

From: [Kristy Johnsen](#)
To: [CDFI-Financial Strategies and Research](#)
Cc: [Ruth Barber](#); [Lyndsey Heathman](#); [Daniel Sloan](#)
Subject: [EXTERNAL]Request for Comment: ERP
Date: Tuesday, August 27, 2024 12:43:22 PM

CAUTION: This email has originated from an external entity. **PLEASE CONSIDER THE SOURCE** before responding, clicking on links, or opening attachments.

Good afternoon,

I had several comments regarding the proposed changes and their implications to the TLR, Certification, and the use of ERP activity for the 60% lending threshold for CDFIs.

- We want to note in this comment regarding ERP updates that there will need to be detailed directions on how to calculate the 60% Certification Threshold using the ERP awards and the 2020 census tracts for the associated loans and how they will interact with the Pre-Approved Target Market Methodologies already in place.
 - If this will be following the pattern established by HFFI, what additional data fields will be necessary, and by what reporting period?
 - All ERP qualified tracts utilize the 2010 Census tracts, and the current understanding is that these will be submitted separately. Is it correct then that all ERP loans will need to be geocoded twice and both the 2020 and 2010 census tracts will need to be listed in the upcoming TLR?
 - Due to extensive regulatory guidelines prohibiting the collection of demographic information, many banks and credit unions are still in the process of collecting this information.
 - Additionally, if a person does not self-identify, will this be counted against the ERP recipient? The guidance says it will be examined on a case-by-case basis and their award agreement; however, this may have implications for Certification. For instance, if several loans are thought to be eligible by the CDFI bank or loan fund, but then are denied, and then this impacts the 60% threshold for certification, what recourse will banks have in these situations?
- Given the above limitations, would it then be advised to only submit loans as ERP eligible that are 1) 2010 CT ERP eligible 2) Meet the stated goals in the Service Agreement and 3) Are Designated Non-target market by the Pre-Approved Methodologies in order to not risk certification?

Cheers,

Kristy Johnsen
Senior Data Analyst
FUND Consulting, LLC
P. 773.281.8845
F.773.442.0492
www.fundconsulting.com
Planned PTO:

September 2nd, October 28th - November 1st, November 25th - 29th, December 23rd -

27th, 31st.