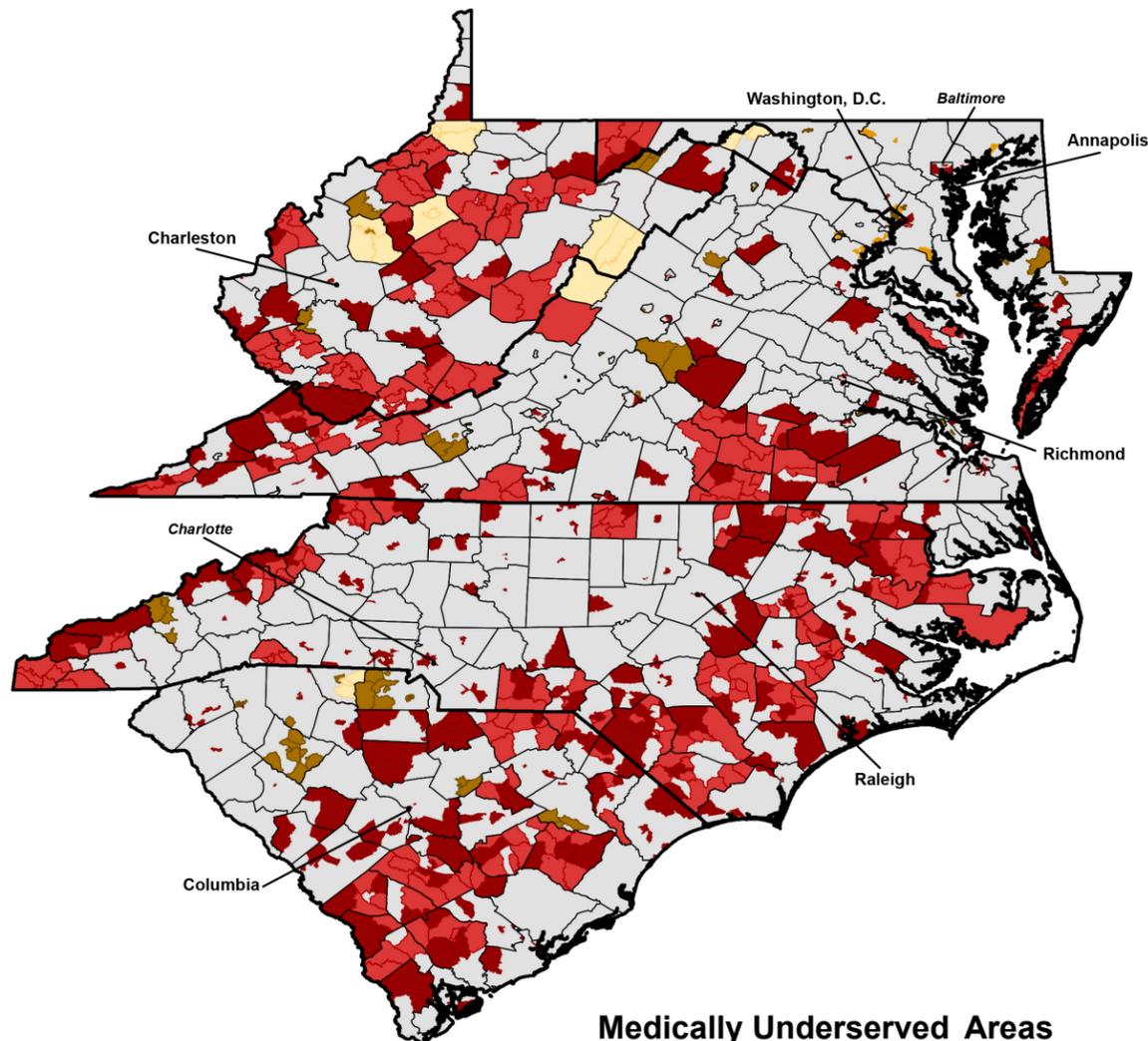


The Community Reinvestment Act and Medically Underserved Areas/Populations in the Fifth District

This issue of *5th District Footprint* examines Fifth District census tracts eligible for Community Reinvestment Act investment and designated as Medically Underserved Areas/Populations (MUA/Ps) by the Health Resources and Services Administration (HRSA). CRA was enacted in 1977 to encourage financial institutions to help meet the credit needs of the communities in which they operate. While originally designed to encourage investment in affordable housing and economic development, banks can also fulfill their CRA obligation by investing in facilities that promote community development, including health care facilities.¹ The HRSA's MUA/P designations provide information about geographic areas in which residents lack access or face obstacles to medical care. As banks and community health practitioners explore using CRA-qualified investment to address community health needs, information about which Fifth District census tracts are both CRA-eligible and MUA/P-designated can help guide investment decisions.

Under the CRA examination, banks can receive CRA credit for community development investment in low- and moderate-income (LMI) census tracts, as well as in nonmetropolitan middle-income census tracts that are economically distressed and/or underserved.² Of the 74,771 census tracts in the United States, 34.6 percent are eligible for CRA investment under these criteria.

An MUA is an entire geographic area that has a shortage of primary care services. An MUP is a sub-population within a geographic area that faces economic or cultural barriers to health care, such as homeless individuals, low-income individuals or migrant workers. The HRSA designates census tracts as MUA/Ps using an indicator called the Index of Medical Underservice (IMU).³ If an area is not designated as an MUA/P based on its IMU, it is possible for state governors to make a special designation or "Governor's Exception" for that area. Nationally, 56.5 percent of census tracts are MUA/Ps.



Medically Underserved Areas and Populations in CRA-Eligible Census Tracts, 2017

- Low- or moderate-income Medically Underserved Area
- Distressed/underserved middle-income nonmetropolitan Medically Underserved Area
- Low- or moderate-income Medically Underserved Population
- Low- or moderate-income Medically Underserved Population - Governor's Exception
- Distressed/underserved middle-income nonmetropolitan Medically Underserved Population
- Area is not LMI/distressed/underserved and an MUA/P

Source: Department of Health and Human Services Medically Underserved Area Data, June 2017; Federal Financial Institutions Examination Council Census Reports and List of Distressed and Underserved Census Tracts, 2017.

Note: Low-income census tracts have a Median Family Income (MFI) less than 50 percent of the area MFI. Moderate-income census tracts have an MFI that is 50.0 to 79.9 percent of the area MFI. Middle-income census tracts have an MFI that is 80.0 to 119.9 percent of the area MFI.

Distressed census tracts are middle-income, nonmetropolitan census tracts that are economically distressed based on poverty rate, unemployment rate and rate of population loss. Underserved census tracts are middle-income, nonmetropolitan census tracts that are underserved based on population size, density and dispersion.

MUA/P designations are based on the Index of Medical Underservice (IMU). The IMU is calculated based on the population to provider ratio, the percent of the population below the federal poverty level, the percent of the population over age 65 and the infant mortality rate. The IMU can range from 0 to 100, where zero represents the completely underserved. Areas or populations with IMUs of 62.0 or less qualify for designation as an MUA/P. A state's governor can designate an MUA/P in areas with non-qualifying IMUs.

Within the Fifth District, 75.4 percent of census tracts are MUA/Ps (5,453 census tracts). However, 31.7 percent of these MUA/P census tracts are also eligible for CRA investment (1,730 census tracts). Within this subgroup, the majority are designated as LMI and MUA (1,050 census tracts). North Carolina and Virginia have the largest number of census tracts that are both CRA-eligible and medically underserved (439 and 351 census tracts, respectively) while the District of Columbia has the smallest (104 census tracts).

At the county level, 78.3 percent of Fifth District counties (281 counties) contain at least one census tract that is CRA-eligible and MUA/P-designated. Virginia contains the largest number of counties with at least one CRA-eligible and MUA/P-designated census tract at 95 counties (71.4 percent). South Carolina has the highest share of counties with at least one CRA-eligible and MUA/P-designated census tract at 91.3 percent (42 counties). In 36 Fifth District counties, the entire county is CRA-eligible and medically underserved, with the largest number (14 counties) contained in West Virginia.

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1 Additional CRA resources include: "Background & Purpose," Federal Financial Institutions Examination Council. "Interagency Questions & Answers," Federal Financial Institutions Examination Council. "What is the Community Reinvestment Act?" The Federal Reserve System, 2015.

2 Low-income census tracts have a Median Family Income (MFI) that is less than 50 percent of the area MFI. Moderate-income census tracts have an MFI that is 50 to 79.9 percent of the area MFI. Middle-income census tracts have an MFI that is 80 to 119.9 percent of the area MFI. The FFIEC defines distressed and underserved census tracts annually based on poverty rate, unemployment rate, rate of population loss, population size, population density, and population dispersion.

3 The IMU is calculated using four criteria: the population to provider ratio, the percent of the population below the federal poverty level, the percent of the population over age 65, and the infant mortality rate. "Medically Underserved Areas and Populations (MUA/Ps)," U.S. Department of Health and Human Services, Health Resources and Services Administration.