

116TH CONGRESS
2D SESSION

S. 4670

To amend the CARES Act to permit the Secretary of the Treasury to purchase, or to enable the purchase of, preferred equity positions in commercial real estate entities, and for other purposes.

IN THE SENATE OF THE UNITED STATES

SEPTEMBER 23, 2020

Mr. MORAN (for himself, Mrs. SHAHEEN, Mr. ROUNDS, Mr. BLUNT, and Mr. TILLIS) introduced the following bill; which was read twice and referred to the Committee on Banking, Housing, and Urban Affairs

A BILL

To amend the CARES Act to permit the Secretary of the Treasury to purchase, or to enable the purchase of, preferred equity positions in commercial real estate entities, 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.**

4 This Act may be cited as the “Preserving Equity on
5 Main Street Act of 2020”.

1 **SEC. 2. COMMERCIAL REAL ESTATE PREFERRED EQUITY**
 2 **INVESTMENTS.**

3 Section 4003(b)(4) of the CARES Act (15 U.S.C.
 4 9042(b)(4)) is amended—

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

7 (2) by inserting “(A)” after “(4)”;

8 (3) in subparagraph (A), as so redesignated—

9 (A) in clause (ii), as so redesignated, by
 10 striking “or” at the end;

11 (B) in clause (iii), as so redesignated, by
 12 striking the period at the end and inserting “;
 13 or”; and

14 (C) by adding at the end the following:

15 “(iv) purchasing preferred equity positions
 16 in commercial real estate companies that re-
 17 quire capital to satisfy outstanding debt obliga-
 18 tions, which the Secretary, acting alone or in
 19 concert with the Board of Governors of the
 20 Federal Reserve System, may achieve by—

21 “(I) directly purchasing those posi-
 22 tions; or

23 “(II) providing full or partial guaran-
 24 tees of those positions to financial institu-
 25 tions to enable the financial institutions to
 26 purchase those positions.”; and

1 (4) by adding at the end the following:

2 “(B) If the appropriate Federal banking agency
3 (as that term is defined in section 3 of the Federal
4 Deposit Insurance Act (12 U.S.C. 1813)) or the Na-
5 tional Credit Union Administration Board applies a
6 risk-based capital requirement of the applicable
7 agency to a preferred equity position for which there
8 is a full or partial guarantee provided under sub-
9 paragraph (A)(iv)(II), that position shall receive a
10 risk weight of zero percent for the purposes of the
11 application of that requirement.”.

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