



September 2, 2014

Brette Fishman  
Management Analyst  
Community Development Financial Institutions Fund  
U.S. Department of the Treasury  
1500 Pennsylvania Avenue, NW  
Washington, DC 20020

Re: **Request for Comment on Annual CDFI Reporting Form**

Dear Ms. Fishman:

On behalf of the National Federation of Community Development Credit Unions (the Federation), I would like to thank the CDFI Fund for this opportunity to comment on the proposed annual report for certified institutions. As a CDFI-certified intermediary, a founder of the CDFI movement, and a trade association representing more than 200 community development credit that serve more than three million residents of low-income and underserved communities across the country, the Federation is deeply committed to strengthening the CDFI Fund and the CDFI industry.

The Federation strongly supports systematic tracking of data to analyze and describe the scale and scope of a rapidly growing CDFI industry. In fact, the Federation routinely engages state and local government and private sector partners to better connect the CDFI industry to local and regional development strategies and investment opportunities. These efforts would be greatly aided by access to publicly available data that aggregates CDFI outputs and outcomes to better demonstrate the capacity of the field.

However, the proposed methodology raises concerns on both the data points themselves and the process for gathering consistent data. As explained further in our detailed comments below, the proposed process fails two crucial tests: it is both onerous for CDFIs to complete *and* unreliable for the CDFI Fund to compile, to interpret and to communicate. For regulated CDFIs, the proposed report form requests some data already reported to other federal agencies and other data that cannot be reconciled with the detailed requirements of regulatory authorities. Inconsistent data points could not only create repetitive or duplicative work but also present considerable room for error. For all CDFIs the proposed form asks for a considerable amount of data that already resides with the CDFI Fund itself, which contravenes both the spirit and the letter of the Paperwork Reduction Act.



Our central concern, shared by other regulated CDFI colleagues is the proposed annual data collection tool is too closely modeled upon the definitions of unregulated CDFIs and almost entirely unsuited for use by regulated CDFIs. The Federation would welcome the opportunity to join with other regulated CDFIs to help the CDFI Fund develop more efficient and effective ways to collect essential data from all regulated CDFIs.

Our detailed comments below were prepared by Federation Senior Consultant Terry Ratigan, the industry's leading analyst and researcher on CDFI certification for credit unions. Our comments are organized into four sections:

- I. Proposed Criteria for Annual Data Collection from Regulated CDFIs
- II. Detailed Comments on Proposed Annual Reporting Form
- III. Recommended Annual Reporting for Regulated CDFIs
- IV. Responses to Questions in the Notice for Public Comment

## **I. Proposed Criteria for Annual Data Collection from Regulated CDFIs**

In our comment letter on the Community Investment Impact System (CIIS) dated October 28, 2013, the Federation proposed five criteria for an efficient and effective monitoring and impact system. Three of our criteria were specifically related to the compliance of CDFIs that receive Financial Assistance (FA) or Technical Assistance (TA) awards. Nevertheless, with only minor modifications, most of these same criteria may be applied to the design of an annual data collection system for all CDFIs, regardless of whether they apply for or receive FA/TA awards.

We believe an efficient and effective annual data collection system for all certified CDFIs should meet four criteria:

1. Provide consistent, reliable and **public** information regarding the scale and scope of the CDFI industry and its component parts;
2. Provide a streamlined mechanism for the CDFI Fund to collect and aggregate information from regulated and unregulated CDFIs;
3. Produce credible data for research and advocacy through a rigorous focus on data that can be consistently collected and verified at minimal cost; and,
4. Minimize the burden of data collection and reporting on CDFIs by
  - a) automatically populating reports with data that is already available from government sources; and,
  - b) eliminating mandatory requests for data that cannot be affordably collected by all CDFIs using consistent and reliable standards.

Using these four criteria, the Federation carefully evaluated each element of the CDFI Fund's proposed Annual Certification and Data Collection Report Form. The following



section contains the results of our analysis and recommendations for improvements in the annual reporting process.

One key finding from our review of the proposed form, shared by our colleagues in the Community Development Bankers Association, is the poor alignment between the design of the proposed data collection tool and the extensive and detailed call reports filed by all regulated CDFIs on a quarterly basis. The Federation would be happy to work with the CDFI Fund on a redesign of the annual data collection tool to take maximum advantage of the data already available for regulated CDFIs, to improve the quality of the data collected and to eliminate any additional and unnecessary burden on CDFI credit unions.

**II. Detailed Comments on Proposed Annual Reporting Form**

**Proposed Form Part I. Certification Data**

Organizational Information			Federation Comments
1	Organization Name		All of the information requested in questions 1-5 has already been requested by the CDFI Fund as part of the certification application and the organizational profile in the myCDFI online account. The information for these questions should be pre-populated by the CDFI Fund in keeping with the requirements of the Paperwork Reduction Act.
2	Employer Identification Number (EIN)	Txt Box	
3	Type of Organization	Drop Down - Bank Holding Company - Bank or Thrift	
4	Primary Line of Business	Drop Down - Affordable Housing - Community Facilities - Consumer Finance - Intermediary Lending - Microenterprise - Business Lending	
5	Fiscal Year End	(Month/Day)	
Legal Entity Test			Federation Comments
6	Respondent attests that it continues to meet the Legal Entity criteria requirements since the Respondent's CDFI Certification was last affirmed by	Drop Down (Yes/No)	It is appropriate and reasonable for the CDFI Fund to ask these questions of unregulated CDFIs, but self-certification is not appropriate for regulated credit unions and banks, which are overseen by government agencies that publicly communicate their current legal entity status.
7	Respondent attests that it has the same legal identity as when the Respondent's CDFI Certification was last affirmed by the CDFI Fund.	Drop Down (Yes/No)	
8	Respondent attests that it has not amended its legal documentation since the Respondent's CDFI Certification was last affirmed by the CDFI Fund.	Drop Down (Yes/No)	
Primary Mission Test			Federation Comments
9	The primary mission of the organization, as evidenced in board-approved organizational documents, has not changed since the Respondent's CDFI Certification was last affirmed by the CDFI	Drop Down (Yes/No)	It is appropriate and reasonable for the CDFI Fund to ask all CDFIs to reconfirm their primary mission on an annual basis.



10	If the Respondent's primary mission changed since its Certification was last affirmed by the CDFI Fund, please provide the updated primary mission.	Text Box	
11	If the Respondent's primary mission changed since its Certification was last affirmed by the CDFI Fund, please identify the board- approved organizational document containing the revised primary mission.	Drop Down - Articles of Incorporation - Bylaws	
<b>Financing Entity Test</b>			<b>Federation Comments</b>
12	The Respondent attests that it continues to engage in direct financing activity as reflected on its financial statements and executed notes.	Drop Down (Yes/No)	These questions are not applicable to regulated CDFI credit unions and banks that are financing entities by definition.
13	The Respondent attests that it continues to dedicate a predominance of its assets to Financial Products, Development Services, and/or other similar financing.	Drop Down (Yes/No)	
14	The Respondent attests that it continues to dedicate a predominance of staff time to the provision to Financial Products, Development Services, and/or other similar financing.	Drop Down (Yes/No)	
15	The Respondent attests that it continues to maintain sufficient capital to continue financing activities for at least three months.	Drop Down (Yes/No)	
<b>Development Services Test</b>			<b>Federation Comments</b>
16	The Respondent attests that it continues to meet the Development Services criteria requirements since the Respondent's CDFI Certification was last affirmed by	Drop Down (Yes/No)	It is appropriate and reasonable for the CDFI Fund to request annual self-certification for the Development Services Test.
17	If the answer to Q16 is "No," please provide a description of any Development Services changes and	Text Box	
<b>Target Market Test</b>			<b>Federation Comments</b>
18	The Respondent attests that it met the certification requirement that 60% of its transactions were directed to its approved Target Market(s).	Drop Down (Yes/No)	This question should be eliminated – a CDFI's total outstanding portfolio is a better and more stable measure of total activity levels in CDFI Target Markets than recent transactions. Transaction data is more volatile from year to year and more expensive to collect and analyze on an annual basis. Absent a CDFI FA/TA award, there is no compelling interest that would offset the considerable costs for regulated institutions to answer this question.
19	The Respondent attests that the Target Market(s) for which it is approved to serve have not changed since their CDFI Certification was last affirmed by the CDFI	Drop Down (Yes/No)	
20	If the Respondent indicates that the Target Market(s) has changed, please describe changes.	Text Box	
21	List the Target Market(s) that are the basis for current CDFI certification.	Text Boxes	This question duplicates data provided in three elements of CDFI certification applications: the application narrative, the Attachment A workbook, and the detailed maps developed in the CDFI Fund's CIMS3 mapping system. Either this field should be pre-populated by the Fund or it should be eliminated per the Paperwork Reduction Act.



Accountability Test				Federation Comments
22	The Respondent attests that it continues to meet the Accountability criteria requirements since the Respondent's CDFI Certification was last affirmed by the CDFI Fund.	Drop Down (Yes/No)		The two simple affirmations in questions 22 and 23 are reasonable and appropriate to request on an annual basis.
23	The Respondent attests that it has maintained the same method or set of methods for providing accountability to the Respondent's approved Target Market since the Respondent's CDFI Certification was last affirmed by the CDFI Fund.	Drop Down (Yes/No)		
Target Market				Federation Comments
Target Market Name	Governing Board	Advisory Board(s)	Other	These questions duplicate the basic affirmations requested in 22 and 23 and the more detailed information provided in certification applications themselves. In keeping with the requirements of the Paperwork Reduction Act, these should be eliminated.
1	Text Box	Drop Down (Yes/No)	Drop Down (Yes/No)	
2	Text Box	Drop Down (Yes/No)	Drop Down (Yes/No)	
3	Text Box	Drop Down (Yes/No)	Drop Down (Yes/No)	
Non-Governmental Entity Test				Federation Comments
24	The Respondent attests that it continues to meet the Non-Government Entity criteria requirements since the Respondent's CDFI Certification was last affirmed by the CDFI Fund.	Drop Down (Yes/No)		The two simple affirmations in questions 24 and 24 are reasonable and appropriate to request on an annual basis.
25	If the Respondent experienced a change in circumstances relative to the Non-Government Entity criteria since the Respondent's CDFI Certification was last affirmed by the CDFI Fund, please explain.	Text Box		



### Proposed Form Part II. Financial and Operational Data

Note: in the following sections, green color coding has been used to identify data that is easily available for regulated credit unions, and red has been used to indicate data that is generally not available for regulated credit unions.

Assets			Federation Comments
1	Total Assets	Acct_010	
2	Current Assets	N/A	
3	Restricted Net Assets (if applicable)	N/A	
4	Loan Loss Reserve – Accrual	N/A	
5	Loan Loss Reserve – Cash	N/A	
6	Depository Loss Reserve (as applicable)	N/A	
Income			
7	Total Income	N/A	
8	Total Earned Revenue	N/A	
9	Total Operating Revenue (after Gains/Losses)	N/A	
10	Total Revenue	N/A	
Liabilities			
11	Current Liabilities	N/A	
12	Total Adjusted Notes Payable	N/A	
13	Total Liabilities	N/A	
Total Financing Capital			
14	Total Financing Capital	Amount	
	- Grants	Acct_927	
	- Loans	Acct_710	
	- Equity Investments	N/A	
	- Program-related Investment	N/A	
	- Equity Equivalent Investment (EQ2)	N/A	
	- Deposits	Acct_018	
	- Debt-Secondary Capital (Credit Unions only)	Acct_925	
	- Net Assets Other or Retained Earnings	Acct_997	
	- Guarantees	N/A	
	- Other	N/A	
Debt			
15	Weighted Average Interest Rate of Debt	N/A	
16	Weighted Average Term (Months of Debt)	N/A	
Expenses			
17	Total Pre-Tax Operating Expenses	Acct_660	
18	Total Expenses	N/A	
19	Loan Loss Reserve Expenses (i.e., Bad Debt)	N/A	
20	Debt Service Charge	N/A	

The financial and operational data requested in this section appears to be designed for unregulated CDFIs and is not suitable for regulated institutions.

Regulated credit unions and banks report thousands of fields of financial data to regulators on a quarterly basis, with specific and detailed account definitions, labels and number codes. The column at left shows how the proposed financial and operational data requests align with existing account information reported by credit unions through NCUA 5300 call reports.

The light green cells at left list NCUA 5300 account codes that match the CDFI Fund request, the light red cells indicate data that is not available (“N/A”) from the NCUA 5300 report in the form proposed by the CDFI Fund.

Regulated credit unions and banks must maintain their accounts according to the requirements of their regulators. All regulated financial institutions have installed expensive core data processing systems that are designed to meet those exacting requirements. For regulated CDFIs, financial and operational data requests from the CDFI Fund must conform to the specific account protocols established for banks (by FDIC) and credit unions (by NCUA). Any data requests that do not conform to existing account structures would require modifications to core systems at considerable expense to regulated institutions, while providing no additional informational value to the CDFI Fund or the public at large.



Loans/Investments Originated				Federation Comments
21	Purpose	#	\$	As above, NCUA 5300 call reports contain highly detailed portfolio and transaction information in these categories, but not in this format. The Federation recommends that the CDFI Fund work with representatives of CDFI banks and CDFI credit unions to identify the most appropriate data that meets the informational needs of the CDFI Fund and is already publicly available from regulatory filings.
<input type="checkbox"/>	Business Loans	N/A	N/A	
<input type="checkbox"/>	Microenterprise	N/A	N/A	
<input type="checkbox"/>	Consumer Loans	N/A	N/A	
<input type="checkbox"/>	Home Improvement	N/A	N/A	
<input type="checkbox"/>	Home Purchase	N/A	N/A	
<input type="checkbox"/>	Real Estate	N/A	N/A	
<input type="checkbox"/>	Real Estate – Construction Housing Development	N/A	N/A	
<input type="checkbox"/>	Real Estate – Construction Housing Development	N/A	N/A	
<input type="checkbox"/>	Real Estate – Rehabilitation	N/A	N/A	
<input type="checkbox"/>	Real Estate – Rehabilitation Housing Development	N/A	N/A	
<input type="checkbox"/>	Real Estate – Rehabilitation Housing Development	N/A	N/A	
<input type="checkbox"/>	Other	N/A	N/A	
Portfolio Management				Federation Comments
22	Total Outstanding Loan Portfolio		Acct_710	Credit union delinquencies are only tracked and reported in increments of 1, 2, 6 and 12 months. The 90-day threshold does not exist in credit union accounts.
23	Total Outstanding Equity Investment Portfolio		N/A	
24	Total Amount Charged Off		Acct_550	
25	Total Recoveries		Acct_551	
26	\$ 90 Days or More Past Due		N/A	
27	# 90 Days or More Past Due		N/A	
Staff and Consultants				Federation Comments
28	Total number of Full Time Equivalents (FTEs) – Staff Only		N/A	Credit unions report the total number of full-time and part-time staff, but not FTE, nor do they track FTE devoted to the proposed sub-categories. Banks and credit unions automatically pass the Financing Entity test and are exempt from providing this information in certification applications. It is neither appropriate nor beneficial to request this very expensive information in an annual report.
	- FTEs devoted to Financial Products		N/A	
	- FTEs devoted to Development Services		N/A	
	- FTEs devoted to Financing Related Activities		N/A	
	- FTEs devoted to Major Non-Financing Activities		N/A	
29	Total number of Consultant FTEs		N/A	



**Proposed Form Part III. Target Market Data**

Loan and Investment Information			Federation Comments
1	Total # of Loans and Investments in the Target Market(s)	Can be calculated	For credit unions, these values can be generated by the CDFI Fund itself by simply multiplying the most recently approved target market percentages by the FYE values in two NCUA 5300 accounts (Acct_978 and Acct_710)
2	Total \$ of Loans and Investments in the Target Market(s)	Can be calculated	
Financial Services Information			Federation Comments
3	Total # of Financial Services provided in the Target Market(s)	N/A	<p>Regulated banks and credit unions are the only CDFIs that provide financial services, yet information is not collected, tracked or reported in this way. Indeed, it is not clear how the number or dollar value of all financial services would be defined, nor how the aggregate values would be interpreted.</p> <p>Credit unions do report on the number of check-cashing accounts, and whether or not they offer a wide range of financial services. But the volumes and dollar values of these services, however they may be defined, are neither tracked nor reported. For credit unions, total membership is a more meaningful proxy for the scale of financial service delivery.</p>
4	Total \$ in Financial Services provided in the Target Market(s)	N/A	
Financial Product Information			Federation Comments
5	Total # of Financial Products provided in the Target Market(s)	Duplicate Question	Since the CDFI Fund defines Financial Products as loans, these four questions duplicate themselves and also ask for the exact same information that is provided in Questions 1 and 2 in Part III, above.
6	Total \$ in Financial Products provided in the Target Market(s)	Duplicate Question	
Loan Information			
7	# of Loans/Investments originated in Target Market(s)	Duplicate Question	
8	\$ in Loans/Investments originated in Target Market(s)	Duplicate Question	
Credit Union Information (if applicable)			Federation Comments
9	Total # of Credit Union members	Acct_083	For credit unions, the first value is readily available from the NCUA 5300 report, and the value for Question 10 can be generated by the CDFI Fund itself by simply multiplying the most recently approved target market percentages by the value in Question 9.
10	Total # of Credit Union members in the Target Market(s)	Can be calculated	



Development Services			Federation Comments
11	Total # of Development Services provided in the Target Market(s)	N/A	As with financial services, above, there is no clear definition of “number” or “dollar value” of Development Services. The most important and prevalent form of credit union Development Services are the individual counseling and guidance provided to members by loan officers, Member Service Representatives (MSRs) and other credit union staff in the course of serving the membership. These services cannot be counted or valued in monetary terms at an individual level. However, since credit unions are cooperatives, owned and operated for the benefit of all members, it would not be unreasonable to use total membership and total operating expenses as proxies for the total number and dollar value of credit union Development Services. Target market percentages could be estimated by multiplying these values by the most recently approved target market percentages.
12	Total \$ of Development Services provided in the Target Market(s)	N/A	
13	Total # of Development Services clients in the Target Market(s)	Can be calculated	
14	Total # of clients in the Target Market(s)	Can be calculated	

**Proposed Form Part IV. Impact Data**

Jobs			Federation Comments
1	Jobs in Portfolio Businesses at Origination	N/A	This data may be tracked by unregulated CDFI loan funds with specialized loan portfolios, but it is not tracked by complex, full-service CDFI banks and credit unions. Attempts to track this information would encounter two problems; first, it would be enormously expensive for regulated CDFIs to adapt their core data systems to track this data; and, second, due to large variations in interpreting the account codes, the resulting data would be highly speculative and not suited to meaningful aggregation, interpretation or analysis.
2	Net Change in Jobs	N/A	
Housing			
3	Number of Affordable Housing Units Created or Rehabilitated	N/A	
4	Number of First-Time Homebuyers	N/A	
Educational			
5	# of Facilities	N/A	
6	# of Clients Served	N/A	
7	\$ Dedicated to Educational Facilities	N/A	
Childcare			
8	# of Facilities	N/A	If the CDFI Fund needs to estimate the scale and scope of activities and impacts in these areas – and that is a
9	# of Clients Served	N/A	
10	\$ Dedicated to Childcare Facilities	N/A	



<b>Healthcare</b>		
11	# of Facilities	N/A
12	# of Clients Served	N/A
13	\$ Dedicated to Healthcare Facilities	N/A
<b>Arts Center</b>		
14	# of Facilities	N/A
15	# of Clients Served	N/A
16	\$ Dedicated to Arts Center Facilities	N/A
<b>Other</b>		
17	# of Facilities	N/A
18	# of Clients Served	N/A
19	\$ Dedicated to Other Facilities	N/A

desirable objective for the CDFI industry – then there are much easier and accurate ways to do so. For example, much research has been done on the job-creation and retention impacts of business lending, and the volumes of business loans can easily be obtained from regulated CDFI call reports. A simple calculation would produce a meaningful estimate of the employment impact of CDFI lending. Similar approaches could be applied to the other categories, with research-validated results that would be far more accurate than any aggregation of self-reported data.

<b>Additional Community Development Services</b>			<b>Federation Comments</b>
<b>Housing Technical Assistance</b>			The availability of this non-financial data will vary widely from one institution to another, and for many these detailed fields will simply not apply. The Federation recommends that these fields be listed as optional.
20	# of Training Sessions	Amount	
21	# of Clients Served	Amount	
22	\$ Dedicated to Housing Technical Assistance	Amount	
<b>Homeownership Counseling</b>			
23	# of Training Sessions	Amount	
24	# of Clients Served	Amount	
25	\$ Dedicated to Homeownership Counseling	Amount	
<b>Business Technical Assistance</b>			
26	# of Training Sessions	Amount	
27	# of Clients Served	Amount	
28	\$ Dedicated to Business Technical Assistance	Amount	
<b>Credit Counseling</b>			
29	# of Training Sessions	Amount	
30	# of Clients Served	Amount	
31	\$ Dedicated to Credit Counseling	Amount	
<b>Financial Education</b>			
32	# of Training Sessions	Amount	
33	# of Clients Served	Amount	
34	\$ Dedicated to Financial Education	Amount	



Geographic Areas Served			Federation Comments
Primary (Drop Down) - Appalachia - Colonias - Hot Zones - Lower Mississippi Delta - Native American Areas - Rural Areas - Major Urban Area - Minor Urban Area	Secondary (Drop Down) - Appalachia - Colonias - Hot Zones - Lower Mississippi Delta - Native American Areas - Rural Areas - Major Urban Area - Minor Urban Area - N/A	Tertiary (Drop Down) - Appalachia - Colonias - Hot Zones - Lower Mississippi Delta - Native American Areas - Rural Areas - Major Urban Area - Minor Urban Area - N/A	<p>These questions should not be part of an annual report, but rather be incorporated into each CDFI's organizational profile, along with approved target markets that are already provided in detail through the CDFI Fund's CIMS3 mapping system. The annual report should only be used to confirm continued service or note changes.</p> <p>As an aside, "Hot Zones" no longer exist in the CDFI Fund mapping</p>
Populations Served			Federation Comments
<input type="checkbox"/> American Indian	% American Indian	Amount	<p>The Fair Credit Act prohibits regulated banks and credit unions from collecting ethnic and racial data. Broad estimates could be provided as part of an organizational profile, but it would serve no purpose to require regulated institutions to file an annual report with data they are prohibited from collecting.</p>
<input type="checkbox"/> Alaska Native	% Alaska Native	Amount	
<input type="checkbox"/> Asian	% Asian	Amount	
<input type="checkbox"/> Black or African	% Black or African	Amount	
<input type="checkbox"/> Native Hawaiian	% Native Hawaiian	Amount	
<input type="checkbox"/> Other	% Other	Amount	
<input type="checkbox"/> Other Pacific	% Other Pacific	Amount	
<input type="checkbox"/> White	% White	Amount	

**III. Recommended Annual Reporting for Regulated CDFIs**

In the Federation's comments on the Community Investment Impact System (CIIS) dated October 28, 2013, we proposed a specific tier of reporting for certification compliance, distinct from award compliance. We continue to recommend that, for regulated CDFIs, data for annual reports be automatically collected from regulatory filings. As noted in our detailed comments in the preceding section, target market activities can be easily and reliably estimated by applying the percentages derived from the most recently approved CDFI target market analysis to key data available from regulatory filings.

The Federation further recommends that:

- i. Target market analyses for CDFI certification should be based on total outstanding portfolios, not just recent transactions, as total portfolios are more significant and durable indicators of ongoing activity levels in target markets.
- ii. Target market analyses should remain valid for a period of three years, at which time certified CDFIs should be required to submit updated analyses of target market activity levels for review and approval of the CDFI Fund.
- iii. Aside from data that can be collected from regulatory filings, annual reports for certified CDFIs should be limited to self-certification of compliance with key



- components of certification, and requests for approval of any material changes in the basis for certification, including revisions to CDFI target markets.
- iv. Any request from a certified CDFIs for any changes related to their CDFI certification should be considered officially approved on the 91<sup>st</sup> day following the date of electronic submission of the request to the CDFI Fund, unless the request has been denied in writing by the CDFI Fund within the previous 90-day period.
  - v. Any data collection or reporting requirements proposed by the CDFI Fund that relate to regulated CDFIs be developed in consultation with representatives of CDFI banks and credit unions.

#### **IV. Answers to Questions in Notice for Public Comment**

**(a) Is the CDFI Fund’s estimate of the burden of the collection of information accurate? What are the estimated operational or maintenance costs to provide the requested information?**

The estimate of three hours to complete this form is not accurate and ignores the significant financial costs that would be incurred before the reporting could be undertaken at all. We estimate that the average credit union would need to invest at least 200 staff hours to prepare to complete the first annual report. Subsequent reports would vary depending on the size and complexity of the credit union, but due to the complexity of the requested transaction analysis, large credit unions could easily be expected to devote more than 200 hours to the production of this report on an annual basis.

The financial costs also would vary by credit union, but adaptations to core processing systems and associated training expenses typically range from between \$10,000 for small credit unions to \$50,000 or more for medium and larger credit unions.

**(b) Are there ways to enhance the quality, utility, and clarity of the information to be collected?**

As recommended above, for all regulated CDFIs we strongly recommend that the CDFI Fund: (1) use the same Call Report/Thrift Financial Report (TFR) financial, operational and loan reporting categories and definitions used by the Federal banking and credit union regulatory agencies; and (2) waive the requirement that CDFI banks and credit unions resubmit financial and operation data that has already been submitted to federal regulatory agencies. This will minimize the reporting burden and costs for regulated CDFIs and enhance the quality, consistency and utility of the data.

**(c) Are there ways to minimize the burden of the collection of information on respondents, including through the use of technology?**



As noted in our comments on the Community Investment Impact System dated October 28, 2013, the collection and analysis of transaction data is an expensive and unreliable approach to evaluating the scale, scope and impact of the CDFI industry. We continue to recommend that the CDFI Fund employ a research partner to develop a credible set of proxy indicators for impact, firmly rooted in sound and credible research, easily derived from existing sources of data collected by all types of CDFIs that can be aggregated and made available for meaningful analyses of the CDFI industry.

The Federation remains firmly committed to the mission of the CDFI Fund and the growth of the CDFI industry. We hope that these comments contribute to the achievement of our common goals. If you have any comments or questions on the contents of this letter, I welcome the opportunity to discuss these further at your convenience.

Again, many thanks for this opportunity to share our thoughts and expertise with the Fund.

Sincerely,

Cathleen A. Mahon  
President/CEO

cc: Dennis Nolan  
Deputy Director  
CDFI Fund

Jessica Milano  
Deputy Assistant Secretary  
US Treasury

Federation Members