

105TH CONGRESS
2D SESSION

H. R. 3617

To make technical corrections to the Community Development Banking and Financial Institutions Act of 1994 to reflect the status of the Community Development Financial Institutions Fund within the Treasury Department, to extend the authorization for the Fund, and to make other amendments to the Community Development Financial Institutions Fund, the community development financial institutions program, the Bank Enterprise Act awards program, and the small business capital enhancement program in order to more efficiently and effectively promote economic revitalization, community development, and community development financial institutions, and for other purposes.

IN THE HOUSE OF REPRESENTATIVES

APRIL 1, 1998

Mr. VENTO (for himself and Mrs. ROUKEMA) (both by request) introduced the following bill; which was referred to the Committee on Banking and Financial Services

A BILL

To make technical corrections to the Community Development Banking and Financial Institutions Act of 1994 to reflect the status of the Community Development Financial Institutions Fund within the Treasury Department, to extend the authorization for the Fund, and to make other amendments to the Community Development Financial Institutions Fund, the community development financial institutions program, the Bank Enterprise Act awards program, and the small business capital enhancement program in order to more efficiently and

effectively promote economic revitalization, community development, and community development financial institutions, and for other purposes.

1 *Be it enacted by the Senate and House of Representa-*
 2 *tives of the United States of America in Congress assembled,*

3 **SECTION 1. SHORT TITLE; TABLE OF CONTENTS.**

4 (a) SHORT TITLE.—This Act may be cited as the
 5 “Community Development Financial Institutions Fund
 6 Amendments Act of 1998”.

7 (b) TABLE OF CONTENTS.—The table of contents for
 8 this Act follows:

Sec. 1. Short title; table of contents.

Sec. 2. Technical corrections to reflect status of the Fund within Treasury
 Department; miscellaneous technical corrections.

Sec. 3. Amendments to programs administered by the Fund.

Sec. 4. Extension of authorization.

Sec. 5. Amendments to Small Business Capital Enhancement Program.

9 **SEC. 2. TECHNICAL CORRECTIONS TO REFLECT STATUS**
 10 **OF THE FUND WITHIN TREASURY DEPART-**
 11 **MENT; MISCELLANEOUS TECHNICAL COR-**
 12 **RECTIONS.**

13 (a) PURPOSE.—Section 102(b) of the Community
 14 Development Banking and Financial Institutions Act of
 15 1994 (12 U.S.C. 4701(b)) is amended to read as follows:

16 “(b) PURPOSE.—The purpose of this subtitle is to
 17 create a Community Development Financial Institutions
 18 Fund to promote economic revitalization and community
 19 development through investment in and assistance to com-

1 munity development financial institutions, including en-
2 hancing the liquidity of community development financial
3 institutions, and through incentives to insured depository
4 institutions that increase lending and other assistance and
5 investment in both economically distressed communities
6 and community development financial institutions.”.

7 (b) DEFINITIONS.—

8 (1) Section 103 of the Community Development
9 Banking and Financial Institutions Act of 1994 is
10 amended—

11 (A) by striking paragraph (1); and

12 (B) by redesignating paragraphs (2)
13 through (21) as paragraphs (1) through (20),
14 respectively.

15 (2) The Community Development Banking and
16 Financial Institutions Act of 1994 (12 U.S.C. 4701
17 et seq.) is amended (other than in section 118) by
18 striking “Administrator” each place it appears and
19 inserting instead “Secretary of the Treasury”.

20 (c) ESTABLISHMENT OF FUND WITHIN TREASURY
21 DEPARTMENT.—

22 (1) IN GENERAL.—Section 104(a) of the Com-
23 munity Development Banking and Financial Institu-
24 tions Act of 1994 (12 U.S.C. 4703(a)) is amended
25 to read as follows:

1 “(a) ESTABLISHMENT.—

2 “(1) IN GENERAL.—There is established in the
3 Department of the Treasury a Community Develop-
4 ment Financial Institutions Fund that shall have the
5 functions specified by this subtitle and subtitle B of
6 Title II. The offices of the Fund shall be in Wash-
7 ington, D.C. The Fund shall not be affiliated with
8 any other agency or department of the Federal
9 Government.

10 “(2) WHOLLY OWNED GOVERNMENT CORPORA-
11 TION.—The Fund shall be a wholly owned govern-
12 ment corporation within the Department of the
13 Treasury and shall be treated in all respects as an
14 agency of the United States, except as otherwise
15 provided in this subtitle.”.

16 (2) AUTHORITY OF THE SECRETARY OF THE
17 TREASURY.—Section 104(b) of the Community De-
18 velopment Banking and Financial Institutions Act of
19 1994 (12 U.S.C. 4703(b)) is amended to read as
20 follows:

21 “(b) MANAGEMENT OF FUND.—

22 “(1) AUTHORITY OF SECRETARY OF THE
23 TREASURY.—All functions of the Fund shall be per-
24 formed by or under the supervision of the Secretary
25 of the Treasury.

1 “(2) APPOINTMENT OF OFFICERS AND EMPLOY-
 2 EES.—The Secretary of the Treasury may appoint
 3 such officers and employees of the Fund, including
 4 a Director, as the Secretary deems necessary or ap-
 5 propriate.”.

6 (3) INSPECTOR GENERAL.—

7 (A) IN GENERAL.—Section 118 of the
 8 Community Development Banking and Finan-
 9 cial Institutions Act of 1994 is amended to read
 10 as follows:

11 **“SEC. 118. INSPECTOR GENERAL.**

12 “The Inspector General of the Department of the
 13 Treasury shall be the Inspector General of the Fund.”.

14 (B) TECHNICAL AND CONFORMING AMEND-
 15 MENT.—Section 11 of the Inspector General
 16 Act of 1978 (5 U.S.C. App. 3) is amended—

17 (i) in paragraph (1), by striking “; the
 18 Administrator of the Community Develop-
 19 ment Financial Institutions Fund;”; and

20 (ii) in paragraph (2), by striking “the
 21 Community Development Financial Insti-
 22 tutions Fund,”.

23 (4) TECHNICAL CORRECTION TO RULEMAKING
 24 AUTHORITY.—Section 119(a)(1) of the Community
 25 Development Banking and Financial Institutions Act

1 of 1994 (12 U.S.C. 4717(a)(1)) is amended to read
 2 as follows:

3 “(1) IN GENERAL.—The Secretary of the
 4 Treasury may promulgate such regulations and pro-
 5 cedures as may be necessary to carry out this sub-
 6 title.”.

7 **SEC. 3. AMENDMENTS TO PROGRAMS ADMINISTERED BY**
 8 **THE FUND.**

9 (a) AMENDMENTS TO COMMUNITY DEVELOPMENT
 10 FINANCIAL INSTITUTIONS PROGRAM.—

11 (1) FORM OF ASSISTANCE PROVIDED.—Section
 12 108(a)(1)(B)(iii) of the Community Development
 13 Banking and Financial Institutions Act of 1994 (12
 14 U.S.C. 4707(a)(1)(B)(iii)) is amended by inserting
 15 “through cooperative agreements or” before “by
 16 contracting”.

17 (2) TRAINING PROGRAMS.—Section 109(d) of
 18 the Community Development Banking and Financial
 19 Institutions Act of 1994 (12 U.S.C. 4708(d)) is
 20 amended to read as follows:

21 “(d) FORM.—The Fund may offer the training pro-
 22 gram described in this section directly, through grants,
 23 contracts, or cooperative agreements with other organiza-
 24 tions. The Fund may provide the training through grants,
 25 contracts, or cooperative agreements with organizations

1 that possess special expertise in community development,
 2 without regard to whether the organizations receive or are
 3 eligible to receive assistance under this subtitle.”.

4 (b) AMENDMENTS TO THE BANK ENTERPRISE ACT
 5 AWARDS PROGRAM.—

6 (1) AWARDS FOR ASSISTANCE TO COMMUNITY
 7 DEVELOPMENT FINANCIAL INSTITUTIONS.—Section
 8 233(a)(2) of the Bank Enterprise Act (12 U.S.C.
 9 1834a(a)(2)) is amended—

10 (A) by striking “for for” in the text pre-
 11 ceding subparagraph (A) and inserting “for”;

12 (B) in subparagraph (A), by striking “for
 13 low- and moderate-income persons” and insert-
 14 ing “to community development financial insti-
 15 tutions, low- and moderate-income persons”;
 16 and

17 (C) in subparagraph (B)—

18 (i) by inserting “of the increase” after
 19 “the amount”; and

20 (ii) by striking “financial” each place
 21 such term appears.

22 (2) INCREASE IN AWARD AMOUNTS FOR CER-
 23 TAIN ACTIVITIES.—Section 114(b)(2) of the Commu-
 24 nity Development Banking and Financial Institu-
 25 tions Act of 1994 (12 U.S.C. 4713(b)(2)) is amend-

ed by amending the substitute text used to apply
 section 233(a)(3) of the Bank Enterprise Act of
 1991—

(A) in subparagraph (A), by inserting
 “and (2)(B)” after “paragraph (2)(A)”;

(B) in subparagraph (A)(i), by inserting
 “each” before “such subparagraph”; and

(C) in subparagraph (A)(ii), by inserting
 “each” before “such subparagraph”.

(3) AWARDING CREDIT FOR ADDITIONAL QUALI-
 FIED ACTIVITIES.—Section 233(a)(4) of the Bank
 Enterprise Act (12 U.S.C. 1834a(a)(4)) is amend-
 ed—

(A) in the text preceding subparagraph
 (A), by inserting “and (2)(B)” after “para-
 graph (2)(A)”;

(B) by adding at the end the following new
 subparagraph:

“(P) Other forms of assistance that the
 Board deems appropriate.

(4) EVALUATION OF TECHNICAL ASSISTANCE
 PROVIDED.—Section 233(a)(7) of the Bank Enter-
 prise Act (12 U.S.C. 1834a(a)(7)) is amended—

(A) by inserting “and other” after “tech-
 nical”; and

1 (B) by striking “and (O)” and inserting
 2 instead “(O), and (P)”.

3 (5) ESTABLISHING ALTERNATIVE CRITERIA IN
 4 DEFINING CERTAIN DISTRESSED COMMUNITIES.—
 5 Section 233(b)(4)(C) of the Bank Enterprise Act
 6 (12 U.S.C. 1834a(b)(4)(C)) is amended by inserting
 7 “or alternative” before “eligibility requirements”.

8 **SEC. 4. EXTENSION OF AUTHORIZATION.**

9 Section 121(a)(1) of the Community Development
 10 Banking and Financial Institutions Act of 1994 (12
 11 U.S.C. 4718(a)(1)) is amended to read as follows:

12 “(1) IN GENERAL.—There are authorized to be
 13 appropriated to the Fund, to remain available until
 14 expended, such funds as may be necessary to carry
 15 out this subtitle and subtitle B of title II.”.

16 **SEC. 5. AMENDMENTS TO SMALL BUSINESS CAPITAL EN-**
 17 **HANCEMENT PROGRAM.**

18 (a) DEFINITION OF FINANCIAL INSTITUTION.—Sec-
 19 tion 252(5) of the Riegle Community Development and
 20 Regulatory Improvement Act of 1994 (12 U.S.C. 4742(5))
 21 is amended by inserting “any community development fi-
 22 nancial institution (as defined in section 103(5) of this
 23 Act) and,” before “any federally chartered”.

24 (b) ELIMINATION OF THRESHOLD APPROPRIA-
 25 TION.—Section 253 of the Riegle Community Develop-

1 ment and Regulatory Improvement Act of 1994 (12
2 U.S.C. 4743) is amended by striking subsection (d) and
3 redesignating subsection (e) as subsection (d).

4 (c) CONFORMING AMENDMENT.—Section 254(a) of
5 the Riegle Community Development and Regulatory Im-
6 provement Act of 1994 (12 U.S.C. 4744(a)) is amended
7 by inserting “(if any)” after “appropriate Federal banking
8 agency”.

9 (d) AMENDMENTS TO REIMBURSEMENT AUTHOR-
10 ITY.—Section 257(a) of the Riegle Community Develop-
11 ment and Regulatory Improvement Act of 1994 (12
12 U.S.C. 4747(a)) is amended to read as follows—

13 “(a) REIMBURSEMENTS.—The Fund shall reimburse
14 participating States according to criteria established by
15 the Fund. Such criteria may include whether a participat-
16 ing State is creating a new program, is expanding in scope
17 or scale an existing State program, the need for Fund re-
18 imbursement, the availability of Fund resources, and other
19 criteria established by the Fund. Not later than 30 cal-
20 endar days after receiving a report filed in compliance with
21 section 256, the Fund shall reimburse a participating
22 State meeting such criteria in an amount equal to up to
23 50 percent of the amount of contributions by the partici-
24 pating State to the reserve funds that are subject to reim-
25 bursement by the Fund pursuant to section 256 and this

1 section, until such sums made available by the Fund for
2 this purpose are expended.”.

3 (e) CONFORMING AMENDMENT.—Section 260 of the
4 Riegle Community Development and Regulatory Improve-
5 ment Act of 1994 (12 U.S.C. 4750) is repealed.

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