



Press Release

For Immediate Release

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FFIEC Announces the Use of American Community Survey Data In Its Census Data Files

The Federal Financial Institutions Examination Council (FFIEC) today announced that it will incorporate the 2010 American Community Survey (ACS) data into the FFIEC-published census data file. The new methodology responds to a change in the way the U.S. Census Bureau collects information that is reflected in the FFIEC's census data.

Unlike the previous decennial census that counted the nation's population and surveyed a smaller segment of the population to collect detailed information, the 2010 Census was used only to count the nation's population.¹ Data that were traditionally collected through the supplemental survey are now collected as part of the ACS. The ACS is a nationwide survey designed to provide local communities with reliable and timely demographic, social, economic, and housing data each year. Because the pace of change has accelerated rapidly, the United States Census Bureau believes that it is no longer sufficient to collect detailed data about our population once every 10 years. The Census Bureau began collecting ACS data in 2006 and has already released one-, three-, and five-year estimate data.² The Census Bureau first released data for geographies of all sizes (the "five-year estimate data") in 2010 and will continue to publish the five-year estimate data as a rolling average on an annual basis.

The FFIEC publishes census data as part of the Home Mortgage Disclosure Act (HMDA) aggregate and disclosure data and as a separate census data file, both of which are available on the FFIEC website. The census data are used to provide context to HMDA and Community

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¹ For the 2000 census, the U.S. Census Bureau used both a short form and a long form. The short form included seven questions that were asked of every person and housing unit. The long form included an additional 26 questions and was sent to approximately one in six households.

² Geographic areas with populations of 60,000 and greater have data released annually for one-, three-, and five-year estimates; areas with populations greater than 25,000 have data released for three- and five-year estimates; and all areas down to census tract level have data released for five-year estimates.

Reinvestment Act (CRA) data. Historically, the census data “base” file was developed by the FFIEC every 10 years and was updated annually.³ Because of the changes in the collection of the 2010 census data, the agencies will make corresponding changes to its data files.

The FFIEC will use the 2010 ACS five-year estimate data to create a new base file. The FFIEC will update the census information in the base file every five years. Implementation of the new data for consumer compliance and CRA examination purposes will occur in 2012, and the data will be utilized in the same manner that decennial data has been used in the past.⁴ In addition to the tract income data, the new base file will include updated race and ethnicity data. Those data will also be updated every five years going forward.

Although the ACS data are published annually as a rolling average, the FFIEC decided against publishing and using annual census data. Financial institutions and agency examination staff use census data when planning their activities and evaluating performance. The data used to determine low- and moderate-income census tracts for CRA examination purposes could change slightly from year to year, creating additional burden for financial institutions and agency examination staff, and increasing the anticipated time, cost, and complexity involved in using annual data. The FFIEC believes the modest changes in the annual data would provide only a limited benefit. Although the 2010 census data have resulted in many new census tracts as well as redefinition of some existing tracts, our studies have shown that the data generally remain the same for the majority of census tracts from year to year or over a multi-year time period. The five-year approach is seen as a significant improvement over the current 10-year data updates and will minimize the confusion and errors that might occur if the data were updated more frequently. Additionally, updating the data every five years should be sufficient to provide an accurate assessment of an institution’s lending in low- and moderate-income geographies.

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The FFIEC was established in March 1979 to prescribe uniform principles, standards, and report forms and to promote uniformity in the supervision of financial institutions. The Council has six voting members: a Governor of the Board of Governors of the Federal Reserve System designated by the Chairman of the Board, the Chairman of the Federal Deposit Insurance Corporation, the Chairman of the Board of the National Credit Union Administration, the Comptroller of the Currency, the Director of the Consumer Financial Protection Bureau, and the Chairman of the State Liaison Committee. The Council's activities are supported by interagency task forces and by an advisory State Liaison Committee, comprised of five representatives of state agencies that supervise financial institutions.

³ Annual updates are made to reflect changes to MSA/MD boundaries announced by the Office of Management and Budget (OMB), median family income estimates and CRA distressed/underserved tracts as announced by the federal banking regulatory agencies.

⁴ Interagency Question and Answer § __.12(m) – 1 (75 FR 11642, 11651-52 (Mar. 11, 2010), This technical change will be reflected in the next publication of the Interagency Question and Answers Regarding Community Reinvestment in the Federal Register.

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