



strength in members.

December 19, 2022

Jodie Harris, Director
CDFI Fund
Department of the Treasury
1500 Pennsylvania Avenue NW
Washington, DC 20220

RE: CDFI Target Market Assessment Methodologies
Document ID CDFI-2022-0002-0001

Dear Director Harris:

The New York Credit Union Association, representing all New York credit unions including twenty CDFI credit unions, appreciates the opportunity to comment on the CDFI Fund's pre-approved Target Market assessment methodologies. CDFI certification is an invaluable resource for our credit unions providing access to critical grant funding to serve those who need it the most—our members in CDFI Target Markets.

To further empower our CDFI credit unions to serve target markets, the list of pre-approved methodologies should be expanded to include Other Targeted Populations (OTP) and Low-Income Targeted Populations (LITP). Lending in low-income and other target markets is often complicated by issues of data availability thereby harming low-income communities and communities of color.

- Apply Investment Area criteria to census block groups to allow more CDFIs to certify using a single Investment Area Target Market.
- Allow the use of low-income census tracts and block groups, identified using existing Investment Area criteria, as a geographic proxy for LITP.
- Accept the use of modeled household income data from qualified third-party vendors for LITP verification.
- Accept well-documented statistical proxies for individual race and ethnicity data such as the Bayesian statistics touted by the Consumer Financial Protection Bureau.¹

¹ As described by the Consumer Financial Protection Bureau (CFPB), "Research has found that this approach produces proxies that correlate highly with self-reported

Additionally, as the CDFI Fund works to finalize its Minority Lending Institution (MLI) designation, it should add a new, pre-approved OTP Target Market that includes Asian Americans as well as Pacific Islanders who do not reside in the Pacific Islands to better serve communities affected by disproportionate adverse decisions.²

Thank you for the opportunity to comment on this important aspect of CDFI certification. We look forward to continuing to provide safe and affordable financial services in all communities.

Sincerely,
William J. Mellin



President/CEO
New York Credit Union Association

race and national origin and is more accurate than relying only on demographic information associated with a borrower's last name or place of residence alone" in CFPB, *Using publicly available information to proxy for unidentified race and ethnicity: A methodology and assessment* (2014) p 3.

² A [2021 CFPB report](#) found that individuals reporting certain Asian nationalities have significantly higher denial rates for mortgages.