

Guidance on Demographic Data Collection for the CDFI Equitable Recovery Program (CDFI ERP)

What types of demographic data are CDFI ERP Recipients required to report?

Recipients are required to report demographic data pertaining to borrowers, investees and/or grantees as part of their reporting requirements. Recipients are required to collect and report data on the race based on the following categories: (1) American Indian; (2) Alaskan Native; (3) Asian; (4) Black or African American; (5) Native Hawaiian; (6) Other Pacific Islander; (7) White; (8) Multi-Racial; or (9) Other (please specify). Recipients are also required to collect and report data on ethnicity based on the following category: (1) Hispanic or Latino; or (2) Not Hispanic or Latino. Section 523(d) of Division N of the Consolidated Appropriations Act of 2021 (Pub. L. 116-260) allows a CDFI that receives a CDFI ERP Award to collect such data, notwithstanding any limitations by the Equal Credit Opportunity Act (15 U.S.C. 1691, et seq.) and without any adverse action related to that collection by the Bureau of Consumer Financial Protection.

In addition to data on individuals, the Recipient will be required to collect and report whether business or non-profit borrowers, investees or grantees are Minority-owned or Controlled. For loans to real estate projects, the Recipient will be required to disclose if the owner of the real estate project is a Minority-owned or Controlled entity. Recipients are instructed to collect race and ethnicity data on the individual owners/board members of these entities to make determinations about Minority-owned control. The collection and reporting of demographic data on the predominant ownership of Minority-owned or Controlled businesses may also be required.

Will the CDFI ERP Recipients be required to report demographic data on end users?

Demographic data on end users of projects supported with CDFI ERP activities (e.g., the residents or beneficiaries of a project that are not direct borrowers) will not be a reporting requirement of the CDFI ERP. However, Recipients who serve an Other Targeted Populations (OTP) Target Market may be required to report demographic data on end users based on the new CDFI Certification standards. Note, CDFI intermediaries (i.e., CDFIs that lend to or invest in other CDFIs) may still be required to collect demographic data on the borrowers, investees and grantees that received loans as a result of their investment in another CDFI.

How should CDFI ERP Recipients collect demographic data to meet CDFI ERP reporting requirements?

The CDFI Fund recommends that demographic data be collected via borrower, investee or grantee self-identification. However, the CDFI Fund will also allow alternative methods for the collection of demographic data from borrowers, investees and grantees for the purposes of, and consistent with the requirements for, compliance with Home Mortgage Disclosure Act or HMDA (restricted to HMDA-reportable transactions such as mortgages) or the OTP verification guidance under the revised CDFI Fund Certification standards. Outside of these exceptions, if a borrower, investee or grantee does not self-report demographic data, Recipients should not use any proxy methods, such as visual observation

or surname analysis or Bayesian Improved Surname Geocoding (BISG) analysis, to assign demographic data values to individual Financial Product and/or Grant transactions.

For more information on the Home Mortgage Disclosure Act click [here](#).

Are CDFI ERP Recipients required to report on demographic data for all of their CDFI Fund award activities or only those supported with their CDFI ERP Award?

CDFI ERP Award Recipients will be required to collect and report demographic data for all Financial Products and Grants funded with a CDFI ERP Award. Additionally, to the extent CDFI ERP Award Recipients make Financial Products and Grants funded with other available sources on their balance sheet to meet their CDFI ERP Performance Goals under their CDFI ERP Assistance Agreement, Recipients will be required to collect and report demographic data on those borrowers, investees, and grantees as well. Recipients will be required to collect and report data on all Financial Products and/or Grants supported by a Loan Loss Reserve or Capital Reserve funded with a CDFI ERP Award, including for all recipients of loans, investments, and grants supported by these reserves. Demographic reporting is not required for Development Services or Financial Services; however, the CDFI Fund encourages Recipients to track this data for themselves, if feasible.

What should the CDFI ERP Recipient report if a borrower declines to provide the requested demographic data?

If a borrower declines to provide the requested demographic data, the Recipient will have an option to report “Borrower did not provide.” However, if the Recipient wants to count a Financial Product or Grant toward the achievement of the Policy Priority for investing in Minority individuals or Minority-owned Businesses, the Recipient must report the race or ethnicity of the borrower, business or non-profit on those transactions. Please note that if your report to the CDFI Fund of demographic data contains a high incidence of “Borrower did not provide,” the CDFI Fund reserves the right to conduct follow up compliance monitoring to assess whether the Recipient has a clear strategy and procedures in place to collect the required demographic data. Failure to implement appropriate procedures to support data collection may be deemed noncompliant with the applicable requirements in the Assistance Agreement.

What should we do if we want to report Financial Products and/or Grants closed between April 10, 2023, and the release of this guidance and did not collect demographic data on the older transactions?

CDFI ERP Award Recipients will be required to collect and report demographic data for all Financial Products and Grants funded as part of their CDFI ERP activities. This includes any Financial Products and Grants funded directly with CDFI ERP Award dollars, as well as any Financial Products and Grants that are used to meet their Policy Priority Performance Goal. Transactions for which the Recipient did not collect demographic data may not be funded directly with CDFI ERP Award dollars or used to meet the Recipient Policy Priority Performance Goal. If the borrower declined to and did not provide the data, the Recipient may still report the transaction, as long as the Recipient has a clear strategy and procedures in place to collect the required data.