

NMTC CENSUS DATA TRANSITION FAQs

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1. What does the census data transition mean for the New Markets Tax Credit (NMTC) Program?

For the past 10 years, the New Markets Tax Credit (NMTC) Program has used income and poverty data from the 2000 census to define NMTC Program eligible Low-Income Communities (LICs). Based on the NMTC Program authorizing statute, Low-Income Communities are defined as:

any population census tract where the poverty rate for such tract is at least 20% or in the case of a tract not located within a metropolitan area, median family income for such tract does not exceed 80% of statewide median family income, or in the case of a tract located within a metropolitan area, the median family income for such tract does not exceed 80% of the greater of statewide median family income or the metropolitan area median family income.

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 in the 2000 Census. As a result, the CDFI Fund is updating its list of NMTC-eligible Low-Income Communities and Areas of Higher Distress to align with the 2010 census tracts.

In order to create this updated list of NMTC-eligible Low-Income Communities and Areas of Higher Distress, the CDFI Fund utilized the 2006-2010 American Community Survey (ACS) data on income and poverty. The ACS has replaced the decennial Census “long form” data as the source of tract-level data on income and poverty for all states, Puerto Rico, and the District of Columbia.¹ The updated 2006-2010 ACS Low-Income Community eligibility data is now available in tabular form on the CDFI Fund’s website.

2. How will I be able to use the 2006-2010 ACS Low-Income Community data to qualify potential NMTC investments?

As of May 1, 2012, Community Development Entities (CDEs) will be able to use the 2006-2010 ACS eligibility data to determine if Qualified Low Income Community Investments (QLICs) are located in NMTC-eligible Low-Income Communities. However, neither the 2006-2010 ACS data nor 2010 census tract boundaries will be loaded into the CDFI Fund’s Community Impact Mapping System (CIMS) for geo-coding, due to current system limitations. Please see Question #7 of this Q&A document for guidance on geo-coding in the absence of CIMS geocoding for 2010 census tracts. The CDFI Fund anticipates that 2006-2010 ACS data applied to the 2010 census tracts will be available for CIMS geocoding by the fourth quarter of calendar year 2012, when a redesigned and improved mapping system is expected to be launched.

¹ ACS data does not include information for American Samoa, Guam, and U.S. Virgin Islands. Updated eligibility for these territories will be released when data become available.

3. Will the CDFI Fund’s Definition of Non-Metropolitan Counties change for the 2006-2010 ACS Low-Income Community eligibility data?

Yes. The CDFI Fund will use a more recent OMB Bulletin to define “Non-Metropolitan County” with respect to 2010 census tracts. The 2006-2010 ACS Low-Income Community eligibility data will define Non-Metropolitan Counties as counties not contained within a Metropolitan Statistical Area, as such term is defined in OMB Bulletin No. 10-02 (Update of Statistical Area Definitions and Guidance on Their Uses) and applied to the 2010 census tracts.

4. Will there be a transition period for NMTC investments that were started under the 2000 Census data to be closed?

Yes. The CDFI Fund recognizes that CDEs may have already begun to structure potential Qualified Low Income Community Investments (QLICIs) based on the 2000 census data. Any CDE that has been awarded NMTC allocation authority in the 2011 round (announced in February 2012) or earlier may use 2000 census data to qualify a QLICI that is closed (meaning an investment for which the CDE has distributed cash proceeds from a Qualified Equity Investment (QEI) to a Qualified Active Low Income Community Business (QALICB) by June 30, 2013.

CDEs using 2000 census data to qualify investments must use 2000 census data to qualify Areas of Higher Distress, and must continue to use the definition of Non-Metropolitan County based on OMB Bulletin No. 99-04 as applied to the 2000 Census. 2000 census data will continue to be available through the current CIMS system for geo-coding.

CDE that has been awarded NMTC allocation authority in the 2011 round (announced in February 2012) or earlier can use the following timelines for guidance on the data they should use to qualify potential investments.

QLICIs closed **before May 1, 2012** must use 2000 Census data for determining Low-Income Community eligibility.

QLICIs closed **between May 1, 2012 and June 30, 2013** may use either 2000 Census data or 2006-2010 ACS data applied to the 2010 census tracts for determining Low-Income Community eligibility.

QLICIs closed **on or after July 1, 2013** must use 2006-2010 ACS data applied to the 2010 census tracts for determining Low-Income Community eligibility.

5. Will CDEs that intend to apply for NMTC allocation authority in the CY 2012 round be required to use the 2006-2010 ACS data to qualify potential QLICIs?

Yes. CDEs that intend to apply for New Markets Tax Credit allocation authority in the CY 2012 allocation round are required to use the 2006-2010 ACS data applied to the 2010 census tracts to identify qualified projects for their application. CDEs that receive allocation authority under the CY 2012 allocation round will be required to use the 2006-2010 ACS Low-Income Community eligibility data to qualify QLICIs.

6. Will the 2006-2010 ACS data be uploaded into the CDFI Fund's Community Impact Mapping System (CIMS) for geo-coding of 2010 census tracts?

Not at this time. The CDFI Fund plans to deploy a redesigned and improved CIMS (CIMS 3.0) in the fourth quarter of 2012 (date subject to change). Users will be able to access the 2006-2010 ACS data applied to the 2010 census tracts in CIMS when a redesigned and improved CIMS is launched. Users can still use the current version of CIMS to access 2000 census data, consistent with past guidance released by the CDFI Fund.

7. Since the 2006-2010 ACS *Low-Income Community* data is not yet available for geo-coding in CIMS, where can CDEs go to geo-code addresses and determine the 2010 census tract they reside in?

Until an updated version of CIMS is launched with the 2006-2010 ACS data applied to the 2010 census tracts, the CDFI Fund directs allocatees to use the Federal Financial Institutions Examination Council (FFIEC) Geocoding System at <http://www.ffiec.gov/Geocode/>. This website will allow you to find the appropriate 2010 census tract by entering an address. You can then search for this census tract in the tabular eligibility data for 2006-2010 ACS Low-Income Communities.

To get an 11-digit 2010 census tract from the FFIEC Geocoding System, please follow these steps:

1. Go to <http://www.ffiec.gov/Geocode/>
2. Make sure that Year selected is "2012"
3. Enter a street address along with either a city and state OR a zip code
4. Press the "Search" button

At this point in time, you will get a screen with the following information:

[FFIEC Main](#) | [Disclaimer](#) | [Privacy Policy](#) | [Contact Us](#) | [Search](#)

Geocoding System

Geocode Search Result for 2012 HMDA/CRA Reporting

Street Address	1801 L ST NW	MSA/MD Code	47894
City Name	WASHINGTON	State Code	11
State Abbreviation	DC	County Code	001
Zip Code	20036	Tract Code	0107.00

MSA/MD Name: WASHINGTON-ARLINGTON-ALEXANDRIA, DC-VA-MD-WV
 State Name: DISTRICT OF COLUMBIA
 County Name: DISTRICT OF COLUMBIA

To get the 11-digit census tract, combine the State Code, County Code, and Tract Code. In the example above, the State Code is 11, the County Code is 001, and the Tract Code is 0107.00. Thus, the 11-digit census tract number is 11001010700.

The FFIEC Geocoding System may contain its own census demographic information. However, this information is not relevant to NMTC Low-Income Community eligibility.

Both the CDFI Fund and the IRS will treat as eligible any otherwise qualifying QLICI that is made in a census tract identified in the data file “2006-2010 ACS Low-Income Community Eligibility.” The CDFI Fund will not pre-approve any tracts as eligible that are not already identified as eligible in this data file.

Until such time an updated version of CIMS is deployed, the CDFI Fund and the IRS will rely on the FFIEC Geocoding System for 2012 to geo-code an address to a census tract. CDEs are advised to maintain relevant reports and maps, as necessary, to demonstrate to the CDFI Fund and/or to the IRS that the address was geo-coded in an eligible census tract.

8. How can I find a specific census tract in the 2006-2010 ACS Low-Income Community Eligibility data file?

If you know the 11-digit census tract number, press “CRTL + F” to open the Find tool in Microsoft Excel. Then, enter the 11-digit tract in the Find box, and click “Find Next.” This will then highlight the census tract you are looking for in the document.

9. Where can I find higher distress criteria for the 2006-2010 ACS *Low-Income Community* data?

The “2006-2010 ACS Low-Income Community Eligibility” file released on May 1, 2012 includes information on the census tract’s poverty rate, area median income, unemployment rate, and non-metropolitan status. Information on locating other Areas of Higher Distress can be found in the “[NMTC Compliance and Monitoring Frequently Asked Questions \(September 2011\)](#)” question 25.

10. What information is included in the 2006-2010 ACS Low-Income Community eligibility data file released May 1, 2012?

The 2006-2010 ACS Low-Income Community eligibility data file released today includes the following fields:

- 11 digit census tract
- State the tract is located in
- County
- Metropolitan Statistical Area (Metropolitan or Non-metropolitan)
- Poverty rate
- Population
- Percentage of applicable Area Median Family Income
- Ratio of unemployment to the national average
- NMTC Program Eligibility (Yes/No)

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

11. 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 that are not included in the ACS income or poverty calculations.

12. How does the release of the 2006-2010 ACS Low-Income Community eligibility data impact the guidance offered by the CDFI Fund in the NMTC Compliance and Monitoring FAQ (September 30, 2011)?

The guidance provided in “NMTC Compliance and Monitoring Frequently Asked Questions (September 30, 2011)” remains the same for transactions closed using 2000 census data to qualify potential NMTC investments.

However, the CDFI Fund offers the following guidance to supplement the information provided in Questions 19, 25, 28, and 48-52 of the September 30, 2011 FAQ.

Question 19: Follow-on Investments

Please note that the guidance in Question 19 applies to investments made using 2000 census tract eligibility data, as long as the investment is closed (meaning an investment for which the CDE has distributed cash proceeds from a Qualified Equity Investment (QEI) to a Qualified Active Low Income Community Business (QALICB)) by June 30, 2013. The CDFI Fund would consider such an investment to be made within a qualifying census tract as long as the census tract qualified under the 2000 census data at the time of the initial QLICI disbursement related to the real estate project. However, any CDE awarded allocation authority in CY 2012 round must use the 2006-2010 ACS data applied to the 2010 census tracts to identify qualified projects and for any follow-on investments.

Question 26: Source for Unemployment Rate

Unemployment data for the 2006-2010 ACS data can be found in the data file “2006-2010 ACS Low-Income Community Eligibility” on the CDFI Fund’s website. Using the 2006-2010 ACS data, the national unemployment rate is 7.9 percent.

Question 28: Areas of Higher Distress

CDEs that are using 2006-2010 ACS eligibility data to qualify an investment must use 2006-2010 ACS data on poverty rate, area median income, unemployment, and non-metropolitan status to determine if the census tract qualifies as an area of higher distress. Applicants using 2000 census data to qualify an investment must use 2000 census data to determine if a census tract qualifies as an Area of Higher Distress. For Areas of Higher Distress provided by governmental sources outside the CDFI Fund (e.g. brownfields), CDEs should rely on currently available governmental data on that higher distress indicator. Allocatees are advised to retain all relevant information in support of its decision to invest in such areas.

Question 48 – 51: Geo-coding

The guidance provided by these questions still applies to investments that are qualified using 2000 census data. If a CDE would like to use 2006-2010 ACS to qualify an NMTC investment, they should follow the geo-coding guidance provided in Question #7 of this document.

Question 52: Can 2010 census data be used to determine qualifying census tracts?

Please see Question #2 in this document for guidance on how to use the 2006-2010 ACS data applied to the 2010 census tracts to qualify potential investments.

13. How will availability of the new 2006-2010 ACS eligibility data impact organizations applying for CDE certification?

Beginning May 1, 2012, organizations applying for CDE certification **must** use 2006-2010 ACS eligibility data to identify eligible Low Income Communities (LICs) and LIC Representatives.

Exception for certification of subsidiaries: CDE's applying for certification of a subsidiary of a CDE that has been awarded NMTC allocation authority in the 2011 round (announced in February 2012) or earlier can use the following timelines for guidance on the data to use to identify eligible LICs and LIC Representatives:

Certification applications for subsidiaries submitted **before May 1, 2012** must use 2000 Census data to identify eligible LICs and LIC Representatives.

Certification applications for subsidiaries submitted **between May 1, 2012 and June 30, 2013** may use either 2000 Census data or 2006-2010 ACS data applied to the 2010 census tracts data to identify eligible LICs and LIC Representatives.

Certification applications for subsidiaries submitted **on or after July 1, 2013** must use 2006-2010 ACS data applied to the 2010 census tracts to identify eligible LICs and LIC Representatives.

To geo-code an address based on the 2000 census LIC data, an organization should use the CDFI Fund's Community Impact Mapping System (CIMS). To geo-code an address based on the 2006-2010 ACS LIC data, an organization should follow the guidance in Question #7 of this document. Please note, if you are using 2000 census LIC data to demonstrate accountability to LICs, you must use that data consistently throughout your subsidiary CDE application. Similarly, if you are using 2006-2010 ACS LIC data to demonstrate accountability, you must use only 2006-2010 ACS LIC data in your CDE certification application.

14. Will there be any changes in the CDFI Fund's Community Investment Impact System (CIIS) reporting for projects that use the 2006-2010 ACS data to qualify?

The CDFI Fund will make updates to CIIS 10.0 to allow users to report eligibility and distress information based on the 2006-2010 ACS data. Specific guidance on the changes in certain fields will be released with CIIS 10.0.

15. Who can I contact if I have any additional questions?

You may contact the CDFI Fund Help Desk by phone at (202) 622-6355 or by e-mail (cdfihelp@cdfi.treas.gov).