

Proposed Pre-Approved Target Market Assessment Methodologies

Target Market Type: OTP-African American

Recipient Type Eligibility

- **Individual:** At least 50% of the individuals named as recipients in the Financial Product and/or Financial Services transaction agreement are assessed as African American.
- **For-Profit Entity:** If all parties named as recipients in the Financial Product and/or Financial Services transaction agreement are for-profit entities that are wholly owned by one or more individuals (i.e., are not owned in whole or in part by another entity) and are not tax exempt, at least 50% of the owners named as recipients are assessed as African American.
- **Nonprofit Entity:** If all parties named as recipients in the Financial Product and/or Financial Services transaction agreement are tax exempt, at least 50% of the end-user recipients of the Financial Product and/or Financial Services transaction are assessed as African American.

Pre-Approved Assessment Methodologies

- **OTP-AA.1** – Individual, owner, or end-user self-reports as African American.
- **OTP-AA.2** – If the individual/owner/end-user self-report is not available, the financing entity visually assesses an individual's status as African American in-person or via collection of a government-issued photo identification.

Documentation/Record Keeping Requirements

- CDFI or Applicant CDFI must have policies describing the assessment processes used to determine the transaction is Target Market directed.
- CDFI or Applicant CDFI should maintain its records for a minimum of 5 years.

Guidance

- African American is defined by the CDFI Fund's CDFI/NACA program as "a person having origins in any of the black racial groups of Africa."¹
- If the status of the individual as a member of the OTP based on an in-person visual assessment or the government-issued photo ID is uncertain, the individual/owner/end-user should not be counted as such.
- All individuals named as recipients of the Financial Product will be counted as separate individuals when determining the overall percentage of those that qualify for this OTP, even if they are part of the same family, household or entity.
- Nonprofit end-user verification - the nonprofit entity must assess the percentage of end users who receive the service that are members of the Target Market. The financing entity must verify that the nonprofit is using one of the pre-approved methods in order to count the transaction as Target Market directed.

¹ The CDFI Fund relies on the definitions established in the [Revisions to the Standards for Classification of Federal Data on Race and Ethnicity \(OMB Statistical Policy Directive No. 15\)](#).

- See appendix for list of allowable forms of government-issued photo identification.

Target Market Type: OTP-Hispanic

Recipient Type Eligibility

- **Individual:** At least 50% of the individuals named as recipients in the Financial Product and/or Financial Services transaction agreement are assessed as Hispanic.
- **For-Profit Entity:** If all parties named as recipients in the Financial Product and/or Financial Services transaction agreement are for-profit entities that are wholly owned by one or more individuals (i.e., are not owned in whole or in part by another entity) and are not tax exempt, at least 50% of the owners named as recipients are assessed as Hispanic.
- **Nonprofit Entity:** If all parties named as recipients in the Financial Product and/or Financial Services transaction agreement are tax exempt, at least 50% of the end user recipients of the Financial Product and/or Financial Services transaction are assessed as Hispanic.

Pre-Approved Assessment Methodologies

- **OTP-Hisp.1** – Individual, owner, or end-user self-reports as Hispanic.
- **OTP-Hisp.2** – If the individual/owner/end-user self-report is not available, the financing entity visually assesses an individual’s status as Hispanic in-person or via collection of a government-issued photo identification.
- **OTP-Hisp.3** – If the individual/owner/end-user self-report is not available, the financing entity may use the surname of an individual to determine status as Hispanic via collection of a government-issued photo identification or primary residence documentation. The surname must have a value of 80% or higher for the “Percent Hispanic or Latino origin” based off of the most recently available “Frequently Occurring Surnames” list from the U.S. Census Bureau.

Documentation/Record Keeping Requirements

- CDFI or Applicant CDFI must have policies describing the assessment processes used to determine the transaction is Target Market directed.
- CDFI or Applicant CDFI should maintain its records for a minimum of 5 years.

Guidance

- Hispanic is defined by the CDFI Fund’s CDFI/NACA program as a person of Cuban, Mexican, Puerto Rican, South or Central American, or other Spanish culture or origin, regardless of race.²
- The list of “Frequently Occurring Surnames” from the U.S. Census Bureau is available for download from the Fund’s website [here](#). This list will be updated periodically based upon the most recent data available from the U.S. Census Bureau.
- If the status of the individual as a member of the OTP based on surname, an in-person visual assessment, or the government-issued photo ID is uncertain, the individual/owner/end-user should not be counted as such.

² Ibid.

- All individuals named as recipients of the Financial Product will be counted as separate individuals when determining the overall percentage of those that qualify for this OTP, even if they are part of the same family, household or entity.
- Nonprofit end-user verification - the nonprofit entity must assess the percentage of end users who receive the service that are members of the Target Market. The financing entity must verify that the nonprofit is using one of the pre-approved methods in order to count the transaction as Target Market directed.
- See appendix for list of allowable forms of Government-Issued photo identification.

Target Market Type: OTP-Native American with maintained Tribal affiliation or community attachment

Recipient Type Eligibility

- **Individual:** At least 50% of the individuals named as recipients in the Financial Product and/or Financial Services transaction agreement are assessed as Native American and have maintained Tribal affiliation or community attachment.
- **For-Profit Entity:** If all parties named as recipients in the Financial Product and/or Financial Services transaction agreement are for-profit entities that are wholly owned by one or more individuals (i.e., are not owned in whole or in part by another entity) and are not tax exempt, at least 50% of the owners named as recipients are assessed as Native American and have maintained Tribal affiliation or community attachment.
- **Nonprofit Entity:** If all parties named as recipients in the Financial Product and/or Financial Services transaction agreement are tax exempt, at least 50% of the end user recipients of the Financial Product transaction and/or Financial Services are assessed as Native American with maintained Tribal affiliation or community attachment.

Pre-Approved Assessment Methodologies

- **OTP-Native American.1** – The financing entity assesses an individual/owner/end-user’s status as Native American with maintained Tribal affiliation or community attachment via collection of a government-issued or Tribal government-issued photo identification or documentation as described below.

Documentation/Record Keeping Requirements

- CDFI or Applicant CDFI must have policies describing the assessment processes used to determine the transaction is Target Market directed.
- CDFI or Applicant CDFI should maintain its records for a minimum of 5 years.

Guidance

- Native American is defined by the CDFI Fund’s CDFI/NACA program as “a person having origins in any of the original peoples of North and South America (including Central America), and who maintains tribal affiliation or community attachment.”³
- Documentation of Tribal affiliation or community attachment includes the following:
“(5)(i) Documentary evidence issued by a Federally recognized Indian Tribe identified in the FEDERAL REGISTER by the Bureau of Indian Affairs within the U.S. Department of the Interior, and including Tribes located in a State that has an international border, which -
(A) Identifies the Federally recognized Indian Tribe that issued the document;
(B) Identifies the [individual](#) by name; and
(C) Confirms the [individual](#)'s membership, enrollment, or affiliation with the Tribe.

³ Ibid.

(ii) Documents described in [paragraph \(a\)\(5\)\(i\)](#) of this section include, but are not limited to:

- (A) A Tribal enrollment card;
- (B) A Certificate of Degree of Indian Blood;
- (C) A Tribal census document;
- (D) Documents on Tribal letterhead, issued under the signature of the appropriate Tribal official, that meet the requirements of [paragraph \(a\)\(5\)\(i\)](#) of this section.”⁴

- If there is any reason to doubt the authenticity of an identification card used to determine an individual’s status as a member of this OTP, the individual/owner/end-user should not be counted as such.
- All individuals named as recipients of the Financial Product will be counted as separate individuals when determining the overall percentage of those that qualify for this OTP, even if they are part of the same family, household or entity.
- Nonprofit end-user verification - the nonprofit entity must assess the percentage of end users who receive the service that are members of the Target Market. The financing entity must verify that the nonprofit is using one of the pre-approved methods in order to count the transaction as Target Market directed.
- See appendix for list of allowable forms of Government-Issued photo identification.

⁴ [42 CFR § 435.407 - Types of acceptable documentary evidence of citizenship. | CFR | US Law | LII / Legal Information Institute \(cornell.edu\)](#)

Target Market Type: OTP-Native Alaskan Residing in Alaska with maintained Tribal affiliation or community attachment

Recipient Type Eligibility

- **Individual:** At least 50% of the individuals named as recipients in the Financial Product and/or Financial Services transaction agreement are assessed as Native Alaskans that reside in Alaska and have maintained Tribal affiliation or community attachment.
- **For-Profit Entity:** If all parties named as recipients in the Financial Product and/or Financial Services transaction agreement are for-profit entities that are wholly owned by one or more individuals (i.e., are not owned in whole or in part by another entity) and are not tax exempt, at least 50% of the owners named as recipients are assessed as Native Alaskans that reside in Alaska and have maintained Tribal affiliation or community attachment.
- **Nonprofit Entity:** If all parties named as recipients in the Financial Product and/or Financial Services transaction agreement are tax exempt, at least 50% of the end user recipients of the Financial Product and/or Financial Services transaction are assessed as Native Alaskan residing in Alaska with maintained Tribal affiliation or community attachment.

Pre-Approved Assessment Methodologies

- **OTP-Native Alaskan.1** – The financing entity assesses an individual/owner/end user’s status as Native Alaskan residing in Alaska with maintained Tribal affiliation or community attachment via collection of a government-issued or tribal government-issued photo identification.

Documentation/Record Keeping Requirements

- CDFI or Applicant CDFI must have policies describing the assessment processes used to determine the transaction is Target Market directed.
- CDFI or Applicant CDFI should maintain its records for a minimum of 5 years.

Guidance

- Native Alaskan is defined by the CDFI Fund’s CDFI/NACA program as having the meaning specified for Native American which is “a person having origins in any of the original peoples of North and South America (including Central America), and who maintains tribal affiliation or community attachment.”⁵
- Documentation of Tribal affiliation or community attachment includes the following:
“(5)(i) Documentary evidence issued by a Federally recognized Indian Tribe identified in the FEDERAL REGISTER by the Bureau of Indian Affairs within the U.S. Department of the Interior, and including Tribes located in a State that has an international border, which -
(A) Identifies the Federally recognized Indian Tribe that issued the document;

⁵ The CDFI Fund relies on the definitions established in the [Revisions to the Standards for Classification of Federal Data on Race and Ethnicity \(OMB Statistical Policy Directive No. 15\)](#).

- (B) Identifies the [individual](#) by name; and
- (C) Confirms the [individual](#)'s membership, enrollment, or affiliation with the Tribe.

(ii) Documents described in [paragraph \(a\)\(5\)\(i\)](#) of this section include, but are not limited to:

- (A) A Tribal enrollment card;
 - (B) A Certificate of Degree of Indian Blood;
 - (C) A Tribal census document;
 - (D) Documents on Tribal letterhead, issued under the signature of the appropriate Tribal official, that meet the requirements of [paragraph \(a\)\(5\)\(i\)](#) of this section.”⁶
- If there is any reason to doubt the authenticity of an identification card used to determine an individual’s status as a member of this OTP, the individual/owner/end-user should not be counted as such.
 - All individuals named as recipients of the Financial Product will be counted as separate individuals when determining the overall percentage of those that qualify for this OTP, even if they are part of the same family, household or entity.
 - Nonprofit end-user verification - the nonprofit entity must assess the percentage of end users who receive the service that are members of the Target Market. The financing entity must verify that the nonprofit is using one of the pre-approved methods in order to count the transaction as Target Market directed.
 - See appendix for list of allowable forms of Government-Issued photo identification.

⁶ Ibid.

Target Market Type: OTP-Native Hawaiian Residing in Hawaii

Recipient Type Eligibility

- **Individual:** At least 50% of the individuals named as recipients in the Financial Product and/or Financial Services transaction agreement are assessed as Native Hawaiians that reside in Hawaii.
- **For-Profit Entity:** If all parties named as recipients in the Financial Product and/or Financial Services transaction agreement are for-profit entities that are wholly owned by one or more individuals (i.e., are not owned in whole or in part by another entity) and are not tax exempt, at least 50% of the owners named as recipients are assessed as Native Hawaiians that reside in Hawaii.
- **Nonprofit Entity:** If all parties named as recipients in the Financial Product and/or Financial Services transaction agreement are tax exempt, at least 50% of the end user recipients of the Financial Product and/or Financial Services transaction are assessed as Native Hawaiians that reside in Hawaii.

Pre-Approved Assessment Methodologies

- **OTP-Native Hawaiian.1** – The financing entity assesses an individual/owner/end-user’s status as Native Hawaiian residing in Hawaii via collection of a Hawaiian Registry Card.

Documentation/Record Keeping Requirements

- CDFI or Applicant CDFI must have policies describing the assessment processes used to determine the transaction is Target Market directed.
- CDFI or Applicant CDFI should maintain its records for a minimum of 5 years.

Guidance

- Native Hawaiian is defined by the CDFI Fund’s CDFI/NACA program as “a person having origins in any of the original peoples of Hawaii.”⁷
- If there is any reason to doubt the authenticity of the Hawaiian Registry Card used to determine an individual’s status as a member of this OTP, the individual/owner/end-user should not be counted as such.
- All individuals named as recipients of the Financial Product will be counted as separate individuals when determining the overall percentage of those that qualify for this OTP, even if they are part of the same family, household or entity.
- Nonprofit end-user verification - the nonprofit entity must assess the percentage of end users who receive the service that are members of the Target Market. The financing entity must verify that the nonprofit is using one of the pre-approved methods in order to count the transaction as Target Market directed.

⁷ Ibid.

Target Market Type: OTP-Other Pacific Islander Residing in Other Pacific Islands

Recipient Type Eligibility

- **Individual:** At least 50% of the individuals named as recipients in the Financial Product and/or Financial Services transaction agreement are assessed as Other Pacific Islanders that reside in Other Pacific Islands.
- **For-Profit Entity:** If all parties named as recipients in the Financial Product and/or Financial Services transaction agreement are for-profit entities that are wholly owned by one or more individuals (i.e., are not owned in whole or in part by another entity) and are not tax exempt, at least 50% of the owners named as recipients are assessed as Other Pacific Islanders that reside in Pacific Islands.
- **Nonprofit Entity:** If all parties named as recipients in the Financial Product and/or Financial Services transaction agreement are tax exempt, at least 50% of the end user recipients of the Financial Product and/or Financial Services transaction are assessed as Other Pacific Islander residing in Pacific Islands.

Pre-Approved Assessment Methodologies

- **OTP-Pacific Islander.1** – Individual, owner, or recipient self-reports as Pacific Islander and provides proof of primary residence in Pacific Islands.
- **OTP-Pacific Islander.2** – If the individual/owner/end-user self-report is not available, the financing entity assesses an individual/owner/end user’s status as Other Pacific Islander residing in the Pacific Islands visually and via collection of a government-issued photo identification and proof of primary residency.

Documentation/Record Keeping Requirements

- CDFI or Applicant CDFI must have policies describing the assessment processes used to determine the transaction is Target Market directed.
- CDFI or Applicant CDFI should maintain its records for a minimum of 5 years.

Guidance

- Other Pacific Islander is defined by the CDFI Fund’s CDFI/NACA program as “a person having origin in Guam, Samoa, or the Northern Mariana Islands that are identified as having Polynesian, Micronesian, or Melanesian origins.”⁸
- If the status of the individual as a member of the OTP based on an in-person visual assessment or the government-issued photo ID is uncertain, the individual/owner/end-user should not be counted as such.
- If there is any reason to doubt the authenticity of an identification card and primary residency documentation used to determine an individual’s status as a member of this OTP, the individual/owner/end-user should not be counted as such.

⁸ Ibid.

- All individuals named as recipients of the Financial Product will be counted as separate individuals when determining the overall percentage of those that qualify for this OTP even if they are part of the same family, household or entity.
- Nonprofit end-user verification - the nonprofit entity must assess the percentage of end users who receive the service that are members of the Target Market. The financing entity must verify that the nonprofit is using one of the pre-approved methods in order to count the transaction as Target Market directed.
- See appendix for list of allowable forms of Government-Issued photo identification and proof of residency documentation.

Target Market Type: OTP-People with disabilities

Recipient Type Eligibility

- **Individual:** At least 50% of the individuals named as recipients in the Financial Product and/or Financial Services transaction agreement are assessed as a person with a disability.
- **For-Profit Entity:** If all parties named as recipients in the Financial Product and/or Financial Services transaction agreement are for-profit entities that are wholly owned by one or more individuals (i.e., are not owned in whole or in part by another entity) and are not tax exempt, at least 50% of the owners named as recipients are assessed as persons with disability.
- **Nonprofit Entity:** If all parties named as recipients in the Financial Product and/or Financial Services transaction agreement are tax exempt, at least 50% of the end user recipients of the Financial Product and/or Financial Services transaction are assessed as persons with disabilities.
- **For-Profit or Nonprofit Entity:** All parties named as recipients in the Financial Product and/or Financial Services transaction agreement are entities whose sole purpose is to produce/deliver disability related adaptive technology or disability related accessibility modifications.

Pre-Approved Assessment Methodologies

- **OTP-PWD.1** – Individual, owner, or end-user self-reports as a person with a disability.
- **OTP-PWD.2** – The financing entity visually assesses an individual/owner/end-user's status as a person with disability in-person or via the collection of acceptable documentation.
- **OTP-PWD.3** – The sole purpose of the Financial Product is for the purchase/production/delivery of disability related adaptive technology or disability related accessibility modifications.

Documentation/Record Keeping Requirements

- CDFI or Applicant CDFI must have policies describing the assessment processes used to determine the transaction is Target Market directed.
- CDFI or Applicant CDFI should maintain its records for a minimum of 5 years.

Guidance

- According to the American Disabilities Act (ADA), a person with a disability is defined as “a person who has a physical or mental impairment that substantially limits one or more major life activities, a person who has a history or record of such an impairment, or a person who is perceived by others as having such an impairment.”
- Acceptable documentation of a disability includes statements or letters on a physician's/medical professional's letterhead stationary; statements, records or letters from a Federal Government agency that issues or provides disability benefits; statements, records or letters from a state vocational rehabilitation agency counselor; certification

from a private vocational rehabilitation or other counselor that issues or provides disability benefits.

- All individuals named as recipients of the Financial Product will be counted as separate individuals when determining the overall percentage of those that qualify for this OTP, even if they are part of the same family, household or entity.
- Nonprofit end-user verification - the nonprofit entity must assess the percentage of end users who receive the service that are members of the Target Market. The financing entity must verify that the nonprofit is using one of the pre-approved methods in order to count the transaction as Target Market directed.

Target Market Type: OTP-certified CDFIs

Recipient Type Eligibility

- **For-Profit Entity or Nonprofit Entity:** Financial product(s) is delivered to a certified CDFI at the time the Financial Product transaction is issued.

Pre-Approved Assessment Methodologies

- **OTP-Certified CDFI.1** – The financing entity assesses the recipient CDFI as certified at the time the financial product was received using the list of certified CDFIs on the CDFI Fund’s website.

Documentation/Record Keeping Requirements

- CDFI or Applicant CDFI who is issuing Financial Products to another CDFI must have policies describing the assessment processes used to determine the transaction is Target Market directed.
- CDFI or Applicant CDFI who is issuing Financial Products to another CDFI should maintain its records for a minimum of 5 years.

Guidance

- The most recent list of Certified CDFIs can be found on the CDFI Fund’s website at <https://www.cdfifund.gov/programs-training/certification/cdfi> and is updated monthly.

Target Market Type: Low Income Targeted Population (LITP)

Recipient Type Eligibility

- **Individual:** At least 50% of the individuals named as recipients in the Financial Product and/or Financial Services transaction agreement are assessed as Low-Income.
- **For-Profit Entity:** If all parties named as recipients in the Financial Product and/or Financial Services transaction agreement are for-profit entities that are wholly owned by one or more individuals (i.e., are not owned in whole or in part by another entity) and are not tax exempt, at least 50% of the owners named as recipient are assessed as Low-Income.
- **Non-Profit Entity:** If all parties named as recipients in the Financial Product and/or Financial Services transaction agreement are tax exempt, at least 50% of the end users of the Financial Product and/or Financial Services transaction are assessed as Low-Income.

Pre-Approved Assessment Methodologies

- **LITP.1** – The financing entity collects income data and primary residence or business location documentation from the individual, owner, or end-user and assesses Low-Income status via a comparison of the entire family income to HUD’s Income Limits for the relevant family size and local geography.
- **LITP.2** – If the individual/owner/end-user income data is not available, the financing entity assesses Low-Income status using a programmatic proxy that the financing entity has confirmed applies an income limit that aligns with the CDFI Fund's definition of Low-Income and that meets one of the following conditions:
 - Verification that the Financial Product individual/owner/end-user has been approved to participate in a Federal, State, local or Tribal government program that is Low-Income directed.
 - Confirmation of income-based assistance program participation status for all of the community service provider's end-users.
 - Confirmation of clear, government-established/approved minimum standards regarding the percentage of the project slots that must be reserved for/occupied by Low-Income participants.

Pre-Approved Programmatic Proxies

The CDFI Fund will allow

- HOME Investment Partnership Program (HOME)
- Social Security Disability Insurance (SSDI) and/or Supplemental Security Income (SSI).
- Housing Choice Voucher Section 8
- Community Development Block Grant (CDBG) Program
- Special Supplemental Nutrition Program for Woman, Infants, and Children (WIC) – Financing entity must ensure program eligibility income limits set at the state level align well with the CDFI Fund’s definition of Low-Income

- Supplemental Nutrition Assistance Program (SNAP)/Food Stamps – Financing entity must ensure program eligibility income limits set at the state level, align well with the CDFI Fund’s definition of Low-Income
- National School Lunch Program (NSLP) -- Financing entity must ensure program eligibility income limits set at the state level align well with the CDFI Fund’s definition of Low-Income

Documentation/Record Keeping Requirements

- CDFI or Applicant CDFI must have policies describing the assessment processes used to determine the transaction is Target Market directed.
- CDFI or Applicant CDFI should maintain its records for a minimum of 5 years.

Guidance

- Income verification cannot be assessed solely based on self-reported information.
- If income information is available, then the CDFI or Applicant CDFI may use the CDFI Fund’s *Low-Income Calculator*, which provides users with the ability to enter family income, number of family members, and a geographic location in the form of a census tract to determine whether a transaction qualifies as a LITP loan or investment. The calculator is available [here](#).
- An individual will be considered Low-Income if, based on their primary place of residence, their family income for their actual family size is:
 - For Metropolitan Areas, no more than 80% of the U.S. Department of Housing and Urban Development’s (HUD’s) area median family income adjusted by family size for the relevant city/town, county or Metropolitan Statistical Area (MSA); or
 - For Non-Metropolitan Areas, no more than the greater of 80% of the HUD area median family income for the relevant city/town, county or Metropolitan Statistical Area (MSA) for the relevant family size or 80% of the statewide non-metropolitan area median family income for the relevant family size.
- Actual family income: The actual family size of the Financial Product consumer will be determined based on the U.S. Census Bureau’s definition of family (currently includes any person living in the same dwelling unit that is related by birth, marriage or adoption). If the family size is unknown, then the default family size is one. If the family size is known, income data must be collected on all members of the family.
- The full family income of the Financial Product consumer must:
 - be calculated based on the income type that must be included when determining adjusted gross income in an IRS 1040 form, family income for the U.S. Census Bureau or household income for HUD’s Section 8 Program;
 - include income of the relevant types received by any family member taken into account in the U.S. Census Bureau’s definition of family income (currently includes any person age 15 and up who lives in the same dwelling unit and is related by birth, marriage or adoption) even if that family member does not file a tax return to report their income and/or have other formal documentation of the income; and

- be documented via tax returns, W-2s, recent paystubs, employer affidavits, etc. or similar when such formal documentation is available, via less formal means, as needed, or via combinations of such documents as needed to establish the full relevant income of each relevant family member.
- All individuals named as recipients of the Financial Product will be counted as separate individuals when determining the overall percentage of those that qualify for this OTP, even if they are part of the same family, household or entity.
- For any proxy not shown on the Fund's publically available pre-approved proxy list, the Financing Entity must submit their proposed proxy for approval by the Fund. The proxy must be approved by the Fund prior to its use for Target Market assessment.
- If the programmatic proxy does not include an income verification process prescribed by a local, State, or Federal or Tribal government entity, it cannot be used.
- Nonprofit end-user verification - the nonprofit entity must assess the percentage of end users who receive the service that are members of the Target Market. The financing entity must verify that the nonprofit is using one of the pre-approved methods in order to count the transaction as Target Market directed.
- See appendix for list of allowable forms of primary residence documentation.

Target Market Type: Investment Area (IA)

Recipient Type Eligibility

- **Individual:** At least 50% of the individuals named as recipients in the Financial Product and/or Financial Services transaction agreement are assessed as having a primary place of residence in a qualified census tract or an eligible Customized Investment Area (CIA).
- **For-Profit Entity:** If all parties named as recipients in the Financial Product and/or Financial Services transaction agreement are for-profit entities that are wholly owned by one or more individuals (i.e., are not owned in whole or in part by another entity) and are not tax exempt, at least 50% of the owners' business locations are located in qualified census tracts or an eligible CIA.
- **Nonprofit Entity:** If all parties named as recipients in the Financial Product and/or Financial Services transaction agreement are tax exempt:
 - At least 50% of locations for the project or service must be located in a qualified census tract or eligible CIA; or
 - At least 50% of end-users of a project or service must reside in qualified census tract and/or eligible CIA.

Pre-Approved Assessment Methodologies

- **IA.1** – Using CIMS, the financing entity determines if the primary place of residence for the Financial Product and/or Financial Services individual/end-user, as assessed via a government-issued (including Tribal government) photo identification or an allowable document showing proof of primary residence, is in a qualified census tract or CIA.
- **IA.2** – Using CIMS, the financing entity determines if the geocoded address(es) where the financing was actually or is specifically intended to be used is in a qualified census tract or CIA.

Documentation/Record Keeping Requirements

- CDFI or Applicant CDFI must have policies describing the assessment processes used to determine the transaction is Target Market directed.
- CDFI or Applicant CDFI should maintain its records for a minimum of 5 years.

Guidance

- All individuals named as recipients of the Financial Product will be counted as separate individuals when determining the overall percentage of those that qualify for this OTP, even if they are part of the same family, household or entity.
- If the Financial Product is for a home purchase, and the new home will be the Financial Product consumer's primary place of residence, the new home address will be used to determine if the homebuyer resides in a qualified census tract or CIA.
- If the Financial Product is provided for pre-development, the financing entity should geocode the known location of where the facility is to be built. If the location has not yet been determined, the transaction cannot be assessed as in an IA.

- The financing entity is responsible for saving the CIMS-produced map of its CIA and the accompanying report listing all of the census tracts that are a part of the CIA.
- Addresses that are assessed and geocoded into CIMS should not include any addresses used for collateral unless those addresses are an actual location for the relevant entity.
- For a student loan, the address is the primary residence of the borrower, which could be on- or off-campus.
- A P.O. Box is not allowed to be used to represent a Financial Product or Financial Service transaction location unless there is sufficient evidence that it represents the actual location of the transaction. Entities should check for an underlying physical address or X/Y coordinates, (e.g., used by emergency vehicles) to find the location. The TLR does not accept P.O. Boxes in its address reporting.
- Nonprofit end-user verification - the nonprofit entity must assess the percentage of end users who receive the service that are members of the Target Market. The financing entity must verify that the nonprofit is using one of the pre-approved methods in order to count the transaction as Target Market directed.
- See appendix for list of allowable forms of Government-Issued photo identification and primary residence documentation.

Appendix: General Guidance

1) What are the U.S. Census Bureau relevant types of income received by family members?

U.S. Census Bureau's American Community Survey (ACS) defines family income as "the incomes of all members 15 years old and over related to the householder are summed and treated as a single amount" where total income is defined as "sum of the amounts reported separately for wage or salary income; net self-employment income; interest, dividends, or net rental or royalty income or income from estates and trusts; Social Security or Railroad Retirement income; Supplemental Security Income (SSI); public assistance or welfare payments; retirement, survivor, or disability pensions; and all other income." The definitions⁹ of the total components are as follows:

- **Wage or salary income:** Wage or salary income includes total money earnings received for work performed as an employee during the past 12 months. It includes wages, salary, Armed Forces pay, commissions, tips, piece-rate payments, and cash bonuses earned before deductions were made for taxes, bonds, pensions, union dues, etc.
- **Self-employment income:** Self-employment income includes both farm and non-farm self-employment income. Farm self-employment income includes net money income (gross receipts minus operating expenses) from the operation of a farm by a person on his or her own account, as an owner, renter, or sharecropper. Gross receipts include the value of all products sold, government farm programs, money received from the rental of farm equipment to others, and incidental receipts from the sale of wood, sand, gravel, etc.

Operating expenses include cost of feed, fertilizer, seed, and other farming supplies, cash wages paid to farmhands, depreciation charges, rent, interest on farm mortgages, farm building repairs, farm taxes (not state and federal personal income taxes), etc. The value of fuel, food, or other farm products used for family living is not included as part of net income. Non-farm self-employment income includes net money income (gross receipts minus expenses) from one's own business, professional enterprise, or partnership. Gross receipts include the value of all goods sold and services rendered. Expenses include costs of goods purchased, rent, heat, light, power, depreciation charges, wages and salaries paid, business taxes (not personal income taxes), etc.

- **Interest, dividends, net rental income, royalty income, or income from estates and trusts:** Interest, dividends, or net rental income includes interest on savings or bonds, dividends from stockholdings or membership in associations, net income from rental of property to others and receipts from boarders or lodgers, net royalties, and periodic payments from an estate or trust fund.

⁹ [American Community Survey and Puerto Rico Community Survey 2020 Subject Definitions \(census.gov\)](https://www.census.gov/programs-surveys/acs/data/2020/subject-definitions.html)

- Social Security or Railroad Retirement income: Social Security income includes Social Security and U.S. railroad retirement pensions and survivor benefits, permanent disability insurance payments made by the Social Security Administration prior to deductions for medical insurance, and railroad retirement insurance checks from the U.S. government. Medicare reimbursements are not included.
- Supplemental Security Income (SSI): Supplemental Security Income (SSI) is a nationwide U.S. assistance program administered by the Social Security Administration that guarantees a minimum level of income for needy aged, blind, or disabled individuals. The Puerto Rico Community Survey questionnaire asks about the receipt of SSI; however, SSI is not a federally-administered program in Puerto Rico. Therefore, it is probably not being interpreted by most respondents in the same manner as SSI in the United States. The only way a resident of Puerto Rico could appropriately report SSI are circumstances in which the individual lived in the United States at any time during the past 12-month reference period and received SSI.
- Public assistance income: Public assistance income includes general assistance and Temporary Assistance to Needy Families (TANF). Separate payments received for hospital or other medical care (vendor payments) are excluded. This does not include Supplemental Security Income (SSI) or noncash benefits such as Food Stamps. The terms “public assistance income” and “cash public assistance” are used interchangeably in the 2020 ACS data products.
- Retirement, survivor, or disability income: Retirement, survivor, or disability income includes (1) regular income from a company pension, union pension, Federal government pension, state government pension, local government pension, U.S. military pension, KEOGH retirement plan, SEP (Simplified Employee Pension) or any other type of pension, retirement account or annuity such as IRA, ROTH IRA, 401(k) or 403(b); (2) survivor income which is paid to spouses or children of a deceased person; (3) regular income from a disability pension paid to those who are unable to work due to a disability from companies or unions; federal, state, or local government; and the U.S. military.

Do not include Social Security or income that is "rolled over" or reinvested in another retirement account.

- All other income: All other income includes unemployment compensation, worker’s compensation, Department of Veterans Affairs (VA) payments, alimony and child support, contributions received periodically from people not living in the household, military family allotments, and other kinds of periodic income other than earnings.

2) What are the allowable forms of government-issued photo identification and primary residence documentation?

Allowable valid forms of photo identification are:

- Driver's licenses or other state photo identity cards issued by Department of Motor Vehicles (or equivalent)
- U.S. passport
- U.S. passport card
- DHS trusted traveler cards (Global Entry, NEXUS, SENTRI, FAST)
- U.S. Department of Defense ID, including IDs issued to dependents
- Permanent resident card
- Border crossing card
- State-issued Enhanced Driver's License
- An acceptable photo ID issued by a federally recognized, Tribal Nation/Indian Tribe
- HSPD-12 PIV card
- Foreign government-issued passport
- Canadian provincial driver's license or Indian and Northern Affairs Canada card
- Transportation worker identification credential
- U.S. Citizenship and Immigration Services Employment Authorization Card (I-766)
- U.S. Merchant Mariner Credential
- Veteran Health Identification Card (VHIC)

Allowable documentation for showing proof of primary residence:

- Utility bill (water, gas, electric, oil, or cable), with name and address, issued within the last 60 days (disconnect notices/bills are not accepted).
- Telephone bill (cell phone, wireless, or pager bills acceptable), reflecting applicant's name and current address, issued within the last 60 days (disconnect notices/bills are not accepted).
- Deed, mortgage, or settlement agreement reflecting applicant's name and property address.
- Unexpired lease or rental agreement with the name of the applicant listed as the lessee, permitted resident, or renter (may be a photocopy). The unexpired lease or rental agreement must be signed by all parties.
- Unexpired Sublease accompanied by the original unexpired Lease with the name of the certifier as sub-lessor.
- Property tax bill or tax assessment issued within the last 12 months reflecting the applicant's name and property address.
- Unexpired homeowner's or renter's insurance policy reflecting name and address.
- Letter with picture from Court Services and Offender Supervision Agency (CSOSA) or Department of Corrections (DOC) certifying name and residency issued within the last 60 days.
- State's Department of Motor Vehicle Administration proof of residency form signed within the last 60 days by the certifier residing at the residence AND a copy of the certifier's unexpired Driver license or identification card AND 2 proof of residency documents (i.e., utility bill, telephone bill, etc.) in the certifier's name.
- Bank/credit union/credit card/investment account statement issued within the last 60 days reflecting name and address.

- Official mail—received from ANY government agency (with full name and address) to include contents and envelope received within the last 60 days
- Medical bill issued within the last 60 days reflecting name and address. An Explanation of Benefits is not a medical bill and will not be accepted.
- Student loan statement issued within the last 60 days reflecting name and address.
- Home line of equity statement issued within the last 60 days reflecting name and address.
- Car/personal loan statement (no coupon books/vouchers accepted) issued within the last 60 days reflecting name and address.
- Home security system bill issued within the last 60 days reflecting name and address.
- Letter on official letterhead issued by Universities and Colleges registrar's office reflecting the customer's name and certifying the customer's on-campus address issued within the last 60 days.

3) Are any businesses excluded from counting toward a Target Market?

Financial Products provided to businesses offering restricted services are not allowed to be counted as Target Market directed. This includes companies involved in activities such as alcohol, tobacco, cannabis, gambling, adult entertainment or weapons.