

Module III

Definition of Low-Income Members



LICU Definition: Prior to 1/1/2009

Members with income that falls at or below 80% of the median household income as determined by the Census Bureau

Contained rules that allowed for cost of living adjustments for certain higher cost geographical areas.

LICU Definition: Effective 1/1/2009

Metropolitan
Areas

- Members with income that falls at or below 80% of the median family income (MFI) for the metropolitan area where they live or the national metropolitan area, whichever is greater.

Non-
Metropolitan
Areas

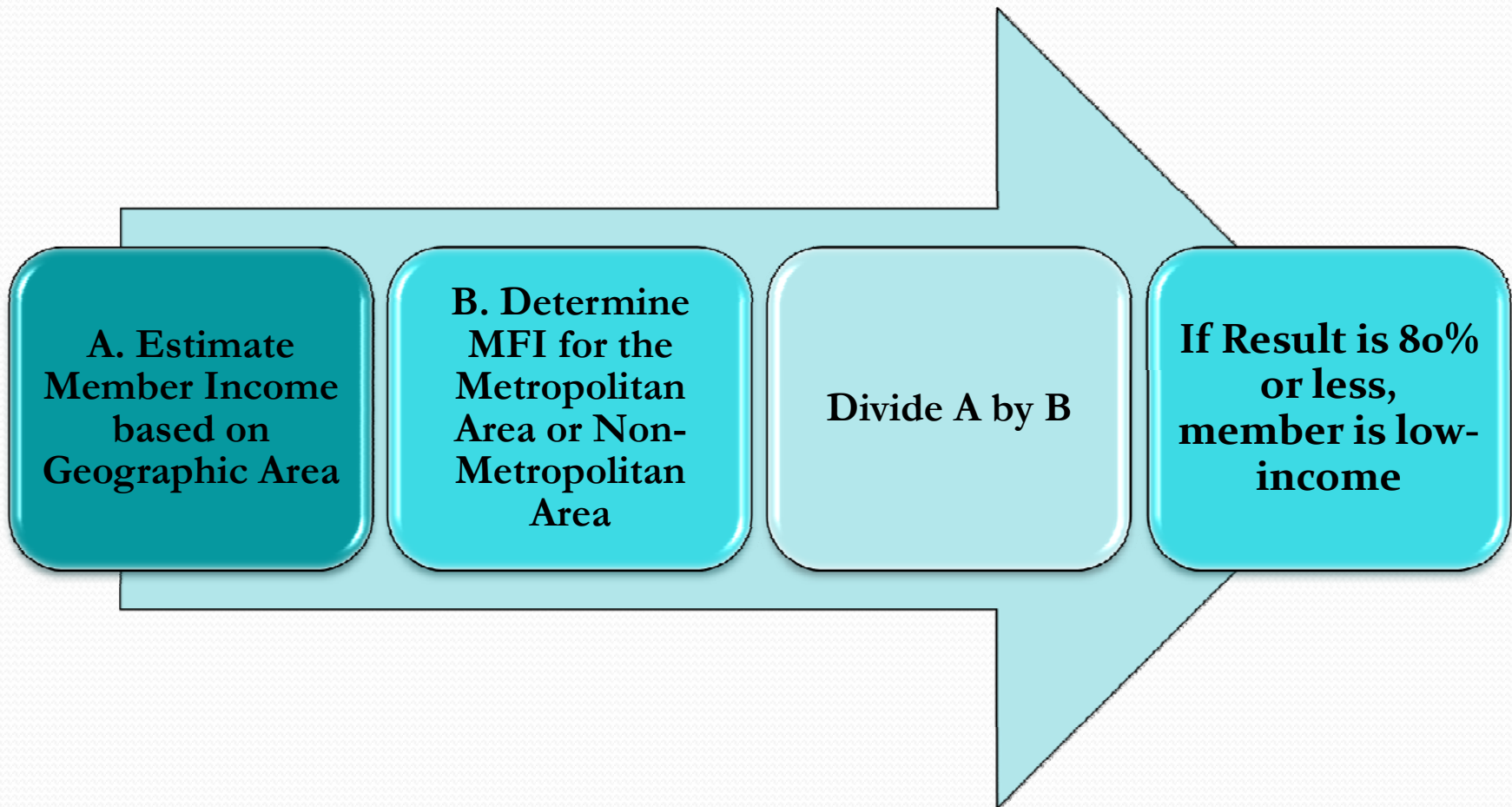
- Members with income that falls at or below 80% of either the statewide, non-metropolitan area or national, non-metropolitan area MFI, whichever is greater.

LICU Definition: Effective 1/1/2009

To Qualify:

- Majority of members (50.01%) must meet the definition of a low-income member
- Based on address information obtained through the examination process
- Income estimates are derived by linking address information to U.S. Census Bureau data

LICU Definition: Effective 1/1/2009



LICU Definition: Effective 1/1/2009

Census Bureau Data can be located on the census website:

<http://factfinder.census.gov/home/saff/main.html?lang=en>

NCUA will use Decennial Data or data collected through the American Community Survey, whichever is most beneficial to an FCU, when determining whether it qualifies for a LICU designation.

LICU Definition: Effective 1/1/2009

Alternative Assessment Methods

- An FCU may be able to demonstrate the actual income of its members based on member income data from loan applications or member surveys.
- Full or part-time students in a college, university, high school, or vocational school also qualify as low-income.

NCUA's Low Income Designation

Thanks for your
attention!

Go to the next
Module