). Targeted populations may include Low-Income Targeted Populations (defined based on income) or Other Targeted Populations (an identifiable group of individuals in the organization's service area for which there exists a strong basis in evidence that the group lacks access to loans, equity investments, and/or financial services).

To be certified as a CDFI, the potential applicant must be actively engaged in providing Financial Services and/or Financial Products to its Target Market as of the date the application is submitted to the CDFI Fund. The applicant must demonstrate that a minimum of 60 percent of its financing activities are to its Target Market(s). A certified CDFI may request to modify its Target Market(s) after its initial certification, as the areas and

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1 A Targeted Population refers to individuals or an identifiable group of individuals meeting the requirements of 13 C.F.R. § 1805.201(b)(3). According to the regulations, “Targeted Population shall mean individuals, or an identifiable group of individuals, who are Low-Income persons or lack adequate access to Financial Products or Financial Services in the Applicant's service area. The members of a Targeted Population shall reside within the boundaries of the United States (which shall encompass any State of the United States, the District of Columbia or any territory of the United States, Puerto Rico, Guam, American Samoa, the Virgin Islands, and the Northern Mariana Islands).” Targeted population data is not included in the updated CDFI Investment Area data.
populations it serves change. However, a certified CDFI must continue to meet the 60 percent threshold to maintain its certification.

4. **Is the 2011-2015 ACS CDFI Investment Area data available for identifying Target Markets and for geo-coding in CIMS to identify the 2010 census tract in which the transaction occurs?**

The CDFI Fund has updated the Community Investment Mapping System (CIMS) with the 2011-2015 ACS data applied to the 2010 census tracts. The CIMS mapping program will allow you to identify your Target Markets for a new certification application or for reaffirming the Target Market for the Annual Certification and Data Collection Report (ACR). The updated CIMS will also enable you to identify the appropriate 2010 census tract by entering an address for uploading into the geocoder.

5. **What does the new ACS census data mean for the CDFI Certification Program?**

*New CDFI certification applicants and Certified CDFIs reaffirming that they meet the Target Market criteria for the ACR:* With the posting of the updated data (October 1, 2018), new applicants for CDFI certification and those CDFIs reaffirming their Target Markets for the ACR may use either the 2006-2010 ACS data or 2011-2015 ACS data to identify their Investment Areas and Target Markets.

A one year transition period will be allowed. After October 1, 2019, CDFIs must use the 2011-2015 ACS data to identify their Investment Areas and Target Markets.

*Pending CDFI certification applicants.* Any applicant for CDFI certification that submits a certification application to the CDFI Fund prior to October 1, 2018 and is awaiting a final determination need not reapply using the 2011-2015 ACS data to define an Investment Area. The CDFI Fund will make a decision on certification based on an Investment Area as determined by 2006-2010 ACS Census data. If the applicant is ultimately certified and subsequently elects to revise its Investment Area, the CDFI would then use the 2011-2015 ACS data to revise and submit its new Target Market in accordance with CDFI Fund procedures in place at the time of the revision.

6. **What does the ACS census data mean for CDFI Program and Native American CDFI Assistance (NACA) Programs Awardees– Financial Assistance (FA) and Technical Assistance (TA)?**

A CDFI whose certification has been reaffirmed in the most recent ACR may define its Target Markets using the 2006-2010 ACS data from October 1, 2018 to October 1, 2019 or the 2011-2015 ACS data after October 1, 2019, and for reporting purposes should apply the new Target Market data to all existing awards, as well as any future awards.
An awardee whose certification has not expired will be allowed to continue to conduct and report its qualified activities in the Target Market in which it is currently certified, until such time that the awardee is recertified or otherwise modifies its Target Market.

7. **What Target Market should a CDFI utilize for its CDFI or NACA Program application if it is submitting an application for CDFI recertification?**

   A CDFI or NACA Program applicant that is being recertified may use its current Target Market for the purpose of the funding application; however, once recertified a CDFI must use its new Target Market for reporting on all existing awards as well as any future awards.

8. **I notice some census tracts in the file have poverty or median family income listed as zero, blank, or “N/A.” What’s the reason for this?**

   The ACS data set released by the U.S. Census Bureau contains tracts with no data on poverty or income. A significant majority of these tracts have no population or a very low population. The Census Bureau was unable to estimate income or poverty for these tracts. The remainder has a population that is largely housed in group quarters, such as prisons or college dorms, which are not included in the ACS income or poverty calculations.

9. **Where can I find a reference data file with updated eligible CDFI Investment Area Census Tract based on the 2011-2015 ACS?**

   An Excel reference file with eligible Investment Areas census tracts can be found at the following link: [www.cdfifund.gov](http://www.cdfifund.gov). The Excel file contains a list of eligible census tracts based on both the 2006-2010 and 2011-2015 American Community Survey. The 2000 Census tracts are available for historical and auditing purposes for older transactions. Please note that the CIMS system uses the ACS data and all of the eligibility factors identified in question 2 above to compile the new investment area and target market maps. The applicant may rely on the CIMS system to compile investment areas and target markets and does not need to use the spreadsheet to determine eligibility. The spreadsheet is provided as a reference to document the underlying data used to compute eligibility.

10. **Whom can I contact if I have any additional questions?**

   You may contact the CDFI Fund Help Desk by phone at (202) 653-0421 or by email <CDFIHelp@cdfi.treas.gov>. For Technical Support with CIMS, please contact the CDFI Fund IT Help Desk at 202-653-0300 or by email <ITHelpDesk@cdfi.treas.gov>.