Concerns Regarding Personally Identifiable Information in TLR Reporting

On behalf of the of the National Federation of Community Development Credit Unions, I would like to echo the concerns raised by a number of our members over the new reporting instructions that require the inclusion of personally identifiable information in transaction-level reporting to the CDFI Fund. We would like to request that the CDFI Fund revert to prior practice and accept 11-digit census tract FIPS codes in lieu of address or XY coordinate information.

Our members are specifically concerned about the change in the new CDFI TLR Data Point Guidance that imposes a new requirement to include address or specific XY coordinate information for every reportable transaction. As regulated depositories, this new requirements raise three main concerns:

1. Although the CIIS reporting instructions specify that no personally identifiable information be included in the report (i.e., names, social security numbers), the inclusion of address or specific XY coordinate information connects the data directly to the identities of all borrowers included in the report.

2. CDFI credit unions have not disclosed to their borrowers that this identifiable loan information would be reported to the U.S. Treasury Department, and the proper formal disclosure of this information would have a chilling effect on CDFI lending in many target market communities.

3. The new requirement is disproportionate to the compliance and reporting needs of CDFIs and the CDFI Fund, which defines geographic target markets and report on activities at the census tract level, not at the level of identifiable individuals and households.

We share the CDFI Fund's commitment to tracking and reporting the impact of CDFIs at the local, regional and national levels. However, we are keenly aware of the boundaries that can compromise the fiduciary responsibilities of regulated CDFIs and damage their competitiveness in the very markets we seek to serve. We would be grateful if the CDFI Fund could remove this new requirement from the Transaction Level Report.

I would welcome the opportunity to discuss this further with you at your convenience.