

AMENDMENT TO THE RULES COMMITTEE PRINT

117-54

OFFERED BY MR. MEEKS OF NEW YORK

Add at the end of title LIV of division E the following new title:

1 **TITLE LIX—ENSURING DIVER-**
2 **SITY IN COMMUNITY BANK-**
3 **ING ACT**

4 **SEC. 5901. SENSE OF CONGRESS ON FUNDING THE LOAN-**
5 **LOSS RESERVE FUND FOR SMALL DOLLAR**
6 **LOANS.**

7 The sense of Congress is the following:

8 (1) The Community Development Financial In-
9 stitutions Fund (the “CDFI Fund”) is an agency of
10 the Department of the Treasury, and was estab-
11 lished by the Riegle Community Development and
12 Regulatory Improvement Act of 1994. The mission
13 of the CDFI Fund is “to expand economic oppor-
14 tunity for underserved people and communities by
15 supporting the growth and capacity of a national
16 network of community development lenders, inves-
17 tors, and financial service providers”. A community
18 development financial institution (a “CDFI”) is a

1 specialized financial institution serving low-income
2 communities and a Community Development Entity
3 (a “CDE”) is a domestic corporation or partnership
4 that is an intermediary vehicle for the provision of
5 loans, investments, or financial counseling in low-in-
6 come communities. The CDFI Fund certifies CDFIs
7 and CDEs. Becoming a certified CDFI or CDE al-
8 lows organizations to participate in various CDFI
9 Fund programs as follows:

10 (A) The Bank Enterprise Award Program,
11 which provides FDIC-insured depository institu-
12 tions awards for a demonstrated increase in
13 lending and investments in distressed commu-
14 nities and CDFIs.

15 (B) The CDFI Program, which provides
16 Financial and Technical Assistance awards to
17 CDFIs to reinvest in the CDFI, and to build
18 the capacity of the CDFI, including financing
19 product development and loan loss reserves.

20 (C) The Native American CDFI Assistance
21 Program, which provides CDFIs and spon-
22 soring entities Financial and Technical Assist-
23 ance awards to increase lending and grow the
24 number of CDFIs owned by Native Americans
25 to help build capacity of such CDFIs.

1 (D) The New Market Tax Credit Program,
2 which provides tax credits for making equity in-
3 vestments in CDEs that stimulate capital in-
4 vestments in low-income communities.

5 (E) The Capital Magnet Fund, which pro-
6 vides awards to CDFIs and nonprofit affordable
7 housing organizations to finance affordable
8 housing solutions and related economic develop-
9 ment activities.

10 (F) The Bond Guarantee Program, a
11 source of long-term, patient capital for CDFIs
12 to expand lending and investment capacity for
13 community and economic development purposes.

14 (2) The Department of the Treasury is author-
15 ized to create multi-year grant programs designed to
16 encourage low-to-moderate income individuals to es-
17 tablish accounts at federally insured banks, and to
18 improve low-to-moderate income individuals' access
19 to such accounts on reasonable terms.

20 (3) Under this authority, grants to participants
21 in CDFI Fund programs may be used for loan-loss
22 reserves and to establish small-dollar loan programs
23 by subsidizing related losses. These grants also allow
24 for the providing recipients with the financial coun-
25 seling and education necessary to conduct trans-

1 actions and manage their accounts. These loans pro-
2 vide low-cost alternatives to payday loans and other
3 nontraditional forms of financing that often impose
4 excessive interest rates and fees on borrowers, and
5 lead millions of Americans to fall into debt traps.
6 Small-dollar loans can only be made pursuant to
7 terms, conditions, and practices that are reasonable
8 for the individual consumer obtaining the loan.

9 (4) Program participation is restricted to eligi-
10 ble institutions, which are limited to organizations
11 listed in section 501(c)(3) of the Internal Revenue
12 Code and exempt from tax under 501(a) of such
13 Code, federally insured depository institutions, com-
14 munity development financial institutions and State,
15 local, or Tribal government entities.

16 (5) According to the CDFI Fund, some pro-
17 grams attract as much as \$10 in private capital for
18 every \$1 invested by the CDFI Fund. The Adminis-
19 tration and the Congress should prioritize appropria-
20 tion of funds for the loan loss reserve fund and tech-
21 nical assistance programs administered by the Com-
22 munity Development Financial Institution Fund.

23 **SEC. 5902. DEFINITIONS.**

24 In this Act:

1 (1) COMMUNITY DEVELOPMENT FINANCIAL IN-
2 STITUTION.—The term “community development fi-
3 nancial institution” has the meaning given under
4 section 103 of the Riegle Community Development
5 and Regulatory Improvement Act of 1994 (12
6 U.S.C. 4702).

7 (2) MINORITY DEPOSITORY INSTITUTION.—The
8 term “minority depository institution” has the
9 meaning given under section 308 of the Financial
10 Institutions Reform, Recovery, and Enforcement Act
11 of 1989 (12 U.S.C. 1463 note), as amended by this
12 Act.

13 **SEC. 5903. INCLUSION OF WOMEN’S BANKS IN THE DEFINI-**
14 **TION OF MINORITY DEPOSITORY INSTITU-**
15 **TION.**

16 Section 308(b)(1) of the Financial Institutions Re-
17 form, Recovery, and Enforcement Act of 1989 (12 U.S.C.
18 1463 note) is amended—

19 (1) by redesignating subparagraphs (A), (B),
20 and (C) as clauses (i), (ii), and (iii), respectively;

21 (2) by striking “means any” and inserting the
22 following: “means—

23 “(A) any”; and

24 (3) in clause (iii) (as so redesignated), by strik-
25 ing the period at the end and inserting “; or”; and

1 (4) by inserting at the end the following new
2 subparagraph:

3 “(B) any bank described in clause (i), (ii),
4 or (iii) of section 19(b)(1)(A) of the Federal
5 Reserve Act—

6 “(i) more than 50 percent of the out-
7 standing shares of which are held by 1 or
8 more women; and

9 “(ii) the majority of the directors on
10 the board of directors of which are
11 women.”.

12 **SEC. 5904. ESTABLISHMENT OF IMPACT BANK DESIGNA-**
13 **TION.**

14 (a) IN GENERAL.—Each Federal banking agency
15 shall establish a program under which a depository institu-
16 tion with total consolidated assets of less than
17 \$10,000,000,000 may elect to be designated as an impact
18 bank if the total dollar value of the loans extended by such
19 depository institution to low-income borrowers is greater
20 than or equal to 50 percent of the assets of such bank.

21 (b) NOTIFICATION OF ELIGIBILITY.—Based on data
22 obtained through examinations of depository institutions,
23 the appropriate Federal banking agency shall notify a de-
24 pository institution if the institution is eligible to be des-
25 ignated as an impact bank.

1 (c) APPLICATION.—Regardless of whether or not it
2 has received a notice of eligibility under subsection (b),
3 a depository institution may submit an application to the
4 appropriate Federal banking agency—

5 (1) requesting to be designated as an impact
6 bank; and

7 (2) demonstrating that the depository institu-
8 tion meets the applicable qualifications.

9 (d) LIMITATION ON ADDITIONAL DATA REQUIRE-
10 MENTS.—The Federal banking agencies may only impose
11 additional data collection requirements on a depository in-
12 stitution under this section if such data is—

13 (1) necessary to process an application sub-
14 mitted by the depository institution to be designated
15 an impact bank; or

16 (2) with respect to a depository institution that
17 is designated as an impact bank, necessary to ensure
18 the depository institution’s ongoing qualifications to
19 maintain such designation.

20 (e) REMOVAL OF DESIGNATION.—If the appropriate
21 Federal banking agency determines that a depository in-
22 stitution designated as an impact bank no longer meets
23 the criteria for such designation, the appropriate Federal
24 banking agency shall rescind the designation and notify
25 the depository institution of such rescission.

1 (f) RECONSIDERATION OF DESIGNATION; AP-
2 PEALS.—Under such procedures as the Federal banking
3 agencies may establish, a depository institution may—

4 (1) submit to the appropriate Federal banking
5 agency a request to reconsider a determination that
6 such depository institution no longer meets the cri-
7 teria for the designation; or

8 (2) file an appeal of such determination.

9 (g) RULEMAKING.—Not later than 1 year after the
10 date of the enactment of this Act, the Federal banking
11 agencies shall jointly issue rules to carry out the require-
12 ments of this section, including by providing a definition
13 of a low-income borrower.

14 (h) REPORTS.—Each Federal banking agency shall
15 submit an annual report to the Congress containing a de-
16 scription of actions taken to carry out this section.

17 (i) FEDERAL DEPOSIT INSURANCE ACT DEFINI-
18 TIONS.—In this section, the terms “depository institu-
19 tion”, “appropriate Federal banking agency”, and “Fed-
20 eral banking agency” have the meanings given such terms,
21 respectively, in section 3 of the Federal Deposit Insurance
22 Act (12 U.S.C. 1813).

1 **SEC. 5905. MINORITY DEPOSITORIES ADVISORY COMMIT-**
2 **TEES.**

3 (a) ESTABLISHMENT.—Each covered regulator shall
4 establish an advisory committee to be called the “Minority
5 Depositories Advisory Committee”.

6 (b) DUTIES.—Each Minority Depositories Advisory
7 Committee shall provide advice to the respective covered
8 regulator on meeting the goals established by section 308
9 of the Financial Institutions Reform, Recovery, and En-
10 forcement Act of 1989 (12 U.S.C. 1463 note) to preserve
11 the present number of covered minority institutions, pre-
12 serve the minority character of minority-owned institu-
13 tions in cases involving mergers or acquisitions, provide
14 technical assistance, and encourage the creation of new
15 covered minority institutions. The scope of the work of
16 each such Minority Depositories Advisory Committee shall
17 include an assessment of the current condition of covered
18 minority institutions, what regulatory changes or other
19 steps the respective agencies may be able to take to fulfill
20 the requirements of such section 308, and other issues of
21 concern to covered minority institutions.

22 (c) MEMBERSHIP.—

23 (1) IN GENERAL.—Each Minority Depositories
24 Advisory Committee shall consist of no more than
25 10 members, who—

26 (A) shall serve for one two-year term;

1 (B) shall serve as a representative of a de-
2 pository institution or an insured credit union
3 with respect to which the respective covered
4 regulator is the covered regulator of such de-
5 pository institution or insured credit union; and

6 (C) shall not receive pay by reason of their
7 service on the advisory committee, but may re-
8 ceive travel or transportation expenses in ac-
9 cordance with section 5703 of title 5, United
10 States Code.

11 (2) DIVERSITY.—To the extent practicable,
12 each covered regulator shall ensure that the mem-
13 bers of the Minority Depositories Advisory Com-
14 mittee of such agency reflect the diversity of covered
15 minority institutions.

16 (d) MEETINGS.—

17 (1) IN GENERAL.—Each Minority Depositories
18 Advisory Committee shall meet not less frequently
19 than twice each year.

20 (2) NOTICE AND INVITATIONS.—Each Minority
21 Depositories Advisory Committee shall—

22 (A) notify the Committee on Financial
23 Services of the House of Representatives and
24 the Committee on Banking, Housing, and
25 Urban Affairs of the Senate in advance of each

1 meeting of the Minority Depositories Advisory
2 Committee; and

3 (B) invite the attendance at each meeting
4 of the Minority Depositories Advisory Com-
5 mittee of—

6 (i) one member of the majority party
7 and one member of the minority party of
8 the Committee on Financial Services of the
9 House of Representatives and the Com-
10 mittee on Banking, Housing, and Urban
11 Affairs of the Senate; and

12 (ii) one member of the majority party
13 and one member of the minority party of
14 any relevant subcommittees of such com-
15 mittees.

16 (e) NO TERMINATION OF ADVISORY COMMITTEES.—
17 The termination requirements under section 14 of the
18 Federal Advisory Committee Act (5 U.S.C. app.) shall not
19 apply to a Minority Depositories Advisory Committee es-
20 tablished pursuant to this section.

21 (f) DEFINITIONS.—In this section:

22 (1) COVERED REGULATOR.—The term “covered
23 regulator” means the Comptroller of the Currency,
24 the Board of Governors of the Federal Reserve Sys-

1 tem, the Federal Deposit Insurance Corporation,
2 and the National Credit Union Administration.

3 (2) COVERED MINORITY INSTITUTION.—The
4 term “covered minority institution” means a minor-
5 ity depository institution (as defined in section
6 308(b) of the Financial Institutions Reform, Recov-
7 ery, and Enforcement Act of 1989 (12 U.S.C. 1463
8 note)).

9 (3) DEPOSITORY INSTITUTION.—The term “de-
10 pository institution” has the meaning given under
11 section 3 of the Federal Deposit Insurance Act (12
12 U.S.C. 1813).

13 (4) INSURED CREDIT UNION.—The term “in-
14 sured credit union” has the meaning given in section
15 101 of the Federal Credit Union Act (12 U.S.C.
16 1752).

17 (g) TECHNICAL AMENDMENT.—Section 308(b) of the
18 Financial Institutions Reform, Recovery, and Enforce-
19 ment Act of 1989 (12 U.S.C. 1463 note) is amended by
20 adding at the end the following new paragraph:

21 “(3) DEPOSITORY INSTITUTION.—The term ‘de-
22 pository institution’ means an ‘insured depository in-
23 stitution’ (as defined in section 3 of the Federal De-
24 posit Insurance Act (12 U.S.C. 1813)) and an in-

1 sured credit union (as defined in section 101 of the
2 Federal Credit Union Act (12 U.S.C. 1752)).”.

3 **SEC. 5906. FEDERAL DEPOSITS IN MINORITY DEPOSITORY**
4 **INSTITUTIONS.**

5 (a) IN GENERAL.—Section 308 of the Financial In-
6 stitutions Reform, Recovery, and Enforcement Act of
7 1989 (12 U.S.C. 1463 note) is amended—

8 (1) by adding at the end the following new sub-
9 section:

10 “(d) FEDERAL DEPOSITS.—The Secretary of the
11 Treasury shall ensure that deposits made by Federal agen-
12 cies in minority depository institutions and impact banks
13 are collateralized or insured, as determined by the Sec-
14 retary. Such deposits shall include reciprocal deposits as
15 defined in section 337.6(e)(2)(v) of title 12, Code of Fed-
16 eral Regulations (as in effect on March 6, 2019).”; and

17 (2) in subsection (b), as amended by section
18 5905(g), by adding at the end the following new
19 paragraph:

20 “(4) IMPACT BANK.—The term ‘impact bank’
21 means a depository institution designated by the ap-
22 propriate Federal banking agency pursuant to sec-
23 tion 5 of the Ensuring Diversity in Community
24 Banking Act.”.

1 (b) TECHNICAL AMENDMENTS.—Section 308 of the
2 Financial Institutions Reform, Recovery, and Enforce-
3 ment Act of 1989 (12 U.S.C. 1463 note) is amended—

4 (1) in the matter preceding paragraph (1), by
5 striking “section—” and inserting “section:”; and

6 (2) in the paragraph heading for paragraph (1),
7 by striking “FINANCIAL” and inserting “DEPOSI-
8 TORY”.

9 **SEC. 5907. MINORITY BANK DEPOSIT PROGRAM.**

10 (a) IN GENERAL.—Section 1204 of the Financial In-
11 stitutions Reform, Recovery, and Enforcement Act of
12 1989 (12 U.S.C. 1811 note) is amended to read as follows:

13 **“SEC. 1204. EXPANSION OF USE OF MINORITY DEPOSITORY**
14 **INSTITUTIONS.**

15 **“(a) MINORITY BANK DEPOSIT PROGRAM.—**

16 **“(1) ESTABLISHMENT.—**There is established a
17 program to be known as the ‘Minority Bank Deposit
18 Program’ to expand the use of minority depository
19 institutions.

20 **“(2) ADMINISTRATION.—**The Secretary of the
21 Treasury, acting through the Fiscal Service, shall—

22 **“(A)** on application by a depository institu-
23 tion or credit union, certify whether such depos-
24 itory institution or credit union is a minority
25 depository institution;

1 “(B) maintain and publish a list of all de-
2 pository institutions and credit unions that have
3 been certified pursuant to subparagraph (A);
4 and

5 “(C) periodically distribute the list de-
6 scribed in subparagraph (B) to—

7 “(i) all Federal departments and
8 agencies;

9 “(ii) interested State and local govern-
10 ments; and

11 “(iii) interested private sector compa-
12 nies.

13 “(3) INCLUSION OF CERTAIN ENTITIES ON
14 LIST.—A depository institution or credit union that,
15 on the date of the enactment of this section, has a
16 current certification from the Secretary of the
17 Treasury stating that such depository institution or
18 credit union is a minority depository institution shall
19 be included on the list described under paragraph
20 (2)(B).

21 “(b) EXPANDED USE AMONG FEDERAL DEPART-
22 MENTS AND AGENCIES.—

23 “(1) IN GENERAL.—Not later than 1 year after
24 the establishment of the program described in sub-
25 section (a), the head of each Federal department or

1 agency shall develop and implement standards and
2 procedures to prioritize, to the maximum extent possible
3 as permitted by law and consistent with principles
4 of sound financial management, the use of minority
5 depository institutions to hold the deposits of
6 each such department or agency.

7 “(2) REPORT TO CONGRESS.—Not later than 2
8 years after the establishment of the program described
9 in subsection (a), and annually thereafter, the head
10 of each Federal department or agency shall submit
11 to Congress a report on the actions taken to increase
12 the use of minority depository institutions to hold
13 the deposits of each such department or agency.
14

15 “(c) DEFINITIONS.—For purposes of this section:

16 “(1) CREDIT UNION.—The term ‘credit union’
17 has the meaning given the term ‘insured credit
18 union’ in section 101 of the Federal Credit Union
19 Act (12 U.S.C. 1752).

20 “(2) DEPOSITORY INSTITUTION.—The term ‘depository
21 institution’ has the meaning given in section
22 3 of the Federal Deposit Insurance Act (12 U.S.C.
23 1813).

24 “(3) MINORITY DEPOSITORY INSTITUTION.—
25 The term ‘minority depository institution’ has the

1 meaning given that term under section 308 of this
2 Act.”.

3 (b) CONFORMING AMENDMENTS.—The following pro-
4 visions are amended by striking “1204(c)(3)” and insert-
5 ing “1204(c)”:

6 (1) Section 808(b)(3) of the Community Rein-
7 vestment Act of 1977 (12 U.S.C. 2907(b)(3)).

8 (2) Section 40(g)(1)(B) of the Federal Deposit
9 Insurance Act (12 U.S.C. 1831q(g)(1)(B)).

10 (3) Section 704B(h)(4) of the Equal Credit Op-
11 portunity Act (15 U.S.C. 1691c–2(h)(4)).

12 **SEC. 5908. DIVERSITY REPORT AND BEST PRACTICES.**

13 (a) ANNUAL REPORT.—Each covered regulator shall
14 submit to Congress an annual report on diversity includ-
15 ing the following:

16 (1) Data, based on voluntary self-identification,
17 on the racial, ethnic, and gender composition of the
18 examiners of each covered regulator, disaggregated
19 by length of time served as an examiner.

20 (2) The status of any examiners of covered reg-
21 ulators, based on voluntary self-identification, as a
22 veteran.

23 (3) Whether any covered regulator, as of the
24 date on which the report required under this section
25 is submitted, has adopted a policy, plan, or strategy

1 to promote racial, ethnic, and gender diversity
2 among examiners of the covered regulator.

3 (4) Whether any special training is developed
4 and provided for examiners related specifically to
5 working with depository institutions and credit
6 unions that serve communities that are predomi-
7 nantly minorities, low income, or rural, and the key
8 focus of such training.

9 (b) BEST PRACTICES.—Each Office of Minority and
10 Women Inclusion of a covered regulator shall develop, pro-
11 vide to the head of the covered regulator, and make pub-
12 licly available best practices—

13 (1) for increasing the diversity of candidates
14 applying for examiner positions, including through
15 outreach efforts to recruit diverse candidate to apply
16 for entry-level examiner positions; and

17 (2) for retaining and providing fair consider-
18 ation for promotions within the examiner staff for
19 purposes of achieving diversity among examiners.

20 (c) COVERED REGULATOR DEFINED.—In this sec-
21 tion, the term “covered regulator” means the Comptroller
22 of the Currency, the Board of Governors of the Federal
23 Reserve System, the Federal Deposit Insurance Corpora-
24 tion, and the National Credit Union Administration.

1 **SEC. 5909. INVESTMENTS IN MINORITY DEPOSITORY INSTI-**
2 **TUTIONS AND IMPACT BANKS.**

3 (a) CONTROL FOR CERTAIN INSTITUTIONS.—Section
4 7(j)(8)(B) of the Federal Deposit Insurance Act (12
5 U.S.C. 1817(j)(8)(B)) is amended to read as follows:

6 “(B) ‘control’ means the power, directly or indi-
7 rectly—

8 “(i) to direct the management or policies
9 of an insured depository institution; or

10 “(ii)(I) with respect to an insured depository
11 institution, of a person to vote 25 per cen-
12 tum or more of any class of voting securities of
13 such institution; or

14 “(II) with respect to an insured depository
15 institution that is an impact bank (as des-
16 ignated pursuant to section 5 of the Ensuring
17 Diversity in Community Banking Act) or a mi-
18 nority depository institution (as defined in sec-
19 tion 308(b) of the Financial Institutions Re-
20 form, Recovery, and Enforcement Act of 1989),
21 of an individual to vote 30 percent or more of
22 any class of voting securities of such an impact
23 bank or a minority depository institution.”.

24 (b) RULEMAKING.—The Federal banking agencies
25 (as defined in section 3 of the Federal Deposit Insurance
26 Act (12 U.S.C. 1813)) shall jointly issue rules for de novo

1 minority depository institutions and de novo impact banks
2 (as designated pursuant to section 5) to allow 3 years to
3 meet the capital requirements otherwise applicable to mi-
4 nority depository institutions and impact banks.

5 (c) REPORT.—Not later than 1 year after the date
6 of the enactment of this Act, the Federal banking agencies
7 shall jointly submit to Congress a report on—

8 (1) the principal causes for the low number of
9 de novo minority depository institutions during the
10 10-year period preceding the date of the report;

11 (2) the main challenges to the creation of de
12 novo minority depository institutions and de novo
13 impact banks; and

14 (3) regulatory and legislative considerations to
15 promote the establishment of de novo minority de-
16 pository institutions and de novo impact banks.

17 **SEC. 5910. REPORT ON COVERED MENTOR-PROTEGE PRO-**
18 **GRAMS.**

19 (a) REPORT.—Not later than 6 months after the date
20 of the enactment of this Act and annually thereafter, the
21 Secretary of the Treasury shall submit to Congress a re-
22 port on participants in a covered mentor-protege program,
23 including—

24 (1) an analysis of outcomes of such program;

1 (2) the number of minority depository institu-
2 tions that are eligible to participate in such program
3 but do not have large financial institution mentors;
4 and

5 (3) recommendations for how to match such mi-
6 nority depository institutions with large financial in-
7 stitution mentors.

8 (b) DEFINITIONS.—In this section:

9 (1) COVERED MENTOR-PROTEGE PROGRAM.—
10 The term “covered mentor-protege program” means
11 a mentor-protege program established by the Sec-
12 retary of the Treasury pursuant to section 45 of the
13 Small Business Act (15 U.S.C. 657r).

14 (2) LARGE FINANCIAL INSTITUTION.—The term
15 “large financial institution” means any entity—

16 (A) regulated by the Comptroller of the
17 Currency, the Board of Governors of the Fed-
18 eral Reserve System, the Federal Deposit In-
19 surance Corporation, or the National Credit
20 Union Administration; and

21 (B) that has total consolidated assets
22 greater than or equal to \$50,000,000,000.

1 **SEC. 5911. CUSTODIAL DEPOSIT PROGRAM FOR COVERED**
2 **MINORITY DEPOSITORY INSTITUTIONS AND**
3 **IMPACT BANKS.**

4 (a) **IN GENERAL.**—Not later than one year after the
5 date of the enactment of this Act, the Secretary of the
6 Treasury shall issue rules establishing a custodial deposit
7 program under which a covered bank may receive deposits
8 from a qualifying account.

9 (b) **REQUIREMENTS.**—In issuing rules under sub-
10 section (a), the Secretary of the Treasury shall—

11 (1) consult with the Federal banking agencies;

12 (2) ensure each covered bank participating in
13 the program established under this section—

14 (A) has appropriate policies relating to
15 management of assets, including measures to
16 ensure the safety and soundness of each such
17 covered bank; and

18 (B) is compliant with applicable law; and

19 (3) ensure, to the extent practicable that the
20 rules do not conflict with goals described in section
21 308(a) of the Financial Institutions Reform, Recov-
22 ery, and Enforcement Act of 1989 (12 U.S.C. 1463
23 note).

24 (c) **LIMITATIONS.**—

25 (1) **DEPOSITS.**—With respect to the funds of an
26 individual qualifying account, an entity may not de-

1 posit an amount greater than the insured amount in
2 a single covered bank.

3 (2) TOTAL DEPOSITS.—The total amount of
4 funds deposited in a covered bank under the custo-
5 dial deposit program described under this section
6 may not exceed the lesser of—

7 (A) 10 percent of the average amount of
8 deposits held by such covered bank in the pre-
9 vious quarter; or

10 (B) \$100,000,000 (as adjusted for infla-
11 tion).

12 (d) REPORT.—Each quarter, the Secretary of the
13 Treasury shall submit to Congress a report on the imple-
14 mentation of the program established under this section
15 including information identifying participating covered
16 banks and the total amount of deposits received by covered
17 banks under the program.

18 (e) DEFINITIONS.—In this section:

19 (1) COVERED BANK.—The term “covered bank”
20 means—

21 (A) a minority depository institution that
22 is well capitalized, as defined by the appropriate
23 Federal banking agency; or

24 (B) a depository institution designated
25 pursuant to section 5 of the Ensuring Diversity

1 in Community Banking Act that is well capital-
2 ized, as defined by the appropriate Federal
3 banking agency.

4 (2) INSURED AMOUNT.—The term “insured
5 amount” means the amount that is the greater of—

6 (A) the standard maximum deposit insur-
7 ance amount (as defined in section 11(a)(1)(E)
8 of the Federal Deposit Insurance Act (12
9 U.S.C. 1821(a)(1)(E))); or

10 (B) such higher amount negotiated be-
11 tween the Secretary of the Treasury and the
12 Federal Deposit Insurance Corporation under
13 which the Corporation will insure all deposits of
14 such higher amount.

15 (3) FEDERAL BANKING AGENCIES.—The terms
16 “appropriate Federal banking agency” and “Federal
17 banking agencies” have the meaning given those
18 terms, respectively, under section 3 of the Federal
19 Deposit Insurance Act.

20 (4) QUALIFYING ACCOUNT.—The term “quali-
21 fying account” means any account established in the
22 Department of the Treasury that—

23 (A) is controlled by the Secretary; and

1 (B) is expected to maintain a balance
2 greater than \$200,000,000 for the following 24-
3 month period.

4 **SEC. 5912. STREAMLINED COMMUNITY DEVELOPMENT FI-**
5 **NANCIAL INSTITUTION APPLICATIONS AND**
6 **REPORTING.**

7 (a) APPLICATION PROCESSES.—Not later than 12
8 months after the date of the enactment of this Act and
9 with respect to any person having assets under
10 \$3,000,000,000 that submits an application for deposit in-
11 surance with the Federal Deposit Insurance Corporation
12 that could also become a community development financial
13 institution, the Federal Deposit Insurance Corporation, in
14 consultation with the Administrator of the Community
15 Development Financial Institutions Fund, shall—

16 (1) develop systems and procedures to record
17 necessary information to allow the Administrator to
18 conduct preliminary analysis for such person to also
19 become a community development financial institu-
20 tion; and

21 (2) develop procedures to streamline the appli-
22 cation and annual certification processes and to re-
23 duce costs for such person to become, and maintain
24 certification as, a community development financial
25 institution.

1 (b) IMPLEMENTATION REPORT.—Not later than 18
2 months after the date of the enactment of this Act, the
3 Federal Deposit Insurance Corporation shall submit to
4 Congress a report describing the systems and procedures
5 required under subsection (a).

6 (c) ANNUAL REPORT.—

7 (1) IN GENERAL.—Section 17(a)(1) of the Fed-
8 eral Deposit Insurance Act (12 U.S.C. 1827(a)(1))
9 is amended—

10 (A) in subparagraph (E), by striking
11 “and” at the end;

12 (B) by redesignating subparagraph (F) as
13 subparagraph (G);

14 (C) by inserting after subparagraph (E)
15 the following new subparagraph:

16 “(F) applicants for deposit insurance that
17 could also become a community development fi-
18 nancial institution (as defined in section 103 of
19 the Riegle Community Development and Regu-
20 latory Improvement Act of 1994), a minority
21 depository institution (as defined in section 308
22 of the Financial Institutions Reform, Recovery,
23 and Enforcement Act of 1989), or an impact
24 bank (as designated pursuant to section 5 of

1 the Ensuring Diversity in Community Banking
2 Act); and”.

3 (2) APPLICATION.—The amendment made by
4 this subsection shall apply with respect to the first
5 report to be submitted after the date that is 2 years
6 after the date of the enactment of this Act.

7 **SEC. 5913. TASK FORCE ON LENDING TO SMALL BUSINESS**
8 **CONCERNS.**

9 (a) IN GENERAL.—Not later than 6 months after the
10 date of the enactment of this Act, the Administrator of
11 the Small Business Administration shall establish a task
12 force to examine methods for improving relationships be-
13 tween the Small Business Administration and community
14 development financial institutions, minority depository in-
15 stitutions, and impact banks (as designated pursuant to
16 section 5) to increase the volume of loans provided by such
17 institutions to small business concerns (as defined under
18 section 3 of the Small Business Act (15 U.S.C. 632)).

19 (b) REPORT TO CONGRESS.—Not later than 18
20 months after the establishment of the task force described
21 in subsection (a), the Administrator of the Small Business
22 Administration shall submit to Congress a report on the
23 findings of such task force.

