

AMENDMENT TO THE RULES COMMITTEE PRINT

117-54

OFFERED BY MS. WATERS OF CALIFORNIA

At the end of division E, add the following:

1 **TITLE LIX—PROMOTING AND AD-**
2 **VANCING COMMUNITIES OF**
3 **COLOR THROUGH INCLUSIVE**
4 **LENDING ACT**

5 **SEC. 5901. SHORT TITLE.**

6 This title may be cited as the “Promoting and Ad-
7 vancing Communities of Color Through Inclusive Lending
8 Act”.

9 **Subtitle A—Promoting and Advanc-**
10 **ing Communities of Color**
11 **Through Inclusive Lending**

12 **SEC. 5911. STRENGTHENING DIVERSE AND MISSION-DRIV-**
13 **EN COMMUNITY FINANCIAL INSTITUTIONS.**

14 (a) **MINORITY LENDING INSTITUTION SET-ASIDE IN**
15 **PROVIDING ASSISTANCE.—**

16 (1) **IN GENERAL.—**Section 108 of the Riegle
17 Community Development and Regulatory Improve-
18 ment Act of 1994 (12 U.S.C. 4707) is amended by
19 adding at the end the following:

1 “(i) SUPPORTING MINORITY INSTITUTIONS.—Not-
2 withstanding any other provision of law, in providing any
3 assistance to community development financial institu-
4 tions, the Fund shall reserve 40 percent of such assistance
5 for minority lending institutions.”.

6 (2) DEFINITIONS.—Section 103 of the Riegle
7 Community Development and Regulatory Improve-
8 ment Act of 1994 (12 U.S.C. 4702) is amended by
9 adding at the end the following:

10 “(22) MINORITY LENDING INSTITUTION.—The
11 term ‘minority lending institution’ has the meaning
12 given that term under section 523(c) of division N
13 of the Consolidated Appropriations Act, 2021.”.

14 (b) OFFICE OF MINORITY LENDING INSTITU-
15 TIONS.—Section 104 of the Riegle Community Develop-
16 ment and Regulatory Improvement Act of 1994 (12
17 U.S.C. 4703) is amended by adding at the end the fol-
18 lowing:

19 “(1) CDFI OFFICE OF MINORITY LENDING INSTITU-
20 TIONS.—There is established within the Fund an Office
21 of Minority Lending Institutions, which shall oversee as-
22 sistance provided by the Fund to minority lending institu-
23 tions.”.

24 (c) REPORTING ON MINORITY LENDING INSTITU-
25 TIONS.—Section 117 of the Riegle Community Develop-

1 ment and Regulatory Improvement Act of 1994 (12
2 U.S.C. 4716) is amended by adding at the end the fol-
3 lowing:

4 “(g) REPORTING ON MINORITY LENDING INSTITU-
5 TIONS.—Each report required under subsection (a) shall
6 include a description of the extent to which assistance
7 from the Fund are provided to minority lending institu-
8 tions.”.

9 (d) SUBMISSION OF DEMOGRAPHIC DATA RELATING
10 TO DIVERSITY BY COMMUNITY DEVELOPMENT FINAN-
11 CIAL INSTITUTIONS.—Section 104 of the Riegle Commu-
12 nity Development and Regulatory Improvement Act of
13 1994 (12 U.S.C. 4703), as amended by subsection (b),
14 is further amended by adding at the end the following:

15 “(m) SUBMISSION OF DEMOGRAPHIC DATA RELAT-
16 ING TO DIVERSITY.—

17 “(1) DEFINITIONS.—In this subsection—

18 “(A) the term ‘executive officer’ has the
19 meaning given the term in section 230.501(f) of
20 title 17, Code of Federal Regulations, as in ef-
21 fect on the date of enactment of this subsection;

22 “(B) the term ‘gender identity’ means the
23 gender-related identity, appearance, manner-
24 isms, or other gender-related characteristics of

1 an individual, regardless of the individual's des-
2 ignated sex at birth;

3 “(C) the term ‘sexual orientation’ means
4 homosexuality, heterosexuality, or bisexuality;
5 and

6 “(D) the term ‘veteran’ has the meaning
7 given the term in section 101 of title 38, United
8 States Code.

9 “(2) SUBMISSION OF DISCLOSURE.—Each Fund
10 applicant and recipient shall provide data regarding
11 such factors as may be determined by the Fund,
12 which may include the following:

13 “(A) Demographic data, based on vol-
14 untary self-identification, on the racial, ethnic,
15 gender identity, and sexual orientation composi-
16 tion of—

17 “(i) the board of directors of the insti-
18 tution; and

19 “(ii) the executive officers of the insti-
20 tution.

21 “(B) The status of any member of the
22 board of directors of the institution, any nomi-
23 nee for the board of directors of the institution,
24 or any executive officer of the institution, based
25 on voluntary self-identification, as a veteran.

1 “(C) Whether the board of directors of the
2 institution, or any committee of that board of
3 directors, has, as of the date on which the insti-
4 tution makes a disclosure under this paragraph,
5 adopted any policy, plan, or strategy to promote
6 racial, ethnic, and gender diversity among—

7 “(i) the board of directors of the insti-
8 tution;

9 “(ii) nominees for the board of direc-
10 tors of the institution; or

11 “(iii) the executive officers of the in-
12 stitution.

13 “(3) REPORT TO CONGRESS.—Not later than
14 24 months after the date of enactment of this sub-
15 section, and every other year thereafter, the Fund
16 shall submit to the Committee on Banking, Housing,
17 and Urban Affairs of the Senate and the Committee
18 on Financial Services of the House of Representa-
19 tives, and make publicly available on the website of
20 the Fund, a report—

21 “(A) on the demographic data and trends
22 of the diversity information made available pur-
23 suant to paragraph (2), including breakdowns
24 by each State (including the District of Colum-

1 bia and each territory of the United States) and
2 Tribal government entity; and

3 “(B) containing any administrative or leg-
4 islative recommendations of the Fund to en-
5 hance the implementation of this title or to pro-
6 mote diversity and inclusion within community
7 development financial institutions.”.

8 (e) OFFICE OF DIVERSE AND MISSION-DRIVEN COM-
9 MUNITY FINANCIAL INSTITUTIONS.—

10 (1) ESTABLISHMENT.—There is established
11 within the Department of the Treasury the Office of
12 Diverse and Mission-Driven Community Financial
13 Institutions.

14 (2) LEADERSHIP.—The Office of Diverse and
15 Mission-Driven Community Financial Institutions
16 shall be led by a Deputy Assistant Secretary for Di-
17 verse and Mission-Driven Community Financial In-
18 stitutions, who shall be appointed by the Secretary
19 of the Treasury, in consultation with the Depart-
20 ment of the Treasury’s Director of Office of Minor-
21 ity and Women Inclusion.

22 (3) FUNCTIONS.—The Office of Diverse and
23 Mission-Driven Community Financial Institutions,
24 pursuant to the direction of the Secretary, shall seek
25 to provide support for diverse and mission-driven

1 community financial institutions and have the au-
2 thority—

3 (A) to monitor and issue reports regard-
4 ing—

5 (i) community development financial
6 institutions, minority depository institu-
7 tions, and minority lending institutions;
8 and

9 (ii) the role such institutions play in
10 the financial system of the United States,
11 including the impact they have on pro-
12 viding financial access to low- and mod-
13 erate-income communities, communities of
14 color, and other underserved communities;

15 (B) to serve as a resource and Federal liai-
16 son for current and prospective community de-
17 velopment financial institutions, minority depos-
18 itory institutions, and minority lending institu-
19 tions seeking to engage with the Department of
20 the Treasury, the Community Development Fi-
21 nancial Institutions Fund (“CDFI Fund”),
22 other Federal government agencies, including
23 by providing contact information for other of-
24 fices of the Department of the Treasury or
25 other Federal Government agencies, resources,

1 technical assistance, or other support for enti-
2 ties wishing—

3 (i) to become certified as a community
4 development financial institution, and
5 maintain the certification;

6 (ii) to obtain a banking charter, de-
7 posit insurance, or otherwise carry on
8 banking activities in a safe, sound, and re-
9 sponsible manner;

10 (iii) to obtain financial support
11 through private sector deposits, invest-
12 ments, partnerships, and other means;

13 (iv) to expand their operations
14 through internal growth and acquisitions;

15 (v) to develop and upgrade their tech-
16 nology, cybersecurity resilience, compliance
17 systems, data reporting systems, and their
18 capacity to support their communities, in-
19 cluding through partnerships with third-
20 party companies;

21 (vi) to obtain grants, awards, invest-
22 ments and other financial support made
23 available through the CDFI Fund, the
24 Board of Governors of the Federal Reserve
25 System, the Central Liquidity Facility, the

1 Federal Home Loan Banks, and other
2 Federal programs;

3 (vii) to participate as a financial inter-
4 mediary with respect to various Federal
5 and State programs and agencies, includ-
6 ing the State Small Business Credit Initia-
7 tive and programs of the Small Business
8 Administration; and

9 (viii) to participate in Financial Agent
10 Mentor-Protégé Program of the Depart-
11 ment of the Treasury and other Federal
12 programs designed to support private sec-
13 tor partnerships;

14 (C) to provide resources to the public wish-
15 ing to learn more about minority depository in-
16 stitutions, community development financial in-
17 stitutions, and minority lending institutions, in-
18 cluding helping the Secretary implement the re-
19 quirements under section 334, publishing re-
20 ports issued by the Office on the website of the
21 Department of the Treasury and providing
22 hyperlinks to other relevant reports and mate-
23 rials from other Federal agencies;

24 (D) to provide policy recommendations to
25 other relevant Federal agencies and Congress

1 on ways to further strengthen Federal support
2 for community development financial institu-
3 tions, minority depository institutions, and mi-
4 nority lending institutions;

5 (E) to assist the Secretary in carrying out
6 the Secretary's responsibilities under section
7 308 of the Financial Institutions Reform, Re-
8 covery, and Enforcement Act of 1989 (12
9 U.S.C. 1463 note) to preserve and promote mi-
10 nority depository institutions in consultation
11 with the Chairman of the Board of Governors
12 of the Federal Reserve System, the Comptroller
13 of the Currency, the Chairman of the National
14 Credit Union Administration, and the Chair-
15 person of the Board of Directors of the Federal
16 Deposit Insurance Corporation;

17 (F) to carry out other duties of the Sec-
18 retary of the Treasury required by this subtitle
19 and the amendments made by this subtitle, and
20 to perform such other duties and authorities as
21 may be assigned by the Secretary.

22 (f) STRENGTHENING FEDERAL EFFORTS AND
23 INTERAGENCY COORDINATION TO PROMOTE DIVERSE
24 AND MISSION-DRIVEN COMMUNITY FINANCIAL INSTITU-
25 TIONS.—

1 (1) SENIOR OFFICIALS DESIGNATED.—The
2 Chairman of the Board of Governors of the Federal
3 Reserve System, the Comptroller of the Currency,
4 the Chairman of the National Credit Union Admin-
5 istration, the Chairperson of the Board of Directors
6 of the Federal Deposit Insurance Corporation, and
7 the Director of the Bureau of Consumer Financial
8 Protection shall each, in consultation with their re-
9 spective Director of Office of Minority and Women
10 Inclusion, designate a senior official to be their re-
11 spective agency’s officer responsible for promoting
12 minority depository institutions, community develop-
13 ment financial institutions, and minority lending in-
14 stitutions, including to fulfill obligations under sec-
15 tion 308 of the Financial Institutions Reform, Re-
16 covery, and Enforcement Act of 1989 (12 U.S.C.
17 1463 note) to preserve and promote minority depository
18 institutions.

19 (2) INTERAGENCY WORKING GROUP.—The De-
20 partment of the Treasury shall regularly convene
21 meetings, no less than once a quarter, of an inter-
22 agency working group to be known as the “Inter-
23 agency Working Group to Promote Diverse and Mis-
24 sion-Driven Community Financial Institutions”,
25 which shall consist of the senior officials designated

1 by their respective agencies under paragraph (1),
2 along with the Deputy Assistant Secretary for Di-
3 verse and Mission-Driven Community Financial In-
4 stitutions, the Director of the Community Develop-
5 ment Financial Institutions Fund, and such other
6 government officials as the Secretary of the Treas-
7 ury may choose to invite, to examine and discuss the
8 state of minority depository institutions, community
9 development financial institutions, and minority
10 lending institutions, and actions the relevant agen-
11 cies can take to preserve, promote, and strengthen
12 these institutions.

13 (3) PROMOTING FAIR HOUSING AND COLLEC-
14 TIVE OWNERSHIP OPPORTUNITIES.—

15 (A) INITIAL REPORT.—Not later than 18
16 months after the date of the enactment of this
17 subsection, the Secretary of Treasury, jointly
18 with the Secretary of Housing and Urban De-
19 velopment, shall issue a report to the covered
20 agencies and the Congress examining different
21 ways financial institutions, including community
22 development financial institutions, can affirma-
23 tively further fair housing and be encouraged
24 and incentivized to carry out activities that ex-
25 pand long-term wealth-building opportunities

1 within low-income and minority communities
2 that support collective ownership opportunities,
3 including through investments in worker co-
4 operatives, consumer cooperatives, community
5 land trusts, not-for-profit-led shared equity
6 homeownership, and limited-equity cooperatives,
7 and to provide recommendations to the covered
8 agencies and the Congress in the furtherance of
9 these objectives.

10 (B) PROGRESS UPDATES.—Beginning not
11 later than three years after the date of the en-
12 actment of this subsection, and every five years
13 thereafter, the Secretary of the Treasury and
14 the Secretary of Housing and Urban Develop-
15 ment shall, after receiving the necessary up-
16 dates from the covered agencies, issue a report
17 examining the progress made on implementing
18 relevant recommendations, and providing any
19 additional recommendations to the covered
20 agencies and the Congress in furtherance of the
21 objectives under subparagraph (A).

22 (C) COVERED AGENCIES.—For purposes of
23 this subsection, the term “covered agencies”
24 means the Community Development Financial
25 Institutions Fund, the Department of Housing

1 and Urban Development. the Board of Gov-
2 ernors of the Federal Reserve System, the Fed-
3 eral Deposit Insurance Corporation, the Office
4 of the Comptroller of the Currency, the Na-
5 tional Credit Union Administration, and the
6 Federal Housing Finance Agency.

7 (4) ANNUAL REPORT TO CONGRESS.—Not later
8 than 1 year after the date of the enactment of this
9 subsection, and annually thereafter, the Secretary of
10 the Treasury, the Chairman of the Board of Gov-
11 ernors of the Federal Reserve System, the Comp-
12 troller of the Currency, the Chairman of the Na-
13 tional Credit Union Administration, the Chairperson
14 of the Board of Directors of the Federal Deposit In-
15 surance Corporation, and the Director of the Bureau
16 of Consumer Financial Protection shall submit a
17 joint report to the Committee on Financial Services
18 of the House of Representatives and the Committee
19 on Banking, Housing, and Urban Affairs of the Sen-
20 ate regarding the work that has been done the prior
21 year to preserve, promote, and strengthen commu-
22 nity development financial institutions, minority de-
23 pository institutions, and minority lending institu-
24 tions, along with any policy recommendations on ac-
25 tions various government agencies and Congress

1 should take to preserve, promote, and strengthen
2 community development financial institutions, mi-
3 nority depository institutions, and minority lending
4 institutions.

5 **SEC. 5912. CAPITAL INVESTMENTS, GRANTS, AND TECH-**
6 **NOLOGY SUPPORT FOR MDIS AND CDFIS.**

7 (a) AUTHORIZATION OF APPROPRIATION.—There is
8 authorized to be appropriated to the Emergency Capital
9 Investment Fund \$4,000,000,000. Such funds may be
10 used for administrative expenses of the Department of the
11 Treasury.

12 (b) CONFORMING AMENDMENTS TO ALLOW FOR AD-
13 DITIONAL PURCHASES OF CAPITAL.—Section 104A of the
14 Riegle Community Development and Regulatory Improve-
15 ment Act of 1994 (12 U.S.C. 4703a) is amended—

16 (1) in subsection (c), by striking paragraph (2);
17 and

18 (2) in subsection (e), by striking paragraph (2).

19 (c) USE OF FUNDS FOR CDFI FINANCIAL AND
20 TECHNICAL ASSISTANCE.—Section 104A of the Riegle
21 Community Development and Regulatory Improvement
22 Act of 1994 (12 U.S.C. 4703a) is amended by adding at
23 the end the following:

24 “(p) USE OF FUNDS FOR CDFI FINANCIAL AND
25 TECHNICAL ASSISTANCE.—The Secretary shall transfer

1 no less than \$1,000,000,000 in the Emergency Capital In-
2 vestment Fund to the Fund for the purpose of providing
3 financial and technical assistance grants to community de-
4 velopment financial institutions certified by the Secretary.
5 The Fund shall provide such grants using a formula that
6 takes into account criteria such as certification status, fi-
7 nancial and compliance performance, portfolio and balance
8 sheet strength, diversity of CDFI business model types,
9 and program capacity.”.

10 (d) TECHNOLOGY GRANTS FOR MDIS AND CDFIS.—

11 (1) STUDY AND REPORT ON CERTAIN TECH-
12 NOLOGY CHALLENGES.—

13 (A) STUDY.—The Secretary of the Treas-
14 ury shall carry out a study on the technology
15 challenges impacting minority depository insti-
16 tutions and community development financial
17 institutions with respect to—

18 (i) internal technology capabilities and
19 capacity of the institutions to process loan
20 applications and otherwise serve current
21 and potential customers through the inter-
22 net, mobile phone applications, and other
23 tools;

24 (ii) technology capabilities and capac-
25 ity of the institutions, provided in partner-

1 ship with third party companies, to process
2 loan applications and otherwise serve cur-
3 rent and potential customers through the
4 internet, mobile phone applications, and
5 other tools;

6 (iii) cybersecurity; and

7 (iv) challenges and solutions related to
8 algorithmic bias in the deployment of tech-
9 nology.

10 (B) REPORT.—Not later than 18 months
11 after the date of the enactment of this sub-
12 section, the Secretary shall submit a report to
13 the Committee on Financial Services of the
14 House of Representatives and the Committee
15 on Banking, Housing, and Urban Affairs of the
16 Senate that includes the results of the study re-
17 quired under subparagraph (A).

18 (2) TECHNOLOGY GRANT PROGRAM.—

19 (A) PROGRAM AUTHORIZED.—The Sec-
20 retary shall carry out a technology grant pro-
21 gram to make grants to minority depository in-
22 stitutions and community development financial
23 institutions to address technology challenges
24 impacting such institutions.

1 (B) APPLICATION.—To be eligible to be
2 awarded a grant under this paragraph, a mi-
3 nority depository institution or community de-
4 velopment financial institution shall submit an
5 application to the Secretary at such time, in
6 such manner, and containing such information
7 as the Secretary may require.

8 (C) USE OF FUNDS.—A minority deposi-
9 tory institution or community development fi-
10 nancial institution that is awarded a grant
11 under this paragraph may use the grant funds
12 to—

13 (i) enhance or adopt technologies
14 that—

15 (I) shorten loan approval proc-
16 esses;

17 (II) improve customer experience;

18 (III) provide additional services
19 to customers;

20 (IV) facilitate compliance with
21 applicable laws, regulations, and pro-
22 gram requirements, including testing
23 to ensure that the use of technology
24 does not result in discrimination, and

1 helping to satisfy data reporting re-
2 quirements;

3 (V) help ensure privacy of cus-
4 tomer records and cybersecurity resil-
5 ience; and

6 (VI) reduce the unbanked and
7 underbanked population; or

8 (ii) carry out such other activities as
9 the Secretary determines appropriate.

10 (3) FUNDING.—The Secretary may use
11 amounts in the Emergency Capital Investment Fund
12 to implement and make grants under paragraph (2),
13 but not to exceed \$250,000,000 in the aggregate.

14 (4) DEFINITIONS.—In this subsection, the
15 terms “community development financial institu-
16 tion” and “minority depository institution” have the
17 meaning given those terms, respectively, under sec-
18 tion 103 of the Riegle Community Development and
19 Regulatory Improvement Act of 1994 (12 U.S.C.
20 4702).

21 (e) PILOT PROGRAM FOR ESTABLISHING DE NOVO
22 CDFIS AND MDIS.—

23 (1) IN GENERAL.—The Secretary of the Treas-
24 ury, in consultation with the Fund and the appro-
25 priate Federal banking agencies, shall establish a

1 pilot program to provide competitive grants to a per-
2 son for the purpose of providing capital for such per-
3 son to establish a minority depository institution or
4 a community development financial institution.

5 (2) APPLICATION.—A person desiring a grant
6 under this subsection shall submit to the Secretary
7 an application in such form and containing such in-
8 formation as the Secretary determines appropriate.

9 (3) DISBURSEMENT.—Before disbursing grant
10 amounts to a person selected to receive a grant
11 under this subsection, the Secretary shall ensure
12 that such person has received approval from the ap-
13 propriate Federal banking agency (or such other
14 Federal or State agency from whom approval is re-
15 quired) to establish a minority depository institution
16 or a community development financial institution, as
17 applicable.

18 (4) FUNDING.—The Secretary may use
19 amounts in the Emergency Capital Investment Fund
20 to implement and make grants under paragraph (2),
21 but not to exceed \$100,000,000 in the aggregate.

22 (5) DEFINITIONS.—In this subsection, the
23 terms “appropriate Federal banking agency”, “com-
24 munity development financial institution”, “Fund”,
25 and “minority depository institution” have the

1 meaning given those terms, respectively, under sec-
2 tion 103 of the Riegle Community Development and
3 Regulatory Improvement Act of 1994 (12 U.S.C.
4 4702).

5 (f) GUIDANCE FOR SUBCHAPTER S AND MUTUAL
6 BANKS.—Not later than 30 days after the date of enact-
7 ment of this Act, the Board of Governors of the Federal
8 Reserve System and the Secretary shall issue guidance re-
9 garding how Emergency Capital Investment Program in-
10 vestments (whether made before or after the date of enact-
11 ment of this Act) are considered for purposes of various
12 prudential requirements, including debt to equity, leverage
13 ratio, and double leverage ratio requirements with respect
14 to subchapter S and mutual bank recipients of such invest-
15 ments.

16 (g) COLLECTION OF DATA.—Section 111 of the Rie-
17 gle Community Development and Regulatory Improve-
18 ment Act of 1994 (12 U.S.C. 4710) is amended—

19 (1) by striking “The Fund” and inserting the
20 following:

21 “(a) IN GENERAL.—The Fund”; and

22 (2) by adding at the end the following:

23 “(b) COLLECTION OF CERTAIN DATA BY CDFIS.—
24 Notwithstanding the Equal Credit Opportunity Act (15
25 U.S.C. 1691 et seq.)—

1 “(1) a community development financial institu-
2 tion may collect data described in section 701(a)(1)
3 of that Act (15 U.S.C. 1691(a)(1)) from borrowers
4 and applicants for credit for the sole purpose and
5 exclusive use to ensure that targeted populations
6 and low-income residents of investment areas are
7 adequately served and to report the level of service
8 provided to such populations and areas to the Fund;
9 and

10 “(2) a community development financial institu-
11 tion that collects the data described in paragraph
12 (1) shall not be subject to adverse action related to
13 that collection by the Bureau of Consumer Financial
14 Protection or any other Federal agency.”.

15 **SEC. 5913. SUPPORTING YOUNG ENTREPRENEURS PRO-**
16 **GRAM.**

17 Section 108 of the Riegle Community Development
18 and Regulatory Improvement Act of 1994 (12 U.S.C.
19 4707), as amended by section 331(a)(1), is further amend-
20 ed by adding at the end the following:

21 “(j) SUPPORTING YOUNG ENTREPRENEURS PRO-
22 GRAM.—

23 “(1) IN GENERAL.—The Fund shall establish a
24 Supporting Young Entrepreneurs Program under
25 which the Fund may provide financial awards to the

1 community development financial institutions that
2 the Fund determines have the best programs to help
3 young entrepreneurs get the start up capital needed
4 to start a small business, with a focus on supporting
5 young women entrepreneurs, entrepreneurs who are
6 Black, Hispanic, Asian or Pacific Islander, and Na-
7 tive American or Native Alaskan and other histori-
8 cally underrepresented groups or first time business
9 owners.

10 “(2) NO MATCHING REQUIREMENT.—The
11 matching requirement under subsection (e) shall not
12 apply to awards made under this subsection.

13 “(3) FUNDING.—In carrying out this sub-
14 section, the Fund may use—

15 “(A) amounts in the Emergency Capital
16 Investment Fund, but not to exceed
17 \$100,000,000 in the aggregate; and

18 “(B) such other funds as may be appro-
19 priated by Congress to the Fund to carry out
20 the Supporting Young Entrepreneurs Pro-
21 gram.”.

1 **SEC. 5914. MAP OF MINORITY DEPOSITORY INSTITUTIONS**
2 **AND COMMUNITY DEVELOPMENT FINANCIAL**
3 **INSTITUTIONS.**

4 (a) IN GENERAL.—The Secretary of the Treasury, in
5 consultation with the CDFI Fund and the Federal bank-
6 ing agencies, shall establish an interactive, searchable map
7 showing the geographic locations of the headquarters and
8 branch locations of minority depository institutions, which
9 shall be provided by the Federal banking agencies, and
10 community development financial institutions that have
11 been certified by the Secretary, including breakdowns by
12 each State (including the District of Columbia and each
13 territory of the United States), Tribal government entity,
14 and congressional district. Such map shall also provide a
15 link to the website of each such minority depository insti-
16 tution and community development financial institution.

17 (b) DEFINITIONS.—In this section:

18 (1) CDFI FUND.—The term “CDFI Fund”
19 means the Community Development Financial Insti-
20 tutions Fund established under section 104(a) of the
21 Riegle Community Development and Regulatory Im-
22 provement Act of 1994.

23 (2) COMMUNITY DEVELOPMENT FINANCIAL IN-
24 STITUTION.—The term “community development fi-
25 nancial institution” has the meaning given in section

1 103 of the Riegle Community Development and Reg-
2 ulatory Improvement Act of 1994.

3 (3) FEDERAL BANKING AGENCY.—The term
4 “Federal banking agency”—

5 (A) has the meaning given in section 3 of
6 the Federal Deposit Insurance Act; and

7 (B) means the National Credit Union Ad-
8 ministration.

9 (4) MINORITY DEPOSITORY INSTITUTION.—The
10 term “minority depository institution” has the
11 meaning given in section 308(b) of the Financial In-
12 stitutions Reform, Recovery, and Enforcement Act
13 of 1989.

14 **SEC. 5915. REPORT ON CERTIFIED COMMUNITY DEVELOP-**
15 **MENT FINANCIAL INSTITUTIONS.**

16 Section 117(a) of the Riegle Community Develop-
17 ment and Regulatory Improvement Act of 1994 (12
18 U.S.C. 4716(a)) is amended—

19 (1) by striking “The Fund” and inserting the
20 following:

21 “(1) IN GENERAL.—The Fund”;

22 (2) by striking “and the Congress” and insert-
23 ing “, the Congress, and the public”; and

24 (3) by adding at the end the following:

1 “(2) REPORT ON CERTIFIED COMMUNITY DE-
2 VELOPMENT FINANCIAL INSTITUTIONS.—The annual
3 report required under paragraph (1) shall include a
4 report on community development financial institu-
5 tions (‘CDFIs’) that have been certified by the Sec-
6 retary of the Treasury, including a summary with
7 aggregate data and analysis, to the fullest extent
8 practicable, regarding—

9 “(A) a list of the types of organizations
10 that are certified as CDFIs, and the number of
11 each type of organization;

12 “(B) the geographic location and capacity
13 of different types of certified CDFIs, including
14 overall impact breakdowns by each State (in-
15 cluding the District of Columbia and each terri-
16 tory of the United States) and Tribal govern-
17 ment entity;

18 “(C) the lines of business for different
19 types of certified CDFIs;

20 “(D) human resources and staffing infor-
21 mation for different types of certified CDFIs,
22 including—

23 “(E) the types of development services pro-
24 vided by different types of certified CDFIs;

1 “(F) the target markets of different types
2 of certified CDFIs and the amount of products
3 and services offered by CDFIs to those target
4 markets, including—

5 “(i) the number and amount of loans
6 and loan guarantees made in those target
7 markets;

8 “(ii) the number and amount of other
9 investments made in those target markets;
10 and

11 “(iii) the number and amount of de-
12 velopment services offered in those target
13 markets; and

14 “(G) such other information as the Direc-
15 tor of the Fund may determine necessary to
16 promote transparency of the impact of different
17 types of CDFIs, while carrying out this report
18 in a manner that seeks to minimize data report-
19 ing requirements from certified CDFIs when
20 feasible, including utilizing information gath-
21 ered from other regulators under section
22 104(1).”.

1 **SEC. 5916. CONSULTATION AND MINIMIZATION OF DATA**
2 **REQUESTS.**

3 Section 104 of the Riegle Community Development
4 and Regulatory Improvement Act of 1994 (12 U.S.C.
5 4703) is amended by adding at the end the following:

6 “(1) CONSULTATION AND MINIMIZATION OF DATA
7 REQUESTS.—

8 “(1) IN GENERAL.—In carrying out its duties,
9 the Fund shall—

10 “(A) periodically, and no less frequent
11 than once a year, consult with the applicable
12 Federal regulator of certified CDFIs and appli-
13 cants to be a certified CDFI (‘applicants’);

14 “(B) seek to gather any information nec-
15 essary related to Fund certification and award
16 decisions on certified CDFIs and applicants
17 from the applicable Federal regulator, and such
18 regulators shall use reasonable efforts to pro-
19 vide such information to the Fund, to minimize
20 duplicative data collection requests made by the
21 Fund of certified CDFIs and applicants and to
22 expedite certification, award, or other relevant
23 processes administered by the Fund.

24 “(2) APPLICABLE FEDERAL REGULATOR DE-
25 FINED.—In this subsection, the term ‘applicable
26 Federal regulator’ means—

1 “(A) with respect to a certified CDFI or
2 an applicant that is regulated by both an appro-
3 priate Federal banking agency and the Bureau
4 of Consumer Financial Protection, the Bureau
5 of Consumer Financial Protection;

6 “(B) with respect to a certified CDFI or
7 an applicant that is not regulated by the Bu-
8 reau of Consumer Financial Protection, the ap-
9 propriate Federal banking agency for such ap-
10 plicant; or

11 “(C) the Bureau of Consumer Financial
12 Protection, with respect to a certified CDFI or
13 an applicant—

14 “(i) that is not regulated by an appro-
15 priate Federal banking agency; and

16 “(ii) that offers or provides consumer
17 financial products or services (as defined in
18 section 1002 of the Consumer Financial
19 Protection Act of 2010 (12 U.S.C.
20 5481)).”.

21 **SEC. 5917. ACCESS TO THE DISCOUNT WINDOW OF THE**
22 **FEDERAL RESERVE SYSTEM FOR MDIS AND**
23 **CDFIS.**

24 Within 1 year after the date of enactment of this Act,
25 the Board of Governors of the Federal Reserve System

1 shall establish a process under which minority depository
2 institutions and community development financial institu-
3 tions may have access to the discount window, at the sea-
4 sonal credit interest rate most recently published on the
5 Federal Reserve Statistical Release on selected interest
6 rates (daily or weekly).

7 **SEC. 5918. STUDY ON SECURITIZATION BY CDFIS.**

8 (a) IN GENERAL.—The Secretary of the Treasury, in
9 consultation with the Community Development Financial
10 Institutions Fund and such other Federal agencies as the
11 Secretary determines appropriate, shall carry out a study
12 on—

13 (1) the use of securitization by CDFIs;

14 (2) any barriers to the use of securitization as
15 a source of liquidity by CDFIs; and

16 (3) any authorities available to the Government
17 to support the use of securitization by CDFIs to the
18 extent it helps serve underserved communities.

19 (b) REPORT.—Not later than the end of the 1-year
20 period beginning on the date of enactment of this Act, the
21 Secretary shall issue a report to the Committee on Finan-
22 cial Services of the House of Representatives and the
23 Committee on Banking, Housing, and Urban Affairs of
24 the Senate containing—

1 (1) all findings and determinations made in car-
2 rying out the study required under subsection (a);
3 and

4 (2) any legislative or administrative rec-
5 ommendations of the Secretary that would promote
6 the responsible use of securitization to help CDFIs
7 in reaching more underserved communities.

8 (c) CDFI DEFINED.—The term “CDFI” has the
9 meaning given the term “community development finan-
10 cial institution” under section 103 of the Riegle Commu-
11 nity Development and Regulatory Improvement Act of
12 1994.

13 **Subtitle B—Promoting New and** 14 **Diverse Depository Institutions**

15 **SEC. 5921. STUDY AND STRATEGIC PLAN.**

16 (a) IN GENERAL.—The Federal banking regulators
17 shall jointly—

18 (1) conduct a study about the challenges faced
19 by proposed depository institutions, including pro-
20 posed minority depository institutions, seeking de
21 novo depository institution charters; and

22 (2) submit to the Committee on Financial Serv-
23 ices of the House of Representatives and the Com-
24 mittee on Banking, Housing, and Urban Affairs of
25 the Senate and publish publically, not later than 18

1 months after the date of the enactment of this sec-
2 tion—

3 (A) an analysis based on the study con-
4 ducted pursuant to paragraph (1);

5 (B) any findings from the study conducted
6 pursuant to paragraph (1); and

7 (C) any legislative recommendations that
8 the Federal banking regulators developed based
9 on the study conducted pursuant to paragraph
10 (1).

11 (b) STRATEGIC PLAN.—

12 (1) IN GENERAL.—Not later than 18 months
13 after the date of the enactment of this section, the
14 Federal banking regulators shall jointly submit to
15 the Committee on Financial Services of the House of
16 Representatives and the Committee on Banking,
17 Housing, and Urban Affairs of the Senate and pub-
18 lish publically a strategic plan based on the study
19 conducted pursuant to subsection (a) and designed
20 to help proposed depository institutions (including
21 proposed minority depository institutions) success-
22 fully apply for de novo depository institution char-
23 ters in a manner that promotes increased availability
24 of banking and financial services, safety and sound-

1 ness, consumer protection, community reinvestment,
2 financial stability, and a level playing field.

3 (2) CONTENTS OF STRATEGIC PLAN.—The stra-
4 tegic plan described in paragraph (1) shall—

5 (A) promote the chartering of de novo de-
6 pository institutions, including—

7 (i) proposed minority depository insti-
8 tutions; and

9 (ii) proposed depository institutions
10 that could be certified as community devel-
11 opment financial institutions; and

12 (B) describe actions the Federal banking
13 regulators may take that would increase the
14 number of depository institutions located in ge-
15 ographic areas where consumers lack access to
16 a branch of a depository institution.

17 (c) PUBLIC INVOLVEMENT.—When conducting the
18 study and developing the strategic plan required by this
19 section, the Federal banking regulators shall invite com-
20 ments and other feedback from the public to inform the
21 study and strategic plan.

22 (d) DEFINITIONS.—In this section:

23 (1) DEPOSITORY INSTITUTION.—The term “de-
24 pository institution” has the meaning given in sec-
25 tion 3 of the Federal Deposit Insurance Act, and in-

1 includes a “Federal credit union” and a “State credit
2 union” as such terms are defined, respectively,
3 under section 101 of the Federal Credit Union Act.

4 (2) COMMUNITY DEVELOPMENT FINANCIAL IN-
5 STITUTION.—The term “community development fi-
6 nancial institution” has the meaning given in section
7 103 of the Riegle Community Development and Reg-
8 ulatory Improvement Act of 1994.

9 (3) FEDERAL BANKING REGULATORS.—The
10 term “Federal banking regulators” means the Board
11 of Governors of the Federal Reserve System, the
12 Comptroller of the Currency, the Federal Deposit
13 Insurance Corporation, the National Credit Union
14 Administration, and the Director of the Bureau of
15 Consumer Financial Protection.

16 (4) MINORITY DEPOSITORY INSTITUTION.—The
17 term “minority depository institution” has the
18 meaning given in section 308(b) of the Financial In-
19 stitutions Reform, Recovery, and Enforcement Act
20 of 1989.

21 **Subtitle C—Ensuring Diversity in** 22 **Community Banking**

23 **SEC. 5931. SHORT TITLE.**

24 This subtitle may be cited as the “Ensuring Diversity
25 in Community Banking Act”.

1 **SEC. 5932. SENSE OF CONGRESS ON FUNDING THE LOAN-**
2 **LOSS RESERVE FUND FOR SMALL DOLLAR**
3 **LOANS.**

4 The sense of Congress is the following:

5 (1) The Community Development Financial In-
6 stitutions Fund (the “CDFI Fund”) is an agency of
7 the Department of the Treasury, and was estab-
8 lished by the Riegle Community Development and
9 Regulatory Improvement Act of 1994. The mission
10 of the CDFI Fund is “to expand economic oppor-
11 tunity for underserved people and communities by
12 supporting the growth and capacity of a national
13 network of community development lenders, inves-
14 tors, and financial service providers”. A community
15 development financial institution (a “CDFI”) is a
16 specialized financial institution serving low-income
17 communities and a Community Development Entity
18 (a “CDE”) is a domestic corporation or partnership
19 that is an intermediary vehicle for the provision of
20 loans, investments, or financial counseling in low-in-
21 come communities. The CDFI Fund certifies CDFIs
22 and CDEs. Becoming a certified CDFI or CDE al-
23 lows organizations to participate in various CDFI
24 Fund programs as follows:

25 (A) The Bank Enterprise Award Program,
26 which provides FDIC-insured depository institu-

1 tions awards for a demonstrated increase in
2 lending and investments in distressed commu-
3 nities and CDFIs.

4 (B) The CDFI Program, which provides
5 Financial and Technical Assistance awards to
6 CDFIs to reinvest in the CDFI, and to build
7 the capacity of the CDFI, including financing
8 product development and loan loss reserves.

9 (C) The Native American CDFI Assistance
10 Program, which provides CDFIs and spon-
11 soring entities Financial and Technical Assist-
12 ance awards to increase lending and grow the
13 number of CDFIs owned by Native Americans
14 to help build capacity of such CDFIs.

15 (D) The New Market Tax Credit Program,
16 which provides tax credits for making equity in-
17 vestments in CDEs that stimulate capital in-
18 vestments in low-income communities.

19 (E) The Capital Magnet Fund, which pro-
20 vides awards to CDFIs and nonprofit affordable
21 housing organizations to finance affordable
22 housing solutions and related economic develop-
23 ment activities.

24 (F) The Bond Guarantee Program, a
25 source of long-term, patient capital for CDFIs

1 to expand lending and investment capacity for
2 community and economic development purposes.

3 (2) The Department of the Treasury is author-
4 ized to create multi-year grant programs designed to
5 encourage low-to-moderate income individuals to es-
6 tablish accounts at federally insured banks, and to
7 improve low-to-moderate income individuals' access
8 to such accounts on reasonable terms.

9 (3) Under this authority, grants to participants
10 in CDFI Fund programs may be used for loan-loss
11 reserves and to establish small-dollar loan programs
12 by subsidizing related losses. These grants also allow
13 for the providing recipients with the financial coun-
14 seling and education necessary to conduct trans-
15 actions and manage their accounts. These loans pro-
16 vide low-cost alternatives to payday loans and other
17 nontraditional forms of financing that often impose
18 excessive interest rates and fees on borrowers, and
19 lead millions of Americans to fall into debt traps.
20 Small-dollar loans can only be made pursuant to
21 terms, conditions, and practices that are reasonable
22 for the individual consumer obtaining the loan.

23 (4) Program participation is restricted to eligi-
24 ble institutions, which are limited to organizations
25 listed in section 501(c)(3) of the Internal Revenue

1 Code and exempt from tax under 501(a) of such
2 Code, federally insured depository institutions, com-
3 munity development financial institutions and State,
4 local, or Tribal government entities.

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

12 **SEC. 5933. DEFINITIONS.**

13 In this subtitle:

14 (1) COMMUNITY DEVELOPMENT FINANCIAL IN-
15 STITUTION.—The term “community development fi-
16 nancial institution” has the meaning given under
17 section 103 of the Riegle Community Development
18 and Regulatory Improvement Act of 1994 (12
19 U.S.C. 4702).

20 (2) MINORITY DEPOSITORY INSTITUTION.—The
21 term “minority depository institution” has the
22 meaning given under section 308 of the Financial
23 Institutions Reform, Recovery, and Enforcement Act
24 of 1989 (12 U.S.C. 1463 note), as amended by this
25 Act.

1 **SEC. 5934. INCLUSION OF WOMEN'S BANKS IN THE DEFINI-**
2 **TION OF MINORITY DEPOSITORY INSTITU-**
3 **TION.**

4 Section 308(b)(1) of the Financial Institutions Re-
5 form, Recovery, and Enforcement Act of 1989 (12 U.S.C.
6 1463 note) is amended—

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

9 (2) by striking “means any” and inserting the
10 following: “means—

11 “(A) any”; and

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

14 (4) by inserting at the end the following new
15 subparagraph:

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

19 “(i) more than 50 percent of the out-
20 standing shares of which are held by 1 or
21 more women; and

22 “(ii) the majority of the directors on
23 the board of directors of which are
24 women.”.

1 **SEC. 5935. ESTABLISHMENT OF IMPACT BANK DESIGNA-**
2 **TION.**

3 (a) IN GENERAL.—Each Federal banking agency
4 shall establish a program under which a depository institu-
5 tion with total consolidated assets of less than
6 \$10,000,000,000 may elect to be designated as an impact
7 bank if the total dollar value of the loans extended by such
8 depository institution to low-income borrowers is greater
9 than or equal to 50 percent of the assets of such bank.

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

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

19 (1) requesting to be designated as an impact
20 bank; and

21 (2) demonstrating that the depository institu-
22 tion meets the applicable qualifications.

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

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

4 (2) with respect to a depository institution that
5 is designated as an impact bank, necessary to ensure
6 the depository institution's ongoing qualifications to
7 maintain such designation.

8 (e) REMOVAL OF DESIGNATION.—If the appropriate
9 Federal banking agency determines that a depository in-
10 stitution designated as an impact bank no longer meets
11 the criteria for such designation, the appropriate Federal
12 banking agency shall rescind the designation and notify
13 the depository institution of such rescission.

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

17 (1) submit to the appropriate Federal banking
18 agency a request to reconsider a determination that
19 such depository institution no longer meets the cri-
20 teria for the designation; or

21 (2) file an appeal of such determination.

22 (g) RULEMAKING.—Not later than 1 year after the
23 date of the enactment of this Act, the Federal banking
24 agencies shall jointly issue rules to carry out the require-

1 ments of this section, including by providing a definition
2 of a low-income borrower.

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

6 (i) FEDERAL DEPOSIT INSURANCE ACT DEFINI-
7 TIONS.—In this section, the terms “depository institu-
8 tion”, “appropriate Federal banking agency”, and “Fed-
9 eral banking agency” have the meanings given such terms,
10 respectively, in section 3 of the Federal Deposit Insurance
11 Act (12 U.S.C. 1813).

12 **SEC. 5936. MINORITY DEPOSITORIES ADVISORY COMMIT-**
13 **TEES.**

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

17 (b) DUTIES.—Each Minority Depositories Advisory
18 Committee shall provide advice to the respective covered
19 regulator on meeting the goals established by section 308
20 of the Financial Institutions Reform, Recovery, and En-
21 forcement Act of 1989 (12 U.S.C. 1463 note) to preserve
22 the present number of covered minority institutions, pre-
23 serve the minority character of minority-owned institu-
24 tions in cases involving mergers or acquisitions, provide
25 technical assistance, and encourage the creation of new

1 covered minority institutions. The scope of the work of
2 each such Minority Depositories Advisory Committee shall
3 include an assessment of the current condition of covered
4 minority institutions, what regulatory changes or other
5 steps the respective agencies may be able to take to fulfill
6 the requirements of such section 308, and other issues of
7 concern to covered minority institutions.

8 (c) MEMBERSHIP.—

9 (1) IN GENERAL.—Each Minority Depositories
10 Advisory Committee shall consist of no more than
11 10 members, who—

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

13 (B) shall serve as a representative of a de-
14 pository institution or an insured credit union
15 with respect to which the respective covered
16 regulator is the covered regulator of such de-
17 pository institution or insured credit union; and

18 (C) shall not receive pay by reason of their
19 service on the advisory committee, but may re-
20 ceive travel or transportation expenses in ac-
21 cordance with section 5703 of title 5, United
22 States Code.

23 (2) DIVERSITY.—To the extent practicable,
24 each covered regulator shall ensure that the mem-
25 bers of the Minority Depositories Advisory Com-

1 mittee of such agency reflect the diversity of covered
2 minority institutions.

3 (d) MEETINGS.—

4 (1) IN GENERAL.—Each Minority Depositories
5 Advisory Committee shall meet not less frequently
6 than twice each year.

7 (2) NOTICE AND INVITATIONS.—Each Minority
8 Depositories Advisory Committee shall—

9 (A) notify the Committee on Financial
10 Services of the House of Representatives and
11 the Committee on Banking, Housing, and
12 Urban Affairs of the Senate in advance of each
13 meeting of the Minority Depositories Advisory
14 Committee; and

15 (B) invite the attendance at each meeting
16 of the Minority Depositories Advisory Com-
17 mittee of—

18 (i) one member of the majority party
19 and one member of the minority party of
20 the Committee on Financial Services of the
21 House of Representatives and the Com-
22 mittee on Banking, Housing, and Urban
23 Affairs of the Senate; and

24 (ii) one member of the majority party
25 and one member of the minority party of

1 any relevant subcommittees of such com-
2 mittees.

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

8 (f) DEFINITIONS.—In this section:

9 (1) COVERED REGULATOR.—The term “covered
10 regulator” means the Comptroller of the Currency,
11 the Board of Governors of the Federal Reserve Sys-
12 tem, the Federal Deposit Insurance Corporation,
13 and the National Credit Union Administration.

14 (2) COVERED MINORITY INSTITUTION.—The
15 term “covered minority institution” means a minor-
16 ity depository institution (as defined in section
17 308(b) of the Financial Institutions Reform, Recov-
18 ery, and Enforcement Act of 1989 (12 U.S.C. 1463
19 note)).

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

24 (4) INSURED CREDIT UNION.—The term “in-
25 sured credit union” has the meaning given in section

1 101 of the Federal Credit Union Act (12 U.S.C.
2 1752).

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

7 “(3) DEPOSITORY INSTITUTION.—The term ‘de-
8 pository institution’ means an ‘insured depository in-
9 stitution’ (as defined in section 3 of the Federal De-
10 posit Insurance Act (12 U.S.C. 1813)) and an in-
11 sured credit union (as defined in section 101 of the
12 Federal Credit Union Act (12 U.S.C. 1752)).”.

13 **SEC. 5937. FEDERAL DEPOSITS IN MINORITY DEPOSITORY**
14 **INSTITUTIONS.**

15 (a) IN GENERAL.—Section 308 of the Financial In-
16 stitutions Reform, Recovery, and Enforcement Act of
17 1989 (12 U.S.C. 1463 note) is amended—

18 (1) by adding at the end the following new sub-
19 section:

20 “(d) FEDERAL DEPOSITS.—The Secretary of the
21 Treasury shall ensure that deposits made by Federal agen-
22 cies in minority depository institutions and impact banks
23 are collateralized or insured, as determined by the Sec-
24 retary. Such deposits shall include reciprocal deposits as

1 defined in section 337.6(e)(2)(v) of title 12, Code of Fed-
2 eral Regulations (as in effect on March 6, 2019).”; and

3 (2) in subsection (b), as amended by section
4 6(g), by adding at the end the following new para-
5 graph:

6 “(4) **IMPACT BANK.**—The term ‘impact bank’
7 means a depository institution designated by the ap-
8 propriate Federal banking agency pursuant to sec-
9 tion 5935 of the Ensuring Diversity in Community
10 Banking Act.”.

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

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

16 (2) in the paragraph heading for paragraph (1),
17 by striking “FINANCIAL” and inserting “DEPOSI-
18 TORY”.

19 **SEC. 5938. MINORITY BANK DEPOSIT PROGRAM.**

20 (a) **IN GENERAL.**—Section 1204 of the Financial In-
21 stitutions Reform, Recovery, and Enforcement Act of
22 1989 (12 U.S.C. 1811 note) is amended to read as follows:

23 **“SEC. 1204. EXPANSION OF USE OF MINORITY DEPOSITORY**
24 **INSTITUTIONS.**

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

1 “(1) ESTABLISHMENT.—There is established a
2 program to be known as the ‘Minority Bank Deposit
3 Program’ to expand the use of minority depository
4 institutions.

5 “(2) ADMINISTRATION.—The Secretary of the
6 Treasury, acting through the Fiscal Service, shall—

7 “(A) on application by a depository institu-
8 tion or credit union, certify whether such depos-
9 itory institution or credit union is a minority
10 depository institution;

11 “(B) maintain and publish a list of all de-
12 pository institutions and credit unions that have
13 been certified pursuant to subparagraph (A);
14 and

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

17 “(i) all Federal departments and
18 agencies;

19 “(ii) interested State and local govern-
20 ments; and

21 “(iii) interested private sector compa-
22 nies.

23 “(3) INCLUSION OF CERTAIN ENTITIES ON
24 LIST.—A depository institution or credit union that,
25 on the date of the enactment of this section, has a

1 current certification from the Secretary of the
2 Treasury stating that such depository institution or
3 credit union is a minority depository institution shall
4 be included on the list described under paragraph
5 (2)(B).

6 “(b) EXPANDED USE AMONG FEDERAL DEPART-
7 MENTS AND AGENCIES.—

8 “(1) IN GENERAL.—Not later than 1 year after
9 the establishment of the program described in sub-
10 section (a), the head of each Federal department or
11 agency shall develop and implement standards and
12 procedures to prioritize, to the maximum extent pos-
13 sible as permitted by law and consistent with prin-
14 ciples of sound financial management, the use of mi-
15 nority depository institutions to hold the deposits of
16 each such department or agency.

17 “(2) REPORT TO CONGRESS.—Not later than 2
18 years after the establishment of the program de-
19 scribed in subsection (a), and annually thereafter,
20 the head of each Federal department or agency shall
21 submit to Congress a report on the actions taken to
22 increase the use of minority depository institutions
23 to hold the deposits of each such department or
24 agency.

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

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

5 “(2) DEPOSITORY INSTITUTION.—The term ‘de-
6 pository institution’ has the meaning given in section
7 3 of the Federal Deposit Insurance Act (12 U.S.C.
8 1813).

9 “(3) MINORITY DEPOSITORY INSTITUTION.—
10 The term ‘minority depository institution’ has the
11 meaning given that term under section 308 of this
12 Act.”.

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

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

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

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

22 **SEC. 5939. DIVERSITY REPORT AND BEST PRACTICES.**

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

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

5 (2) The status of any examiners of covered reg-
6 ulators, based on voluntary self-identification, as a
7 veteran.

8 (3) Whether any covered regulator, as of the
9 date on which the report required under this section
10 is submitted, has adopted a policy, plan, or strategy
11 to promote racial, ethnic, and gender diversity
12 among examiners of the covered regulator.

13 (4) Whether any special training is developed
14 and provided for examiners related specifically to
15 working with depository institutions and credit
16 unions that serve communities that are predomi-
17 nantly minorities, low income, or rural, and the key
18 focus of such training.

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

23 (1) for increasing the diversity of candidates
24 applying for examiner positions, including through

1 outreach efforts to recruit diverse candidate to apply
2 for entry-level examiner positions; and

3 (2) for retaining and providing fair consider-
4 ation for promotions within the examiner staff for
5 purposes of achieving diversity among examiners.

6 (c) COVERED REGULATOR DEFINED.—In this sec-
7 tion, the term “covered regulator” means the Comptroller
8 of the Currency, the Board of Governors of the Federal
9 Reserve System, the Federal Deposit Insurance Corpora-
10 tion, and the National Credit Union Administration.

11 **SEC. 5940. INVESTMENTS IN MINORITY DEPOSITORY INSTI-
12 TUTIONS AND IMPACT BANKS.**

13 (a) CONTROL FOR CERTAIN INSTITUTIONS.—Section
14 7(j)(8)(B) of the Federal Deposit Insurance Act (12
15 U.S.C. 1817(j)(8)(B)) is amended to read as follows:

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

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

20 “(ii)(I) with respect to an insured deposi-
21 tory institution, of a person to vote 25 per cen-
22 tum or more of any class of voting securities of
23 such institution; or

24 “(II) with respect to an insured depository
25 institution that is an impact bank (as des-

1 ignated pursuant to section 5935 of the Ensuring
2 Diversity in Community Banking Act) or a
3 minority depository institution (as defined in
4 section 308(b) of the Financial Institutions Reform,
5 Recovery, and Enforcement Act of 1989),
6 of an individual to vote 30 percent or more of
7 any class of voting securities of such an impact
8 bank or a minority depository institution.”.

9 (b) RULEMAKING.—The Federal banking agencies
10 (as defined in section 3 of the Federal Deposit Insurance
11 Act (12 U.S.C. 1813)) shall jointly issue rules for de novo
12 minority depository institutions and de novo impact banks
13 (as designated pursuant to section 5935) to allow 3 years
14 to meet the capital requirements otherwise applicable to
15 minority depository institutions and impact banks.

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

19 (1) the principal causes for the low number of
20 de novo minority depository institutions during the
21 10-year period preceding the date of the report;

22 (2) the main challenges to the creation of de
23 novo minority depository institutions and de novo
24 impact banks; and

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

4 **SEC. 5941. REPORT ON COVERED MENTOR-PROTEGE PRO-**
5 **GRAMS.**

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

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

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

16 (3) recommendations for how to match such mi-
17 nority depository institutions with large financial in-
18 stitution mentors.

19 (b) DEFINITIONS.—In this section:

20 (1) COVERED MENTOR-PROTEGE PROGRAM.—

21 The term “covered mentor-protege program” means
22 a mentor-protege program established by the Sec-
23 retary of the Treasury pursuant to section 45 of the
24 Small Business Act (15 U.S.C. 657r).

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

3 (A) regulated by the Comptroller of the
4 Currency, the Board of Governors of the Fed-
5 eral Reserve System, the Federal Deposit In-
6 surance Corporation, or the National Credit
7 Union Administration; and

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

10 **SEC. 5942. CUSTODIAL DEPOSIT PROGRAM FOR COVERED**
11 **MINORITY DEPOSITORY INSTITUTIONS AND**
12 **IMPACT BANKS.**

13 (a) IN GENERAL.—Not later than one year after the
14 date of the enactment of this Act, the Secretary of the
15 Treasury shall issue rules establishing a custodial deposit
16 program under which a covered bank may receive deposits
17 from a qualifying account.

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

20 (1) consult with the Federal banking agencies;

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

23 (A) has appropriate policies relating to
24 management of assets, including measures to

1 ensure the safety and soundness of each such
2 covered bank; and

3 (B) is compliant with applicable law; and

4 (3) ensure, to the extent practicable that the
5 rules do not conflict with goals described in section
6 308(a) of the Financial Institutions Reform, Recov-
7 ery, and Enforcement Act of 1989 (12 U.S.C. 1463
8 note).

9 (c) LIMITATIONS.—

10 (1) DEPOSITS.—With respect to the funds of an
11 individual qualifying account, an entity may not de-
12 posit an amount greater than the insured amount in
13 a single covered bank.

14 (2) TOTAL DEPOSITS.—The total amount of
15 funds deposited in a covered bank under the custo-
16 dial deposit program described under this section
17 may not exceed the lesser of—

18 (A) 10 percent of the average amount of
19 deposits held by such covered bank in the pre-
20 vious quarter; or

21 (B) \$100,000,000 (as adjusted for infla-
22 tion).

23 (d) REPORT.—Each quarter, the Secretary of the
24 Treasury shall submit to Congress a report on the imple-
25 mentation of the program established under this section

1 including information identifying participating covered
2 banks and the total amount of deposits received by covered
3 banks under the program, including breakdowns by each
4 State (including the District of Columbia and each terri-
5 tory of the United States) and Tribal government entity.

6 (e) DEFINITIONS.—In this section:

7 (1) COVERED BANK.—The term “covered bank”
8 means—

9 (A) a minority depository institution that
10 is well capitalized, as defined by the appropriate
11 Federal banking agency; or

12 (B) a depository institution designated
13 pursuant to section 4935 that is well capital-
14 ized, as defined by the appropriate Federal
15 banking agency.

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

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

22 (B) such higher amount negotiated be-
23 tween the Secretary of the Treasury and the
24 Federal Deposit Insurance Corporation under

1 which the Corporation will insure all deposits of
2 such higher amount.

3 (3) FEDERAL BANKING AGENCIES.—The terms
4 “appropriate Federal banking agency” and “Federal
5 banking agencies” have the meaning given those
6 terms, respectively, under section 3 of the Federal
7 Deposit Insurance Act.

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

11 (A) is controlled by the Secretary; and

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

15 **SEC. 5943. STREAMLINED COMMUNITY DEVELOPMENT FI-**
16 **NANCIAL INSTITUTION APPLICATIONS AND**
17 **REPORTING.**

18 (a) APPLICATION PROCESSES.—Not later than 12
19 months after the date of the enactment of this Act and
20 with respect to any person having assets under
21 \$3,000,000,000 that submits an application for deposit in-
22 surance with the Federal Deposit Insurance Corporation
23 that could also become a community development financial
24 institution, the Federal Deposit Insurance Corporation, in

1 consultation with the Administrator of the Community
2 Development Financial Institutions Fund, shall—

3 (1) develop systems and procedures to record
4 necessary information to allow the Administrator to
5 conduct preliminary analysis for such person to also
6 become a community development financial institu-
7 tion; and

8 (2) develop procedures to streamline the appli-
9 cation and annual certification processes and to re-
10 duce costs for such person to become, and maintain
11 certification as, a community development financial
12 institution.

13 (b) IMPLEMENTATION REPORT.—Not later than 18
14 months after the date of the enactment of this Act, the
15 Federal Deposit Insurance Corporation shall submit to
16 Congress a report describing the systems and procedures
17 required under subsection (a).

18 (c) ANNUAL REPORT.—

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

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

24 (B) by redesignating subparagraph (F) as
25 subparagraph (G);

1 (C) by inserting after subparagraph (E)
2 the following new subparagraph:

3 “(F) applicants for deposit insurance that
4 could also become a community development fi-
5 nancial institution (as defined in section 103 of
6 the Riegle Community Development and Regu-
7 latory Improvement Act of 1994), a minority
8 depository institution (as defined in section 308
9 of the Financial Institutions Reform, Recovery,
10 and Enforcement Act of 1989), or an impact
11 bank (as designated pursuant to section 5935
12 of the Ensuring Diversity in Community Bank-
13 ing Act); and”.

14 (2) APPLICATION.—The amendment made by
15 this subsection shall apply with respect to the first
16 report to be submitted after the date that is 2 years
17 after the date of the enactment of this Act.

18 **SEC. 5944. TASK FORCE ON LENDING TO SMALL BUSINESS**

19 **CONCERNS.**

20 (a) IN GENERAL.—Not later than 6 months after the
21 date of the enactment of this Act, the Administrator of
22 the Small Business Administration shall establish a task
23 force to examine methods for improving relationships be-
24 tween the Small Business Administration and community
25 development financial institutions, minority depository in-

stitutions, and impact banks (as designated pursuant to section 5935) to increase the volume of loans provided by such institutions to small business concerns (as defined under section 3 of the Small Business Act (15 U.S.C. 632)).

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

SEC. 5945. DISCRETIONARY SURPLUS FUND.

(a) IN GENERAL.—Subparagraph (A) of section 7(a)(3) of the Federal Reserve Act (12 U.S.C. 289(a)(3)(A)) is amended by reducing the dollar figure described in such subparagraph by \$1,400,000,000.

(b) EFFECTIVE DATE.—The amendment made by subsection (a) shall take effect on September 30, 2032.

Subtitle D—Expanding Opportunity for Minority Depository Institutions

SEC. 5951. ESTABLISHMENT OF FINANCIAL AGENT MENTOR-PROTÉGÉ PROGRAM.

(a) IN GENERAL.—Section 308 of the Financial Institutions Reform, Recovery, and Enforcement Act of

1 1989 (12 U.S.C. 1463 note) is amended by adding at the
2 end the following new subsection:

3 “(d) FINANCIAL AGENT MENTOR-PROTÉGÉ PRO-
4 GRAM.—

5 “(1) IN GENERAL.—The Secretary of the
6 Treasury shall establish a program to be known as
7 the ‘Financial Agent Mentor-Protégé Program’ (in
8 this subsection referred to as the ‘Program’) under
9 which a financial agent designated by the Secretary
10 or a large financial institution may serve as a men-
11 tor, under guidance or regulations prescribed by the
12 Secretary, to a small financial institution to allow
13 such small financial institution—

14 “(A) to be prepared to perform as a finan-
15 cial agent; or

16 “(B) to improve capacity to provide serv-
17 ices to the customers of the small financial in-
18 stitution.

19 “(2) OUTREACH.—The Secretary shall hold
20 outreach events to promote the participation of fi-
21 nancial agents, large financial institutions, and small
22 financial institutions in the Program at least once a
23 year.

24 “(3) EXCLUSION.—The Secretary shall issue
25 guidance or regulations to establish a process under

1 which a financial agent, large financial institution,
2 or small financial institution may be excluded from
3 participation in the Program.

4 “(4) REPORT.—The Office of Minority and
5 Women Inclusion of the Department of the Treasury
6 shall include in the report submitted to Congress
7 under section 342(e) of the Dodd-Frank Wall Street
8 Reform and Consumer Protection Act information
9 pertaining to the Program, including—

10 “(A) the number of financial agents, large
11 financial institutions, and small financial insti-
12 tutions participating in such Program, includ-
13 ing breakdowns by each State (including the
14 District of Columbia and each territory of the
15 United States), Tribal government entity, and
16 congressional district; and

17 “(B) the number of outreach events de-
18 scribed in paragraph (2) held during the year
19 covered by such report.

20 “(5) DEFINITIONS.—In this subsection:

21 “(A) FINANCIAL AGENT.—The term ‘fi-
22 nancial agent’ means any national banking as-
23 sociation designated by the Secretary of the
24 Treasury to be employed as a financial agent of
25 the Government.

1 “(B) LARGE FINANCIAL INSTITUTION.—

2 The term ‘large financial institution’ means any
3 entity regulated by the Comptroller of the Cur-
4 rency, the Board of Governors of the Federal
5 Reserve System, the Federal Deposit Insurance
6 Corporation, or the National Credit Union Ad-
7 ministration that has total consolidated assets
8 greater than or equal to \$50,000,000,000.

9 “(C) SMALL FINANCIAL INSTITUTION.—

10 The term ‘small financial institution’ means—

11 “(i) any entity regulated by the
12 Comptroller of the Currency, the Board of
13 Governors of the Federal Reserve System,
14 the Federal Deposit Insurance Corpora-
15 tion, or the National Credit Union Admin-
16 istration that has total consolidated assets
17 lesser than or equal to \$2,000,000,000; or

18 “(ii) a minority depository institu-
19 tion.”.

20 (b) EFFECTIVE DATE.—This section and the amend-
21 ments made by this section shall take effect 90 days after
22 the date of the enactment of this Act.

1 **Subtitle E—CDFI Bond Guarantee**
2 **Program Improvement**

3 **SEC. 5961. SENSE OF CONGRESS.**

4 It is the sense of Congress that the authority to guar-
5 antee bonds under section 114A of the Community Devel-
6 opment Banking and Financial Institutions Act of 1994
7 (12 U.S.C. 4713a) (commonly referred to as the “CDFI
8 Bond Guarantee Program”) provides community develop-
9 ment financial institutions with a sustainable source of
10 long-term capital and furthers the mission of the Commu-
11 nity Development Financial Institutions Fund (established
12 under section 104(a) of such Act (12 U.S.C. 4703(a)) to
13 increase economic opportunity and promote community
14 development investments for underserved populations and
15 distressed communities in the United States.

16 **SEC. 5962. GUARANTEES FOR BONDS AND NOTES ISSUED**
17 **FOR COMMUNITY OR ECONOMIC DEVELOP-**
18 **MENT PURPOSES.**

19 Section 114A of the Community Development Bank-
20 ing and Financial Institutions Act of 1994 (12 U.S.C.
21 4713a) is amended—

22 (1) in subsection (c)(2), by striking “, multi-
23 plied by an amount equal to the outstanding prin-
24 cipal balance of issued notes or bonds”;

