

Federal Reserve Bank of San Francisco
101 Market Street, San Francisco, California 94105

May 28, 2013

To State Member Banks, Bank
Holding Companies, Financial Holding
Companies, Savings and Loan Holding Companies,
and Foreign Banking Offices
in the Twelfth Federal Reserve District

CA Letter 13-8: Guidance on the Use of 2010 Census Data in Fair Lending Examinations

On May 16, 2013, the Board of Governors of the Federal Reserve System (Board) issued CA Letter 13-8 *Guidance on the Use of 2010 Census Data in Fair Lending Examinations*. The letter discusses the three changes related to the Census Bureau's release of the 2010 decennial census data that affects fair lending examinations. Specifically, the letter notes that 1) there are changes to the census tracts, 2) the source of detailed population and housing data is now based on the American Community Survey (ACS) rather than the census, and 3) the Federal Financial Institution's Examination Council (FFIEC) will now update the census data every five years, rather than on a decennial basis.

Fair Lending Examinations

The updated data from the 2010 census will result in changes to some aspects of fair lending examinations conducted by the Federal Reserve. Fair lending examinations often include reviews of Home Mortgage Disclosure Act (HMDA) data for mortgages, Community Reinvestment Act (CRA) data for small business loans, and other data for non-mortgage loans. For many fair lending reviews, there is a need to geocode the data by census tract. Given the changes to the FFIEC census data base file, the Federal Reserve will analyze loan data for 2010 and 2011 using 2000 census information and will analyze loan data from January 1, 2012, forward using 2010 census data. With the transition from one decennial census to another, some examinations will include a review of performance that spans data from both the 2000 and 2010 censuses. For example, in the case of an examination that includes both 2011 and 2012 loan data, the examination will apply census 2000 data to the 2011 loan data and will apply census 2010 data to the 2012 loan data. This is an important distinction to consider as institutions evaluate their own loan data for fair lending risk.

Additional Information

All circulars and documents are available on the Internet through the Federal Reserve Bank of San Francisco's website, at <http://www.frbsf.org/banking/letters>.

For additional information regarding the Federal Reserve's supervisory expectations, please contact:

Federal Reserve Bank of San Francisco
Banking Supervision and Regulation
(801) 322-7853

Attachments:

[CA 13-8 Guidance on the Use of 2010 Census Data in Fair Lending Examinations](#)

Cross References:

[CA 12-4 Guidance on the Usage of 2010 Census Data in Community Reinvestment Act Examinations](#)
[FFIEC 2010 Census Update Notice](#)
[FFIEC Press Release announcing use of ACS data in the FFIEC-published census data file](#)
[FFIEC Release of 2010 Census Tract Listing including MSA and Tract Median family Income Data](#)