

105TH CONGRESS
2D SESSION

S. 2544

To enhance homeownership through community development financial institutions.

IN THE SENATE OF THE UNITED STATES

OCTOBER 2, 1998

Mr. FAIRCLOTH introduced the following bill; which was read twice and referred to the Committee on Banking, Housing, and Urban Affairs

A BILL

To enhance homeownership through community development financial institutions.

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.**

4 (a) SHORT TITLE.—This Act may be cited as the
5 “Homeownership and Community Development Act of
6 1998”.

1 **SEC. 2. COMMUNITY DEVELOPMENT INSTITUTIONS TO BE**
 2 **ELIGIBLE TO BORROW AS A NONMEMBER**
 3 **FROM THE FEDERAL HOME LOAN BANK SYS-**
 4 **TEM.**

5 SECTION 10b.—Section 10b of the Federal Home
 6 Loan Bank Act (12 U.S.C. 1430b) is amended—

7 (1) in subsection (a) by striking the second sen-
 8 tence and inserting the following two sentences:
 9 “Such mortgagees must be (i) chartered institutions
 10 having succession and (ii) subject to the inspection
 11 and supervision of some governmental agency or a
 12 community development financial institution (other
 13 than an insured depository institution or a subsidi-
 14 ary thereof) that, at the time the advance is made,
 15 is certified under the Community Development
 16 Banking and Financial Institutions Act of 1994.
 17 The principal activity of such mortgagees in the
 18 mortgage field must consist of lending their own
 19 funds.”;

20 (2) in the last sentence of subsection (a) by re-
 21 placing the word “such” with “the same” and by re-
 22 placing the phrase “shall be determined by the
 23 board” with the phrase “are comparable extensions
 24 of credit to members”; and

25 (3) in subsection (b) by inserting in the first
 26 sentence between the words “agency” and “for” the

- 1 following phrase: “or a certified community develop-
- 2 ment financial institution”.

