



2016-2020 AMERICAN COMMUNITY SURVEY (ACS) DATA FREQUENTLY ASKED QUESTIONS

COMMUNITY DEVELOPMENT FINANCIAL INSTITUTION INVESTMENT AREA
AND BANK ENTERPRISE AWARD PROGRAM TRANSITION

DECEMBER 31, 2022

CDFI FUND
U.S. DEPARTMENT OF THE TREASURY

Table of Contents

- General Questions Across all Programs2
 - 1. Why is the Community Development Financial Institutions Fund (CDFI Fund) updating the eligibility data for various programs?2
 - 2. I notice some census tracts in the file have poverty or median family income listed as zero, blank, or “N/A.” What is the reason for this?.....2
 - 3. Where can I find a reference data file with updated eligible CDFI Investment Area Census Tract based on the 2011-2015 and 2016-2020 ACS?2
 - 4. When will updated island area data be released?2
 - 5. Will the updated eligibility data be uploaded into the CDFI Fund’s CDFI Information Mapping System (CIMS) for geo-coding?2
 - 6. Help Desk contact if I have any additional questions?2
- Community Development Financial Institution (CDFI) Investment Area ACS Eligibility Data3
 - 1. What is a CDFI Investment Area?3
 - 2. What is a CDFI Target Market?.....3
 - 3. Is the 2016-2020 ACS CDFI Investment Area data available for identifying Target Markets and for geo-coding in the CDFI Information Mapping System to identify the 2020 census tract in which the transaction occurs?.....3
 - 4. What does the new ACS census data mean for the CDFI Certification Program?4
 - 5. What does the ACS census data mean for CDFI Program and Native American CDFI Assistance (NACA) Programs Award Recipients–Financial Assistance (FA) and Technical Assistance (TA)?.....4
 - 6. What Target Market should a CDFI utilize for its CDFI or NACA Program application if it is submitting an application for CDFI recertification?4
 - 7. What information is included in the tabular data released on the CDFI Fund’s website?4
- Bank Enterprise Award Program ACS Eligibility Data5
 - 1. What Data Sources Does the BEA Program Rely On To Determine “Qualified Distressed Communities”? ..5
 - 2. Will the CDFI Fund’s definition of a BEA “qualified distressed community” change as a result of the updated eligibility data?6
 - 3. Will there be a transition period?6
 - 4. How do I determine the eligibility of an activity or transaction that occurred in a census tract located in an American Indian Reservation?.....6
 - 5. What information is included in the tabular data released on the CDFI Fund’s website?7

General Questions Across all Programs

1. Why is the Community Development Financial Institutions Fund (CDFI Fund) updating the eligibility data for various programs?

The CDFI Fund is updating eligible data using the U.S. Census Bureau's 2016-2020 American Community Survey (ACS) 5-year estimates to provide more current socioeconomic and demographic data that reflect changes since the 2011-2015 ACS 5-year estimates eligibility data was posted on the CDFI Fund's website. The CDFI Fund revises program eligibility criteria to coincide with each subsequent full five-year ACS data release, which is the 2016-2020 release. Please note that the CDFI Fund will not update the eligibility data annually because of the cost and complexity in terms of compliance and Information Technology resources. The next CDFI Fund eligibility data ACS update is planned to coincide with the 2021-2025 five-year ACS data release.

2. I notice some census tracts in the file have poverty or median family income listed as zero, blank, or "N/A." What is 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.

3. Where can I find a reference data file with updated eligible CDFI Investment Area Census Tract based on the 2011-2015 and 2016-2020 ACS?

Excel reference files with eligible Investment Areas census tracts can be found at the following link: <https://www.cdfifund.gov/research-data>. The Excel files contain a list of eligible census tracts based on both the 2011-2015 and 2016-2020 American Community Survey. The 2000, 2010, and 2020 Census tract Excel files 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 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 spreadsheets are provided as a reference to document the underlying data used to compute eligibility.

4. When will updated island area data be released?

The US Census Bureau will release updated 2020 Island Area data for census tracts, block groups as part of the Demographic and Housing Characteristics File (DHC) in July 2023. The CDFI Fund will release updated Island Area data by December 2023.

5. Will the updated eligibility data be uploaded into the CDFI Fund's CDFI Information Mapping System (CIMS) for geo-coding?

Yes. The eligibility data will be uploaded into CIMS.

6. Help Desk contact if I have any additional questions?

You may submit a Service Request through the CDFI Fund's Awards Management Information System (AMIS),

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.

Community Development Financial Institution (CDFI) Investment Area ACS Eligibility Data

1. 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%;
- Has an unemployment rate 1.5 times the national average;
- For a Metropolitan area has a median family income (MFI) at or below 80% of the greater of either the Metropolitan or national Metropolitan MFI;
- For a Non-Metropolitan area that has an MFI at or below 80% 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% between the two most recent census periods for Metro areas or 5% over last five years for Non-Metro areas. For Non-Metropolitan counties, the criteria is the same as census tracts.

2. 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 CDFI Application is submitted to the CDFI Fund. The Applicant must demonstrate that a minimum of 60% 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 populations it serves change. However, a Certified CDFI must continue to meet the 60% threshold to maintain its certification. Please refer to the to the final CDFI Certification policies for additional information.

3. Is the 2016-2020 ACS CDFI Investment Area data available for identifying Target Markets and for geo-coding in the CDFI Information Mapping System to identify the 2020 census tract in which the transaction occurs?

The CDFI Fund has updated the CDFI Information Mapping System (CIMS) with the 2016-2020 ACS data applied to the 2020 census tracts. The CIMS mapping program will allow you to identify your Target Markets for a new CDFI 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 2020 census tract by entering an address for uploading into the geocoder.

4. 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 (December 2022), new applicants for CDFI Certification will be required to use 2016-2020 ACS data to identify their Investment Areas and Target Markets.

Currently Certified CDFIs, who are reaffirming their Target Markets for the ACR, may use either the 2011-2015 ACS data or 2016-2020 ACS data to identify their Investment Areas and Target Markets. A one-year transition period will be allowed. Once a currently Certified CDFI submits their new CDFI Certification Application, they will be required to use the 2016-2020 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, 2022 and is awaiting a final determination need not reapply using the 2016-2020 ACS data to define an Investment Area. The CDFI Fund will make a decision on certification based on an Investment Area as determined by 2011-2015 ACS Census data.

5. What does the ACS census data mean for CDFI Program and Native American CDFI Assistance (NACA) Programs Award Recipients—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 2011-2015 ACS data, until it submits a new Certification Application. Once a CDFI's Certification Status is reaffirmed through the submission of the new Certification Application, then it is required to use the 2016-2020 ACS data going forward, and for reporting purposes should apply the new Target Market data to all existing awards, as well as any future awards.

An Award Recipient 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 Award Recipient is recertified or otherwise modifies its Target Market.

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

When discussing or referring to its Target Market(s) in the CDFI or NACA Program Application, a CDFI or NACA Program Applicant that is being recertified may use its current Target Market(s) for the purpose of the funding application; however, once recertified a CDFI must use its new Target Market(s) when it is reporting on activity in its Target Market(s) on all existing awards, as well as any future awards.

7. What information is included in the tabular data released on the CDFI Fund's website?

The updated CDFI Investment Area Program eligibility data file includes the following fields:

- 11 digit census tract;

- State the census tract is located in;
- County the census tract is located in;
- CDFI Investment Area Program eligibility determination; and
- CBSA metropolitan and micropolitan area designation for counties was based on the designations made by the Office of Management and Budget. Data corresponds to March 2020 and was released on April 2020.
- Total population
- Poverty rates
- If the poverty rate is at least 20 percent, then it is eligible.
- Census tract median family income
- Metropolitan median family income
- National metropolitan median family income
- Statewide non-metropolitan median family income
- National non-metropolitan median family income
- Median family income share.
- If the share of median family income is at or below 80 percent, then it is eligible.
- Unemployment rates
- Unemployment rate ratio is the ratio between the Census tract unemployment rate and the national unemployment rate, which is 5.4 percent.
- If the unemployment rate ratio is at least 1.5, then it is eligible.
- If the Census tract is wholly located within an Empowerment Zone or Enterprise Community, then it is eligible.
- Population loss rate is the rate at the county level between total population in ACS 2011-2015 and ACS 2016-2020.
- If the Census tract located in a county with population loss greater than or equal to ten percent for Metro areas or five percent for Non-Metro areas, then it is eligible.

Descriptions on each of these fields will be contained in the “Data Notes” tab.

Bank Enterprise Award Program ACS Eligibility Data

1. What Data Sources Does the BEA Program Rely On To Determine “Qualified Distressed Communities”?

The BEA Program statute defines “Qualified Distressed Communities” as areas that meet the following Area (geographic) and eligibility (economic) requirements:

Area (geographic) requirements:

- Must be an area that is located within the jurisdiction of one (1) unit of general local government (i.e. cannot cross county or state lines); and
- The boundaries of the area must be contiguous; and
- The area must have a total population which meets one of the following criteria:
 - At least 4,000, if within a Metropolitan Service Area (MSA) with a population of 50,000 or greater; or

- At least 1,000 if no portion is located in an MSA; or
- Be located entirely within an Indian Reservation.

Eligibility (economic) requirements:

- At least 30% of population has incomes which are less than national poverty level; and
- Unemployment rate is at least 1.5 times the national unemployment rate.

The BEA Program is required by its authorizing legislation to obtain and use unemployment data from the Bureau of Labor Statistics.

Consistent with past practices and statutory and regulatory requirements, the updated BEA Program eligibility data was determined using a combination of Census Bureau poverty and population data and Bureau of Labor Statistics unemployment data. Updated population and poverty data was obtained from the Census Bureau’s 2016-2020 ACS data. To ensure close alignment with the Census Bureau’s 2016-2020 ACS data, Bureau of Labor Statistics Current Population Survey (CPS) unemployment rates for 2015 were used for the updated eligibility data.

2. Will the CDFI Fund’s definition of a BEA “qualified distressed community” change as a result of the updated eligibility data?

The CDFI Fund’s definition of a BEA “Qualified Distressed Community” is statutory and will not change as a result of the release of updated eligibility data. The updated eligibility data will be subject to the same statutory requirements as the legacy eligibility data; however, it will reflect more recent information obtained from the Census Bureau and Bureau of Labor Statistics.

Although the definition of a BEA “Qualified Distressed Community” will not change, applicants are advised that the updated eligibility data will likely result in some areas previously deemed eligible becoming ineligible and some areas previously deemed ineligible becoming eligible.

3. Will there be a transition period?

Yes. There will be transition period to the updated eligibility data. The transition will begin in the fiscal year (FY) 2023 BEA Program funding round and is projected to be completed in time for the FY 2024 BEA Program funding round.

Future applicants are advised that a full transition to the updated eligibility data will take place for the FY 2024 BEA Program funding round.

4. How do I determine the eligibility of an activity or transaction that occurred in a census tract located in an American Indian Reservation?

The updated data indicates whether a census tract lies “fully” or “partially” within an American Indian Reservation. Applicants attempting to determine the eligibility of a transaction or activity that occurred in a census tract located in an American Indian Reservation are advised to review the census tract within an American Indian Reservation of the updated eligibility data. Census tracts designated as being ‘fully’ within an American Indian Reservation are located entirely within a Reservation and are not subject to the population

requirement. Census tracts designated as being ‘partially’ within an American Indian Reservation are not located entirely within a reservation. Applicants attempting to determine the eligibility of these census tracts will need to confirm that the physical address of the activity or transaction is located within the reservation. If the activity or transaction occurred within the reservation it will be treated the same as a census tract that is ‘fully’ within a reservation and not be subject to the population requirement.

5. What information is included in the tabular data released on the CDFI Fund’s website?

The updated BEA Program eligibility data file includes the following fields:

- 11 digit census tract;
- State the census tract is located in;
- County the census tract is located in;
- BEA Program eligibility determination (“Fully Qualified” or “Partially Qualified”); and
- Reason for eligibility determination:
 - American Indian Reservation (“Fully”, “Partially” or “No”);
 - Poverty rate (“Yes” or “No”);
 - Population (“Yes” or “No”);
 - Unemployment rate (“Yes” or “No”)
- Metro Designation
- ACS Population
- Work Force Population
- Persistent Poverty County

Descriptions on each of these fields will be contained in the “Data Notes” tab.