

116TH CONGRESS
2D SESSION

H. R. 7993

To support the efforts of Community Development Financial Institutions (CDFIs), minority CDFIs, and minority depository institutions to serve consumers, small businesses, and minority-owned businesses, especially in low-income and underserved communities, and for other purposes.

IN THE HOUSE OF REPRESENTATIVES

AUGUST 7, 2020

Ms. WATERS (for herself, Mr. CLAY, Mr. GREEN of Texas, Mr. GONZALEZ of Texas, Mr. LAWSON of Florida, Ms. PRESSLEY, Ms. TLAIB, Ms. ADAMS, Mr. PHILLIPS, Ms. GARCIA of Texas, Mr. CLEAVER, Mrs. BEATTY, Mr. GARCÍA of Illinois, Mr. DAVID SCOTT of Georgia, Mr. GOTTHEIMER, and Mr. MEEKS) introduced the following bill; which was referred to the Committee on Financial Services, and in addition to the Committee on Small Business, for a period to be subsequently determined by the Speaker, in each case for consideration of such provisions as fall within the jurisdiction of the committee concerned

A BILL

To support the efforts of Community Development Financial Institutions (CDFIs), minority CDFIs, and minority depository institutions to serve consumers, small businesses, and minority-owned businesses, especially in low-income and underserved communities, 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,*

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

2 (a) SHORT TITLE.—This Act may be cited as the
 3 “Promoting and Advancing Communities of Color through
 4 Inclusive Lending Act”.

5 (b) TABLE OF CONTENTS.—The table of contents for
 6 this Act is as follows:

- Sec. 1. Short title; table of contents.
- Sec. 2. Findings; sense of Congress.
- Sec. 3. Strengthening minority community development financial institutions.
- Sec. 4. Community Development Financial Institutions Fund.
- Sec. 5. Minimum issuance amounts under the CDFI Bond Guarantee Program.
- Sec. 6. Community Capital Investment Program.
- Sec. 7. Ensuring Diversity in Community Banking.
- Sec. 8. Establishment of Financial Agent Mentor-Protégé Program.
- Sec. 9. Study and report with respect to impact of programs on low- and moderate-income and minority communities.

7 **SEC. 2. FINDINGS; SENSE OF CONGRESS.**

8 (a) FINDINGS.—The Congress finds the following:

9 (1) The Coronavirus 2019 (COVID–19) pan-
 10 demic and the resulting recession have led to more
 11 than 4.8 million cases and at least 157,000 deaths
 12 in the United States as of August 6, 2020; a 7.6
 13 percent increase in the unemployment rate from
 14 February to June, or approximately 12 million more
 15 persons who have lost their job; and an estimated 36
 16 percent of renters and 4.1 million homeowners who
 17 are struggling to pay their rent and mortgages.

18 (2) According to the Centers for Disease Con-
 19 trol, “long-standing systemic health and social in-
 20 equities have put some members of racial and ethnic

1 minority groups at increased risk of getting COVID–
2 19 or experiencing severe illness”.

3 (3) Minority-owned businesses are also facing
4 more difficult economic circumstances than others as
5 a result of the COVID–19 pandemic. In April 2020,
6 the Federal Reserve Bank of New York reported
7 that minority- and women-owned businesses were
8 not only more likely to show signs of limited finan-
9 cial health, but also twice as likely to be classified
10 as “at risk” or “distressed” than their non-minority
11 counterparts.

12 (4) During the Coronavirus 2019 (COVID–19)
13 pandemic, community development financial institu-
14 tions (CDFIs) and minority depository institutions
15 (MDIs) have delivered needed capital and relief to
16 underserved communities, many of which have borne
17 a disproportionate impact of the COVID–19 pan-
18 demic. Through July 31, 2020, CDFIs and MDIs
19 have provided more than \$16.2 billion in Paycheck
20 Protection Program (PPP) loans to small businesses
21 with a smaller median loan size of about \$75,000
22 compared to the overall program median loan size of
23 \$103,000.

24 (5) In addition to establishing relief funds and
25 services for local businesses and individuals experi-

1 encing loss of income, CDFIs and MDIs have pro-
2 vided mortgage forbearances, loan deferments, and
3 modifications to help address the needs of their bor-
4 rowers. CDFIs and MDIs are reaching underserved
5 communities and minority-owned businesses at a
6 critical time.

7 (6) The Community Development Financial In-
8 stitutions Fund (CDFI Fund) is an agency of the
9 U.S. Department of the Treasury and was estab-
10 lished by the Riegle Community Development and
11 Regulatory Improvement Act of 1994. The mission
12 of the CDFI Fund is “to expand economic oppor-
13 tunity for underserved people and communities by
14 supporting the growth and capacity of a national
15 network of community development lenders, inves-
16 tors, and financial service providers”. As of July 13,
17 2020, there were 1,129 certified CDFIs in all 50
18 States, District of Columbia, Guam, and Puerto
19 Rico.

20 (7) Following the 2008 financial crisis and the
21 disproportionate impact the Great Recession had on
22 minority communities, the number of MDI banks fell
23 more than 30 percent over the following decade, to
24 143 as of the first quarter of 2020. Meanwhile, MDI
25 credit unions have seen similar declines, with more

1 than one-third of such institutions disappearing
2 since 2013.

3 (8) The Committee on Financial Services of the
4 House of Representatives has examined the impor-
5 tance of CDFIs and MDIs through three hearings
6 held during the 116th Congress. At these hearings,
7 the Committee received testimony from 13 witnesses,
8 most of whom were representatives of CDFIs or
9 MDIs, and four of whom were Federal regulators.
10 These hearings include:

11 (A) October 22, 2019, “An Examination of
12 the Decline of Minority Depository Institutions
13 and the Impact on Underserved Communities”.

14 (B) November 20, 2019, “An Examination
15 of Regulators’ Efforts to Preserve and Promote
16 Minority Depository Institutions”.

17 (C) June 3, 2020, Virtual Hearing—“Pro-
18 moting Inclusive Lending During the Pandemic:
19 Community Development Financial Institutions
20 and Minority Depository Institutions”.

21 At these hearings, the Committee discussed the op-
22 portunities and challenges facing CDFIs and MDIs.
23 The Committee discussed 9 different pieces of legis-
24 lation to address some of these challenges and fully
25 support the work of MDIs and CDFIs.

1 (b) SENSE OF CONGRESS.—The following is the sense
2 of the Congress:

3 (1) The Department of the Treasury, Board of
4 Governors of the Federal Reserve System, Small
5 Business Administration (SBA), Office of the Comp-
6 troller of the Currency, Federal Deposit Insurance
7 Corporation, National Credit Union Administration,
8 and other Federal agencies should take steps to sup-
9 port, engage with, and utilize minority depository in-
10 stitutions and community development financial in-
11 stitutions in the near term, especially as they carry
12 out programs to respond to the COVID–19 pan-
13 demic, and the long term.

14 (2) The Department of the Treasury and pru-
15 dential regulators should establish a strategic plan
16 identifying concrete steps that they can take to sup-
17 port existing minority depository institutions, as well
18 as the formation of new minority depository institu-
19 tions consistent with the goals established in the Fi-
20 nancial Institutions Reform, Recovery, and Enforce-
21 ment Act of 1989 (FIRREA) to preserve and pro-
22 mote minority depository institutions.

23 (3) Congress should increase funding and make
24 other enhancements, including those provided by this
25 legislation, to enhance the effectiveness of the CDFI

1 Fund, especially reforms to support minority-owned
 2 and minority led CDFIs in times of crisis and be-
 3 yond.

4 (4) Congress should conduct robust and ongoing
 5 oversight of the Department of the Treasury,
 6 CDFI Fund, Federal prudential regulators, SBA,
 7 and other Federal agencies to ensure they fulfill
 8 their obligations under the law as well as implement
 9 this Act and other laws in a manner that supports
 10 and fully utilizes minority depository institutions
 11 and community development financial intuitions, as
 12 appropriate.

13 **SEC. 3. STRENGTHENING MINORITY COMMUNITY DEVELOP-**
 14 **MENT FINANCIAL INSTITUTIONS.**

15 (a) MINORITY COMMUNITY DEVELOPMENT FINAN-
 16 CIAL INSTITUTION SET-ASIDE IN PROVIDING ASSIST-
 17 ANCE.—

18 (1) IN GENERAL.—Section 108 of the Commu-
 19 nity Development Banking and Financial Institu-
 20 tions Act of 1994 (12 U.S.C. 4707) is amended by
 21 adding at the end the following:

22 “(i) MINORITY COMMUNITY DEVELOPMENT FINAN-
 23 CIAL INSTITUTION SET-ASIDE IN PROVIDING ASSIST-
 24 ANCE.—Notwithstanding any other provision of law, in
 25 providing any assistance, the Fund shall reserve 40 per-

1 cent of such assistance for minority community develop-
2 ment financial institutions.”.

3 (2) DEFINITIONS.—Section 103 of the Commu-
4 nity Development Banking and Financial Institu-
5 tions Act of 1994 (12 U.S.C. 4702) is amended by
6 adding at the end the following:

7 “(22) MINORITY COMMUNITY DEVELOPMENT
8 FINANCIAL INSTITUTION DEFINITIONS.—

9 “(A) MINORITY.—The term ‘minority’
10 means any Black American, Native American,
11 Hispanic American, or Asian American.

12 “(B) MINORITY COMMUNITY DEVELOP-
13 MENT FINANCIAL INSTITUTION.—The term ‘mi-
14 nority community development financial institu-
15 tion’ means a community development financial
16 institution that—

17 “(i) if a privately owned institution,
18 51 percent is owned by one or more so-
19 cially and economically disadvantaged indi-
20 viduals;

21 “(ii) if publicly owned, 51 percent of
22 the stock is owned by one or more socially
23 and economically disadvantaged individ-
24 uals;

1 “(iii) in the case of a mutual institu-
2 tion, where the majority of the Board of
3 Directors, account holders, and the com-
4 munity which the institution services is
5 predominantly minority; and

6 “(iv) in the case of any other institu-
7 tion, is a minority-owned or minority-led
8 institution, as determined by the Adminis-
9 trator.”.

10 (b) OFFICE OF MINORITY COMMUNITY DEVELOP-
11 MENT FINANCIAL INSTITUTIONS.—Section 104 of the
12 Community Development Banking and Financial Institu-
13 tions Act of 1994 (12 U.S.C. 4703) is amended by adding
14 at the end the following:

15 “(1) OFFICE OF MINORITY COMMUNITY DEVELOP-
16 MENT FINANCIAL INSTITUTIONS.—

17 “(1) ESTABLISHMENT.—There is established
18 within the Fund an Office of Minority Community
19 Development Financial Institutions, which shall
20 oversee assistance provided by the Fund to minority
21 community development financial institutions.

22 “(2) DEPUTY DIRECTOR.—The head of the Of-
23 fice shall be the Deputy Director of Minority Com-
24 munity Development Financial Institutions, who

1 shall report directly to the Administrator of the
2 Fund.”.

3 (c) REPORTING ON MINORITY COMMUNITY DEVELOPMENT
4 FINANCIAL INSTITUTIONS.—Section 117 of the
5 Community Development Banking and Financial Institutions
6 Act of 1994 (12 U.S.C. 4716) is amended by adding
7 at the end the following:

8 “(g) REPORTING ON MINORITY COMMUNITY DEVELOPMENT
9 FINANCIAL INSTITUTIONS.—Each report re-
10 quired under subsection (a) shall include a description of
11 the extent to which assistance from the Fund are provided
12 to minority community development financial institu-
13 tions.”.

14 **SEC. 4. COMMUNITY DEVELOPMENT FINANCIAL INSTITU-**
15 **TIONS FUND.**

16 (a) IN GENERAL.—Of any unobligated amounts that
17 were appropriated to the fund established under section
18 5302(a)(1) of title 31, United States Code, by section
19 4027 of the CARES Act (15 U.S.C. 9061),
20 \$5,000,000,000 shall be transferred to the Community
21 Development Financial Institutions Fund for fiscal years
22 2020 and 2021, for providing financial assistance and
23 technical assistance under subparagraphs (A) and (B) of
24 section 108(a)(1) of the Community Development Bank-
25 ing and Financial Institutions Act of 1994 (12 U.S.C.

1 4707(a)(1)), except that subsections (d) and (e) of such
 2 section 108 shall not apply to the provision of such assist-
 3 ance, for the Bank Enterprise Award program, and for
 4 financial assistance, technical assistance, training, and
 5 outreach programs designed to benefit Native American,
 6 Native Hawaiian, and Alaska Native communities and
 7 provided primarily through qualified community develop-
 8 ment lender organizations with experience and expertise
 9 in community development banking and lending in Indian
 10 country, Native American organizations, Tribes and Trib-
 11 al organizations, and other suitable providers. Of such
 12 amount, not less than \$2,000,000,000 shall be for pro-
 13 viding financial assistance, technical assistance, awards,
 14 training, and outreach programs described above to recipi-
 15 ents that are minority lending institutions.

16 (b) DEFINITIONS.—For purposes of this section:

17 (1) MINORITY LENDING INSTITUTION.—The
 18 term “minority lending institution” means any de-
 19 pository institution, loan fund, or other financial in-
 20 stitution that—

21 (A) if a privately owned institution, 51
 22 percent is owned by one or more socially and
 23 economically disadvantaged individuals;

1 (B) if publicly owned, 51 percent of the
 2 stock is owned by one or more socially and eco-
 3 nomically disadvantaged individuals;

4 (C) in the case of a mutual institution,
 5 where the majority of the Board of Directors,
 6 account holders, and the community which it
 7 services is predominantly minority; and

8 (D) in the case of any other institution, is
 9 a minority-owned or minority-led institution, as
 10 determined by the Administrator of the Com-
 11 munity Development Financial Institutions
 12 Fund.

13 (2) MINORITY.—The term “minority” means
 14 any Black American, Native American, Hispanic
 15 American, or Asian American.

16 **SEC. 5. MINIMUM ISSUANCE AMOUNTS UNDER THE CDFI**
 17 **BOND GUARANTEE PROGRAM.**

18 (a) REDUCTION FOR FISCAL YEAR 2020.—

19 (1) IN GENERAL.—Section 114A(e)(2)(B) of
 20 the Riegle Community Development and Regulatory
 21 Improvement Act of 1994 (12 U.S.C.
 22 4713a(e)(2)(B)) is amended by striking
 23 “\$100,000,000” and inserting “\$25,000,000”.

24 (2) RULE OF APPLICATION.—The Notice of
 25 Guarantee Availability issued for the Bond Guar-

1 antee Program in fiscal year 2019 (CFDA 21.011)
 2 shall apply for purposes of carrying out the Program
 3 (as defined under section 114A(a) of the Riegle
 4 Community Development and Regulatory Improve-
 5 ment Act of 1994) with regard to commitments to
 6 guarantee bonds and notes during fiscal year 2020.

7 (b) PERMANENT ADJUSTMENT.—Effective October
 8 1, 2020, section 114A(e)(2)(B) of the Riegle Community
 9 Development and Regulatory Improvement Act of 1994
 10 (12 U.S.C. 4713a(e)(2)(B)) is amended by striking
 11 “\$25,000,000” and inserting “\$50,000,000”.

12 **SEC. 6. COMMUNITY CAPITAL INVESTMENT PROGRAM.**

13 Section 4003 of the CARES Act (15 U.S.C. 9042)
 14 is amended by adding at the end the following:

15 “(i) COMMUNITY CAPITAL INVESTMENT PROGRAM.—

16 “(1) IN GENERAL.—The Secretary of the
 17 Treasury shall establish a Community Capital In-
 18 vestment Program (the ‘Program’) to support the ef-
 19 forts of community investment institutions to pro-
 20 vide loans and forbearance for small businesses, mi-
 21 nority-owned businesses, and consumers, especially
 22 in low-income and underserved communities, by—

23 “(A) providing direct capital investments
 24 in community investment institutions; and

1 “(B) providing loans to community invest-
2 ment institutions—

3 “(i) that are interest-free loans;

4 “(ii) that have a loan term of 5 years;

5 and

6 “(iii) with respect to which no loan
7 payment is required until at least the end
8 of the 6-month period beginning on the
9 date the loan is made, or such longer term
10 as the Secretary may determine appro-
11 priate.

12 “(2) APPLICATION DATE.—The Secretary shall
13 begin accepting applications for capital investments
14 and loans under the Program not later than the end
15 of the 10-day period beginning on the date of enact-
16 ment of this subsection.

17 “(3) COMMUNITY INVESTMENT PLAN.—At the
18 time that an applicant submits an application to the
19 Secretary for a capital investment under the Pro-
20 gram, the applicant shall—

21 “(A) provide the Secretary with a Commu-
22 nity Investment Plan that specifies how the ap-
23 plicant intends to use the capital investment or
24 loans made available under the Program to pro-
25 vide loans and forbearance for small businesses,

1 minority-owned businesses, and consumers, es-
2 pecially in low-income and underserved commu-
3 nities; and

4 “(B) include with such application an at-
5 testation by the applicant that the applicant—

6 “(i) does not own, service, or offer
7 any financial product at an annual per-
8 centage rate of more than 36 percent in-
9 terest, as defined in section 987(i)(4) of
10 title 10, United States Code; and

11 “(ii) is compliant with all State inter-
12 est rate laws.

13 “(4) DIVIDEND RATE.—Any preferred stock or
14 other financial instrument issued to the Secretary in
15 exchange for a capital investment under the Pro-
16 gram shall carry a dividend or interest rate that
17 does not exceed 1 percent.

18 “(5) RESTRICTIONS.—The restrictions de-
19 scribed under subsection (c)(3)(A)(ii) shall apply to
20 capital investments and loans made under this sub-
21 section.

22 “(6) AVAILABLE AMOUNTS.—In carrying out
23 the Program, the Secretary shall use amounts made
24 available under subsection (b), notwithstanding the

1 limitations on the use of such funds under para-
2 graphs (1) through (4) of such subsection (b).

3 “(7) MDI SET-ASIDE.—At least \$3,000,000,000
4 of the direct capital investments and loans made by
5 the Secretary under the Program shall be made to
6 minority depository institutions.

7 “(8) TREATMENT OF CAPITAL INVESTMENTS.—
8 In making any capital investment under the Pro-
9 gram, the Secretary shall ensure that the terms of
10 the investment are designed to ensure the invest-
11 ment receives Tier 1 capital treatment.

12 “(9) COLLECTION OF DATA.—Notwithstanding
13 the Equal Opportunity Credit Act (15 U.S.C. 1691
14 et seq.)—

15 “(A) a community investment institution
16 may collect data described in section 701(a)(1)
17 of that Act (15 U.S.C. 1691(a)(1)) from bor-
18 rowers and applicants for credit for the purpose
19 of monitoring compliance under the Community
20 Investment Plan required under paragraph (3);
21 and

22 “(B) a community investment institution
23 that collects the data described in subparagraph
24 (A) shall not be subject to adverse action re-
25 lated to that collection by the Bureau of Con-

1 consumer Financial Protection or any other Fed-
2 eral agency.

3 “(10) DEFINITIONS.—In this subsection, sub-
4 section (j), and subsection (k):

5 “(A) COMMUNITY INVESTMENT INSTITU-
6 TION.—The term ‘community investment insti-
7 tution’ means—

8 “(i) a community development finan-
9 cial institution, as defined under section
10 103 of the Riegle Community Development
11 and Regulatory Improvement Act of 1994
12 (12 U.S.C. 4702);

13 “(ii) an impact credit union;

14 “(iii) an impact bank; and

15 “(iv) a minority depository institution,
16 as defined under section 308 of the Finan-
17 cial Institutions Reform, Recovery, and
18 Enforcement Act of 1989 (12 U.S.C. 1463
19 note).

20 “(B) CREDIT UNION.—The term ‘credit
21 union’ has the meaning given the terms State
22 credit union and Federal credit union under
23 section 101 of the Federal Credit Union Act
24 (12 U.S.C. 1752).

1 “(C) IMPACT CREDIT UNION.—The term
2 ‘impact credit union’ means a credit union
3 that—

4 “(i) has total consolidated assets of
5 less than \$10,000,000,000; and

6 “(ii) extends at least 50 percent of the
7 loans extended by the credit union to bor-
8 rowers who are low-income borrowers, as
9 determined by the Secretary.

10 “(D) IMPACT BANK.—The term ‘impact
11 bank’ means a depository institution (as defined
12 under section 3 of the Federal Deposit Insur-
13 ance Act) that—

14 “(i) has total consolidated assets of
15 less than \$10,000,000,000; and

16 “(ii) extends at least 50 percent of the
17 loans extended by the institution to bor-
18 rowers who are low-income borrowers, as
19 determined by the Secretary.

20 “(j) APPLICATION OF THE MILITARY LENDING
21 ACT.—

22 “(1) IN GENERAL.—No community investment
23 institution that receives an equity investment under
24 subsection (i) shall, for so long as the investment
25 continues, make any loan at an annualized percent-

1 age rate above 36 percent, as determined in accord-
2 ance with section 987(b) of title 10, United States
3 Code (commonly known as the ‘Military Lending
4 Act)’.

5 “(2) NO EXEMPTIONS PERMITTED.—The ex-
6 emption authority of the Bureau under section
7 105(f) of the Truth in Lending Act (15 U.S.C.
8 1604(f)) shall not apply with respect to this sub-
9 section.”.

10 **SEC. 7. ENSURING DIVERSITY IN COMMUNITY BANKING.**

11 (a) SENSE OF CONGRESS ON FUNDING THE LOAN-
12 LOSS RESERVE FUND FOR SMALL DOLLAR LOANS.—The
13 sense of Congress is the following:

14 (1) The Community Development Financial In-
15 stitutions Fund (the “CDFI Fund”) is an agency of
16 the Department of the Treasury, and was estab-
17 lished by the Riegle Community Development and
18 Regulatory Improvement Act of 1994. The mission
19 of the CDFI Fund is “to expand economic oppor-
20 tunity for underserved people and communities by
21 supporting the growth and capacity of a national
22 network of community development lenders, inves-
23 tors, and financial service providers”. A community
24 development financial institution (a “CDFI”) is a
25 specialized financial institution serving low-income

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

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

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

19 (C) The Native American CDFI Assistance
20 Program, which provides CDFIs and spon-
21 soring entities Financial and Technical Assist-
22 ance awards to increase lending and grow the
23 number of CDFIs owned by Native Americans
24 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) Since its founding, the CDFI Fund has
17 awarded over \$3,300,000,000 to CDFIs and CDEs,
18 allocated \$54,000,000,000 in tax credits, and
19 \$1,510,000,000 in bond guarantees. According to
20 the CDFI Fund, some programs attract as much as
21 \$10 in private capital for every \$1 invested by the
22 CDFI Fund. The Administration and the Congress
23 should prioritize appropriation of funds for the loan
24 loss reserve fund and technical assistance programs

1 administered by the Community Development Finan-
2 cial Institution Fund.

3 (b) DEFINITIONS.—In this section:

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

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

16 (c) ESTABLISHMENT OF IMPACT BANK DESIGNA-
17 TION.—

18 (1) IN GENERAL.—Each Federal banking agen-
19 cy shall establish a program under which a deposi-
20 tory institution with total consolidated assets of less
21 than \$10,000,000,000 may elect to be designated as
22 an impact bank if the total dollar value of the loans
23 extended by such depository institution to low-in-
24 come borrowers is greater than or equal to 50 per-
25 cent of the assets of such bank.

1 (2) NOTIFICATION OF ELIGIBILITY.—Based on
2 data obtained through examinations of depository in-
3 stitutions, the appropriate Federal banking agency
4 shall notify a depository institution if the institution
5 is eligible to be designated as an impact bank.

6 (3) APPLICATION.—Regardless of whether or
7 not it has received a notice of eligibility under para-
8 graph (1), a depository institution may submit an
9 application to the appropriate Federal banking agen-
10 cy—

11 (A) requesting to be designated as an im-
12 pact bank; and

13 (B) demonstrating that the depository in-
14 stitution meets the applicable qualifications.

15 (4) LIMITATION ON ADDITIONAL DATA RE-
16 QUIREMENTS.—The Federal banking agencies may
17 only impose additional data collection requirements
18 on a depository institution under this subsection if
19 such data is—

20 (A) necessary to process an application
21 submitted by the depository institution to be
22 designated an impact bank; or

23 (B) with respect to a depository institution
24 that is designated as an impact bank, necessary

1 to ensure the depository institution's ongoing
2 qualifications to maintain such designation.

3 (5) REMOVAL OF DESIGNATION.—If the appro-
4 priate Federal banking agency determines that a de-
5 pository institution designated as an impact bank no
6 longer meets the criteria for such designation, the
7 appropriate Federal banking agency shall rescind
8 the designation and notify the depository institution
9 of such rescission.

10 (6) RECONSIDERATION OF DESIGNATION; AP-
11 PEALS.—Under such procedures as the Federal
12 banking agencies may establish, a depository institu-
13 tion may—

14 (A) submit to the appropriate Federal
15 banking agency a request to reconsider a deter-
16 mination that such depository institution no
17 longer meets the criteria for the designation; or

18 (B) file an appeal of such determination.

19 (7) RULEMAKING.—Not later than 1 year after
20 the date of the enactment of this Act, the Federal
21 banking agencies shall jointly issue rules to carry
22 out the requirements of this subsection, including by
23 providing a definition of a low-income borrower.

24 (8) REPORTS.—Each Federal banking agency
25 shall submit an annual report to the Congress con-

1 taining a description of actions taken to carry out
2 this subsection.

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

9 (d) MINORITY DEPOSITORIES ADVISORY COMMIT-
10 TEES.—

11 (1) ESTABLISHMENT.—Each covered regulator
12 shall establish an advisory committee to be called the
13 “Minority Depositories Advisory Committee”.

14 (2) DUTIES.—Each Minority Depositories Advi-
15 sory Committee shall provide advice to the respective
16 covered regulator on meeting the goals established
17 by section 308 of the Financial Institutions Reform,
18 Recovery, and Enforcement Act of 1989 (12 U.S.C.
19 1463 note) to preserve the present number of cov-
20 ered minority institutions, preserve the minority
21 character of minority-owned institutions in cases in-
22 volving mergers or acquisitions, provide technical as-
23 sistance, and encourage the creation of new covered
24 minority institutions. The scope of the work of each
25 such Minority Depositories Advisory Committee shall

1 include an assessment of the current condition of
2 covered minority institutions, what regulatory
3 changes or other steps the respective agencies may
4 be able to take to fulfill the requirements of such
5 section 308, and other issues of concern to covered
6 minority institutions.

7 (3) MEMBERSHIP.—

8 (A) IN GENERAL.—Each Minority Depository
9 Advisory Committee shall consist of no
10 more than 10 members, who—

11 (i) shall serve for one two-year term;

12 (ii) shall serve as a representative of
13 a depository institution or an insured credit
14 union with respect to which the respective
15 covered regulator is the covered regulator of such
16 depository institution or insured credit union; and

17 (iii) shall not receive pay by reason of
18 their service on the advisory committee,
19 but may receive travel or transportation
20 expenses in accordance with section 5703
21 of title 5, United States Code.

22 (B) DIVERSITY.—To the extent practicable,
23 each covered regulator shall ensure that
24 the members of the Minority Depositories Advisory
25

1 sory Committee of such agency reflect the di-
2 versity of covered minority institutions.

3 (4) MEETINGS.—

4 (A) IN GENERAL.—Each Minority Deposi-
5 tories Advisory Committee shall meet not less
6 frequently than twice each year.

7 (B) NOTICE AND INVITATIONS.—Each Mi-
8 nority Depositories Advisory Committee shall—

9 (i) notify the Committee on Financial
10 Services of the House of Representatives
11 and the Committee on Banking, Housing,
12 and Urban Affairs of the Senate in ad-
13 vance of each meeting of the Minority De-
14 positories Advisory Committee; and

15 (ii) invite the attendance at each
16 meeting of the Minority Depositories Advi-
17 sory Committee of—

18 (I) one member of the majority
19 party and one member of the minority
20 party of the Committee on Financial
21 Services of the House of Representa-
22 tives and the Committee on Banking,
23 Housing, and Urban Affairs of the
24 Senate; and

1 (II) one member of the majority
2 party and one member of the minority
3 party of any relevant subcommittees
4 of such committees.

5 (5) NO TERMINATION OF ADVISORY COMMIT-
6 TEES.—The termination requirements under section
7 14 of the Federal Advisory Committee Act (5 U.S.C.
8 App.) shall not apply to a Minority Depositories Ad-
9 visory Committee established pursuant to this sub-
10 section.

11 (6) DEFINITIONS.—In this subsection:

12 (A) COVERED REGULATOR.—The term
13 “covered regulator” means the Comptroller of
14 the Currency, the Board of Governors of the
15 Federal Reserve System, the Federal Deposit
16 Insurance Corporation, and the National Credit
17 Union Administration.

18 (B) COVERED MINORITY INSTITUTION.—
19 The term “covered minority institution” means
20 a minority depository institution (as defined in
21 section 308(b) of the Financial Institutions Re-
22 form, Recovery, and Enforcement Act of 1989
23 (12 U.S.C. 1463 note)).

24 (C) DEPOSITORY INSTITUTION.—The term
25 “depository institution” has the meaning given

1 under section 3 of the Federal Deposit Insur-
2 ance Act (12 U.S.C. 1813).

3 (D) INSURED CREDIT UNION.—The term
4 “insured credit union” has the meaning given
5 in section 101 of the Federal Credit Union Act
6 (12 U.S.C. 1752).

7 (7) TECHNICAL AMENDMENT.—Section 308(b)
8 of the Financial Institutions Reform, Recovery, and
9 Enforcement Act of 1989 (12 U.S.C. 1463 note) is
10 amended by adding at the end the following new
11 paragraph:

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

18 (e) FEDERAL DEPOSITS IN MINORITY DEPOSITORY
19 INSTITUTIONS.—

20 (1) IN GENERAL.—Section 308 of the Financial
21 Institutions Reform, Recovery, and Enforcement Act
22 of 1989 (12 U.S.C. 1463 note) is amended—

23 (A) by adding at the end the following new
24 subsection:

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

8 (B) in subsection (b), as amended by sec-
 9 tion 6(g), by adding at the end the following
 10 new paragraph:

11 “(4) IMPACT BANK.—The term ‘impact bank’
 12 means a depository institution designated by the ap-
 13 propriate Federal banking agency pursuant to sec-
 14 tion 7(c) of the Promoting and Advancing Commu-
 15 nities of Color through Inclusive Lending Act.”.

16 (2) TECHNICAL AMENDMENTS.—Section 308 of
 17 the Financial Institutions Reform, Recovery, and
 18 Enforcement Act of 1989 (12 U.S.C. 1463 note) is
 19 amended—

20 (A) in the matter preceding paragraph (1),
 21 by striking “section—” and inserting “sec-
 22 tion:”; and

23 (B) in the paragraph heading for para-
 24 graph (1), by striking “FINANCIAL” and insert-
 25 ing “DEPOSITORY”.

1 (f) MINORITY BANK DEPOSIT PROGRAM.—

2 (1) IN GENERAL.—Section 1204 of the Finan-
3 cial Institutions Reform, Recovery, and Enforcement
4 Act of 1989 (12 U.S.C. 1811 note) is amended to
5 read as follows:

6 **“SEC. 1204. EXPANSION OF USE OF MINORITY DEPOSITORY**
7 **INSTITUTIONS.**

8 “(a) MINORITY BANK DEPOSIT PROGRAM.—

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

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

15 “(A) on application by a depository institu-
16 tion or credit union, certify whether such depos-
17 itory institution or credit union is a minority
18 depository institution;

19 “(B) maintain and publish a list of all de-
20 pository institutions and credit unions that have
21 been certified pursuant to subparagraph (A);
22 and

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

1 “(i) all Federal departments and
2 agencies;

3 “(ii) interested State and local govern-
4 ments; and

5 “(iii) interested private sector compa-
6 nies.

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

15 “(b) EXPANDED USE AMONG FEDERAL DEPART-
16 MENTS AND AGENCIES.—

17 “(1) IN GENERAL.—Not later than 1 year after
18 the establishment of the program described in sub-
19 section (a), the head of each Federal department or
20 agency shall develop and implement standards and
21 procedures to prioritize, to the maximum extent pos-
22 sible as permitted by law and consistent with prin-
23 ciples of sound financial management, the use of mi-
24 nority depository institutions to hold the deposits of
25 each such department or agency.

1 “(2) REPORT TO CONGRESS.—Not later than 2
2 years after the establishment of the program de-
3 scribed in subsection (a), and annually thereafter,
4 the head of each Federal department or agency shall
5 submit to Congress a report on the actions taken to
6 increase the use of minority depository institutions
7 to hold the deposits of each such department or
8 agency.

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

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

14 “(2) DEPOSITORY INSTITUTION.—The term ‘de-
15 pository institution’ has the meaning given in section
16 3 of the Federal Deposit Insurance Act (12 U.S.C.
17 1813).

18 “(3) MINORITY DEPOSITORY INSTITUTION.—
19 The term ‘minority depository institution’ has the
20 meaning given that term under section 308 of this
21 Act.”.

22 “(2) CONFORMING AMENDMENTS.—The fol-
23 lowing provisions are amended by striking
24 “1204(c)(3)” and inserting “1204(c)”:

1 (A) Section 808(b)(3) of the Community
2 Reinvestment Act of 1977 (12 U.S.C.
3 2907(b)(3)).

4 (B) Section 40(g)(1)(B) of the Federal De-
5 posit Insurance Act (12 U.S.C.
6 1831q(g)(1)(B)).

7 (C) Section 704B(h)(4) of the Equal Cred-
8 it Opportunity Act (15 U.S.C. 1691c-2(h)(4)).

9 (g) DIVERSITY REPORT AND BEST PRACTICES.—

10 (1) ANNUAL REPORT.—Each covered regulator
11 shall submit to Congress an annual report on diver-
12 sity including the following:

13 (A) Data, based on voluntary self-identi-
14 fication, on the racial, ethnic, and gender com-
15 position of the examiners of each covered regu-
16 lator, disaggregated by length of time served as
17 an examiner.

18 (B) The status of any examiners of cov-
19 ered regulators, based on voluntary self-identi-
20 fication, as a veteran.

21 (C) Whether any covered regulator, as of
22 the date on which the report required under
23 this subsection is submitted, has adopted a pol-
24 icy, plan, or strategy to promote racial, ethnic,

1 and gender diversity among examiners of the
2 covered regulator.

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

9 (2) BEST PRACTICES.—Each Office of Minority
10 and Women Inclusion of a covered regulator shall
11 develop, provide to the head of the covered regulator,
12 and make publicly available best practices—

13 (A) for increasing the diversity of can-
14 didates applying for examiner positions, includ-
15 ing through outreach efforts to recruit diverse
16 candidate to apply for entry-level examiner posi-
17 tions; and

18 (B) for retaining and providing fair consid-
19 eration for promotions within the examiner
20 staff for purposes of achieving diversity among
21 examiners.

22 (3) COVERED REGULATOR DEFINED.—In this
23 subsection, the term “covered regulator” means the
24 Comptroller of the Currency, the Board of Gov-
25 ernors of the Federal Reserve System, the Federal

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

3 (h) INVESTMENTS IN MINORITY DEPOSITORY INSTI-
4 TUTIONS AND IMPACT BANKS.—

5 (1) CONTROL FOR CERTAIN INSTITUTIONS.—

6 Section 7(j)(8)(B) of the Federal Deposit Insurance
7 Act (12 U.S.C. 1817(j)(8)(B)) is amended to read
8 as follows:

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

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

13 “(ii)(I) with respect to an insured deposi-
14 tory institution, of a person to vote 25 per cen-
15 tum or more of any class of voting securities of
16 such institution; or

17 “(II) with respect to an insured depository
18 institution that is an impact bank (as des-
19 ignated pursuant to section 7(c) of Promoting
20 and Advancing Communities of Color through
21 Inclusive Lending Act) or a minority depository
22 institution (as defined in section 308(b) of the
23 Financial Institutions Reform, Recovery, and
24 Enforcement Act of 1989), of an individual to
25 vote 30 percent or more of any class of voting

1 securities of such an impact bank or a minority
2 depository institution.”.

3 (2) RULEMAKING.—The Federal banking agen-
4 cies (as defined in section 3 of the Federal Deposit
5 Insurance Act (12 U.S.C. 1813)) shall jointly issue
6 rules for de novo minority depository institutions
7 and de novo impact banks (as designated pursuant
8 to subsection (c)) to allow 3 years to meet the cap-
9 ital requirements otherwise applicable to minority
10 depository institutions and impact banks.

11 (3) REPORT.—Not later than 1 year after the
12 date of the enactment of this Act, the Federal bank-
13 ing agencies shall jointly submit to Congress a re-
14 port on—

15 (A) the principal causes for the low num-
16 ber of de novo minority depository institutions
17 during the 10-year period preceding the date of
18 the report;

19 (B) the main challenges to the creation of
20 de novo minority depository institutions and de
21 novo impact banks; and

22 (C) regulatory and legislative consider-
23 ations to promote the establishment of de novo
24 minority depository institutions and de novo im-
25 pact banks.

1 (i) REPORT ON COVERED MENTOR-PROTEGE PRO-
2 GRAMS.—

3 (1) REPORT.—Not later than 6 months after
4 the date of the enactment of this Act and annually
5 thereafter, the Secretary of the Treasury shall sub-
6 mit to Congress a report on participants in a cov-
7 ered mentor-protege program, including—

8 (A) an analysis of outcomes of such pro-
9 gram;

10 (B) the number of minority depository in-
11 stitutions that are eligible to participate in such
12 program but do not have large financial institu-
13 tion mentors; and

14 (C) recommendations for how to match
15 such minority depository institutions with large
16 financial institution mentors.

17 (2) DEFINITIONS.—In this subsection:

18 (A) COVERED MENTOR-PROTEGE PRO-
19 GRAM.—The term “covered mentor-protege pro-
20 gram” means a mentor-protege program estab-
21 lished by the Secretary of the Treasury pursu-
22 ant to section 45 of the Small Business Act (15
23 U.S.C. 657r).

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

4 (i) regulated by the Comptroller of the
5 Currency, the Board of Governors of the
6 Federal Reserve System, the Federal De-
7 posit Insurance Corporation, or the Na-
8 tional Credit Union Administration; and

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

11 (j) CUSTODIAL DEPOSIT PROGRAM FOR COVERED
12 MINORITY DEPOSITORY INSTITUTIONS AND IMPACT
13 BANKS.—

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

19 (2) REQUIREMENTS.—In issuing rules under
20 paragraph (1), the Secretary of the Treasury shall—

21 (A) consult with the Federal banking agen-
22 cies;

23 (B) ensure each covered bank participating
24 in the program established under this section—

1 (i) has appropriate policies relating to
2 management of assets, including measures
3 to ensure the safety and soundness of each
4 such covered bank; and

5 (ii) is compliant with applicable law;
6 and

7 (C) ensure, to the extent practicable that
8 the rules do not conflict with goals described in
9 section 308(a) of the Financial Institutions Re-
10 form, Recovery, and Enforcement Act of 1989
11 (12 U.S.C. 1463 note).

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

19 (4) DEFINITIONS.—In this subsection:

20 (A) COVERED BANK.—The term “covered
21 bank” means—

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

1 (ii) a depository institution designated
2 pursuant to subsection (c) that is well cap-
3 italized, as defined by the appropriate Fed-
4 eral banking agency.

5 (B) FEDERAL BANKING AGENCIES.—The
6 terms “appropriate Federal banking agency”
7 and “Federal banking agencies” have the mean-
8 ing given those terms, respectively, under sec-
9 tion 3 of the Federal Deposit Insurance Act.

10 (C) QUALIFYING ACCOUNT.—The term
11 “qualifying account” means any account estab-
12 lished in the Department of the Treasury
13 that—

14 (i) is controlled by the Secretary; and
15 (ii) is expected to maintain a balance
16 greater than \$200,000,000 for the fol-
17 lowing 24-month period.

18 (k) STREAMLINED COMMUNITY DEVELOPMENT FI-
19 NANCIAL INSTITUTION APPLICATIONS AND REPORTING.—

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

1 community development financial institution, the Fed-
2 eral Deposit Insurance Corporation, in consultation
3 with the Administrator of the Community Develop-
4 ment Financial Institutions Fund, shall—

5 (A) develop systems and procedures to
6 record necessary information to allow the Ad-
7 ministrator to conduct preliminary analysis for
8 such person to also become a community devel-
9 opment financial institution; and

10 (B) develop procedures to streamline the
11 application and annual certification processes
12 and to reduce costs for such person to become,
13 and maintain certification as, a community de-
14 velopment financial institution.

15 (2) IMPLEMENTATION REPORT.—Not later than
16 18 months after the date of the enactment of this
17 Act, the Federal Deposit Insurance Corporation
18 shall submit to Congress a report describing the sys-
19 tems and procedures required under paragraph (1).

20 (3) ANNUAL REPORT.—

21 (A) IN GENERAL.—Section 17(a)(1) of the
22 Federal Deposit Insurance Act (12 U.S.C.
23 1827(a)(1)) is amended—

24 (i) in subparagraph (E), by striking
25 “and” at the end;

1 (ii) by redesignating subparagraph
2 (F) as subparagraph (G);

3 (iii) by inserting after subparagraph
4 (E) the following new subparagraph:

5 “(F) applicants for deposit insurance that
6 could also become a community development fi-
7 nancial institution (as defined in section 103 of
8 the Riegle Community Development and Regu-
9 latory Improvement Act of 1994), a minority
10 depository institution (as defined in section 308
11 of the Financial Institutions Reform, Recovery,
12 and Enforcement Act of 1989), or an impact
13 bank (as designated pursuant to section 7(c) of
14 the Promoting and Advancing Communities of
15 Color through Inclusive Lending Act); and”.

16 (B) APPLICATION.—The amendment made
17 by this paragraph shall apply with respect to
18 the first report to be submitted after the date
19 that is 2 years after the date of the enactment
20 of this Act.

21 (I) TASK FORCE ON LENDING TO SMALL BUSINESS
22 CONCERNS.—

23 (1) IN GENERAL.—Not later than 6 months
24 after the date of the enactment of this Act, the Ad-
25 ministrator of the Small Business Administration

1 shall establish a task force to examine methods for
 2 improving relationships between the Small Business
 3 Administration and community development finan-
 4 cial institutions, minority depository institutions,
 5 and Impact Banks to increase the volume of loans
 6 provided by such institutions to small business con-
 7 cerns (as defined under section 3 of the Small Busi-
 8 ness Act (15 U.S.C. 632)).

9 (2) REPORT TO CONGRESS.—Not later than 18
 10 months after the establishment of the task force de-
 11 scribed in paragraph (1), the Administrator of the
 12 Small Business Administration shall submit to Con-
 13 gress a report on the findings of such task force.

14 **SEC. 8. ESTABLISHMENT OF FINANCIAL AGENT MENTOR-**
 15 **PROTÉGÉ PROGRAM.**

16 (a) IN GENERAL.—Section 308 of the Financial In-
 17 stitutions Reform, Recovery, and Enforcement Act of
 18 1989 (12 U.S.C. 1463 note), as amended by section 6(f),
 19 is further amended by adding at the end the following new
 20 subsection:

21 “(e) FINANCIAL AGENT MENTOR-PROTÉGÉ PRO-
 22 GRAM.—

23 “(1) IN GENERAL.—The Secretary of the
 24 Treasury shall establish a program to be known as
 25 the ‘Financial Agent Mentor-Protégé Program’ (in

1 this subsection referred to as the ‘Program’) under
2 which a financial agent designated by the Secretary
3 or a large financial institution may serve as a men-
4 tor, under guidance or regulations prescribed by the
5 Secretary, to a small financial institution to allow
6 such small financial institution—

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

9 “(B) to improve capacity to provide serv-
10 ices to the customers of the small financial in-
11 stitution.

12 “(2) OUTREACH.—The Secretary shall hold
13 outreach events to promote the participation of fi-
14 nancial agents, large financial institutions, and small
15 financial institutions in the Program at least once a
16 year.

17 “(3) EXCLUSION.—The Secretary shall issue
18 guidance or regulations to establish a process under
19 which a financial agent, large financial institution,
20 or small financial institution may be excluded from
21 participation in the Program.

22 “(4) REPORT.—The Office of Minority and
23 Women Inclusion of the Department of the Treasury
24 shall include in the report submitted to Congress
25 under section 342(e) of the Dodd-Frank Wall Street

1 Reform and Consumer Protection Act information
2 pertaining to the Program, including—

3 “(A) the number of financial agents, large
4 financial institutions, and small financial insti-
5 tutions participating in such Program; and

6 “(B) the number of outreach events de-
7 scribed in paragraph (2) held during the year
8 covered by such report.

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

10 “(A) FINANCIAL AGENT.—The term ‘fi-
11 nancial agent’ means any national banking as-
12 sociation designated by the Secretary of the
13 Treasury to be employed as a financial agent of
14 the Government.

15 “(B) LARGE FINANCIAL INSTITUTION.—
16 The term ‘large financial institution’ means any
17 entity regulated by the Comptroller of the Cur-
18 rency, the Board of Governors of the Federal
19 Reserve System, the Federal Deposit Insurance
20 Corporation, or the National Credit Union Ad-
21 ministration that has total consolidated assets
22 greater than or equal to \$50,000,000,000.

23 “(C) SMALL FINANCIAL INSTITUTION.—
24 The term ‘small financial institution’ means—

1 “(i) any entity regulated by the
 2 Comptroller of the Currency, the Board of
 3 Governors of the Federal Reserve System,
 4 the Federal Deposit Insurance Corpora-
 5 tion, or the National Credit Union Admin-
 6 istration that has total consolidated assets
 7 lesser than or equal to \$2,000,000,000; or
 8 “(ii) a minority depository institu-
 9 tion.”.

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

13 **SEC. 9. STUDY AND REPORT WITH RESPECT TO IMPACT OF**
 14 **PROGRAMS ON LOW- AND MODERATE-IN-**
 15 **COME AND MINORITY COMMUNITIES.**

16 (a) STUDY.—The Secretary of the Treasury shall
 17 conduct a study of the impact of the programs established
 18 under this Act or any amendment made by this Act on
 19 low- and moderate-income and minority communities.

20 (b) REPORT.—Not later than 18 months after the
 21 date of enactment of this Act, the Secretary shall submit
 22 to Congress a report on the results of the study conducted
 23 pursuant to subsection (a), which shall include, to the ex-
 24 tent possible, the results of the study disaggregated by ra-
 25 cial and ethnic group.

1 (c) INFORMATION PROVIDED TO THE SECRETARY.—
2 Eligible institutions that participate in any of the pro-
3 grams described in subsection (a) shall provide the Sec-
4 retary of the Treasury with such information as the Sec-
5 retary may require to carry out the study required by this
6 section.

○