

**FREQUENTLY ASKED QUESTIONS (FAQS)**  
**CDFI INVESTMENT AREA TRANSITION TO**  
**THE AMERICAN COMMUNITY SURVEY 2006-2010 DATA**  
**(FEBRUARY 4, 2013)**

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<b>1. Why is the CDFI Fund updating its Investment Area eligibility data?</b>
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For the past 10 years, the CDFI Program and Certification Program have used income, poverty, population, unemployment, and other U.S. Census Bureau socioeconomic and demographic data from the 2000 decennial census to define eligible, economically distressed, CDFI Investment Areas at the census tract level. CDFI Investment Areas are defined in the *Code of Federal Regulations* at 12 C.F.R. §1805.201(b)(3)(ii) and under Question 2 below.

The 2010 Census created an updated set of census tracts. For the 50 states and the District of Columbia, the 2010 Census had 73,057 total tracts compared with the 65,443 tracts in the 2000 Census. The CDFI Fund has replaced the decennial Census “long form” data with the 2006-2010 American Community Survey (ACS) as the source of tract-level data on income and poverty for all states, Puerto Rico, and the District of Columbia, and the CDFI Fund has updated Investment Areas using the ACS to provide more current socioeconomic and demographic data that reflect changes over the last decade.

## **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).<sup>1</sup> 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

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<sup>1</sup> 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.

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 populations it serves change; however, a certified CDFI must continue to meet the 60 percent threshold to maintain its certification.

**4. Are the 2006-2010 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 2006-2010 ACS data applied to the 2010 census tracts, and it is now available through the *myCDFI Fund* portal. The CIMS mapping program selection link (identified as “CDFI Program Target Markets—2010 Data”) will allow you to identify your Target Markets for a new certification application or for recertification purposes. The updated CIMS will also enable you to identify the appropriate 2010 census tract by entering an address in the Excel spreadsheet for uploading into the geocoder.

Please note that the CIMS system still has limited batch geocoding capabilities and the CDFI Fund recommends geocoding no more than 75 addresses at a time.

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

***New CDFI certification applicants and Certified CDFIs applying for recertification:*** With the posting of the updated data (February 4, 2013), new applicants for CDFI certification and those CDFIs applying for recertification must use the 2006-2010 ACS data applied to the 2010 census tracts to identify their Investment Areas and Target Markets.

***Pending CDFI certification applicants.*** Any applicant for CDFI certification that had already submitted its certification application to the CDFI Fund prior to February 4, 2013 and is awaiting a final determination need not reapply using the 2006-2010 ACS data to define an Investment Area; the CDFI Fund will make its determination on certification based on an Investment Area as determined by 2000 Census data. If the applicant is ultimately certified and subsequently elects to revise its Investment Area, the CDFI would then use the 2006-2010 ACS data to revise and submit its new Target Market in accordance with CDFI Fund procedures in place at the time of the revision.

***Currently Certified CDFIs whose original three-year certification has not expired.*** Any currently certified CDFI whose original three-year certification has not expired may continue to use its current Investment Area and Target Market as defined by 2000 census tract data. In order for these CDFIs to maintain their certification status, they will have to abide by current certification policies and procedures, including any changes that are announced by the CDFI

Fund. If any of these currently certified CDFIs elects to revise its Investment Area, then the CDFI would use the 2006-2010 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 that is recertified should define its Target Markets using the 2006-2010 ACS data, and for reporting purposes should apply the new Target Market data to all existing awards (FY 2012 and prior) 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 FY 2013 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 FY 2013 funding application; however, once recertified a CDFI must use its new Target Market for reporting on all existing awards (FY 2012 and prior) as well as any future awards.

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

The 2006-2010 ACS data set released by the U.S. Census Bureau contains 803 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. I cannot find a 2000 census tract in the 2006-2010 ACS data. Where is it?**

The 2006-2010 ACS data is based on the 2010 census tracts. As a part of the 2010 census, the US Census Bureau eliminated certain tracts from the 2000 census and incorporated the land area formerly covered by these tracts into new census tracts. More information on the

relationships between the 2000 census tracts and the 2010 census tracts can be found the US Census Bureau's website: [http://www.census.gov/geo/www/2010census/tract\\_rel/tract\\_rel\\_overview.html](http://www.census.gov/geo/www/2010census/tract_rel/tract_rel_overview.html).

The simplest way to find the 2010 census tract associated with that property is to geocode the address following the guidance above. If you do not have a specific address for a property, the Census Bureau has maps of the 2010 census tracts for each county. These maps are accessible at [http://www.census.gov/geo/www/maps/pl10\\_map\\_suite/tract.html](http://www.census.gov/geo/www/maps/pl10_map_suite/tract.html), and may provide a useful reference.

Also note that the 2006-2010 ACS eligibility data covers all 50 states, the District of Columbia, and Puerto Rico. The U.S. Census Bureau has not yet released updated income and poverty data at the 2010 census tract-level for the Island Areas of the United States (American Samoa, Guam, Northern Mariana Islands, and US Virgin Islands). Guidance on transitioning to 2010 census tract-level data for the Island Areas of the United States will be released when the updated data becomes available from the U.S. Census Bureau.

**10. Where can I find a reference data file with updated eligible CDFI Investment Area Census Tract based on the 2006-2010 ACS?**

An Excel reference file with eligible Investment Areas census tracts can be found at the following link: [www.cdfifund.gov/acs](http://www.cdfifund.gov/acs). The Excel file contains a list of eligible census tracts based on the 2006-2010 American Community Survey. 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.

**11. 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](mailto: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](mailto:ITHelpDesk@cdfi.treas.gov)>.