

116TH CONGRESS
2D SESSION

H. R. 6888

To modify requirements relating to the participation of community development financial institutions in the paycheck protection program of the Small Business Administration, and for other purposes.

IN THE HOUSE OF REPRESENTATIVES

MAY 15, 2020

Ms. ADAMS (for herself and Ms. WATERS) introduced the following bill; which was referred to the Committee on Small Business

A BILL

To modify requirements relating to the participation of community development financial institutions in the paycheck protection program of the Small Business Administration, 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. PARTICIPATION OF COMMUNITY DEVELOP-**
4 **MENT FINANCIAL INSTITUTIONS IN THE PAY-**
5 **CHECK PROTECTION PROGRAM.**

6 (a) DELEGATED AUTHORITY.—Section 7(a)(36)(F)
7 of the Small Business Act (15 U.S.C. 636(a)(36)(F)) is
8 amended—

1 (1) in clause (ii)(I), by inserting “and a com-
 2 munity development financial institution” after
 3 “under this subsection”;

4 (2) in clause (iii), by striking “shall be extended
 5 to additional lenders” and inserting the following:
 6 “shall be extended—

7 “(I) to community development
 8 financial institutions; and

9 “(II) to additional lenders”; and

10 (3) by adding at the end the following new
 11 clause:

12 “(vi) REVOCATION OF LENDERS.—

13 The authority of a lender to make loans
 14 under this paragraph may be revoked upon
 15 a joint determination by the Administrator
 16 and the Secretary of the Treasury that—

17 “(I) such lender has had recent
 18 compliance shortcomings or other ma-
 19 terial operational shortcomings that
 20 warrant such a revocation; and

21 “(II) such a revocation is con-
 22 sistent with the purpose of this para-
 23 graph.”.

24 (b) EXISTING CUSTOMERS OF NON-BANK CDFIs.—

25 The Secretary of the Treasury and the Administrator of

1 the Small Business Administration shall revise any rules
2 or guidance issued to carry out section 7(a)(36) of the
3 Small Business Act (15 U.S.C. 636(a)(36)) to specify that
4 a non-bank CDFI does not have to go through a
5 reverification of information about an existing customer
6 for purposes of the Bank Secrecy Act, if the non-bank
7 CDFI has maintained an ongoing financial relationship
8 with the customer that is well documented, and there is
9 no need for further due diligence based on the non-bank
10 CDFI's risk-based approach to Bank Secrecy Act compli-
11 ance.

12 (c) DEFINITIONS.—In this Act:

13 (1) BANK SECRECY ACT.—The term “Bank Se-
14 crecy Act” means—

15 (A) section 21 of the Federal Deposit In-
16 surance Act (12 U.S.C. 1829b);

17 (B) chapter 2 of title I of Public Law 91–
18 508 (12 U.S.C. 1951 et seq.); and

19 (C) subchapter II of chapter 53 of title 31,
20 United States Code;

21 (2) COMMUNITY DEVELOPMENT FINANCIAL IN-
22 STITUTION.—The term “community development fi-
23 nancial institution” has the meaning given that term
24 under section 103 of the Riegle Community Develop-

1 ment and Regulatory Improvement Act of 1994 (12
2 U.S.C. 4702).

3 (3) NON-BANK CDFI.—the term “non-bank
4 CDFI” means a community development financial
5 institution that is not an insured depository institu-
6 tion or insured credit union.

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