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SUBCHAPTER I—COMMUNITY DEVELOP-
MENT BANKING AND FINANCIAL INSTI-
TUTIONS

§ 4701. Findings and purposes

(a) Findings

The Congress finds that—

(1) many of the Nation's urban, rural, and Native American communities face critical social and economic problems arising in part from the lack of economic growth, people living in poverty, and the lack of employment and other opportunities;

(2) the restoration and maintenance of the economies of these communities will require coordinated development strategies, intensive supportive services, and increased access to equity investments and loans for development activities, including investment in businesses, housing, commercial real estate, human development, and other activities that promote the long-term economic and social viability of the community; and

(3) community development financial institutions have proven their ability to identify and respond to community needs for equity investments, loans, and development services.

(b) Purpose

The purpose of this subchapter is to create a Community Development Financial Institutions Fund to promote economic revitalization and community development through investment in and assistance to community development financial institutions, including enhancing the liquidity of community development financial institutions.

(Pub. L. 103-325, title I, §102, Sept. 23, 1994, 108 Stat. 2163.)

Editorial Notes

REFERENCES IN TEXT

This subchapter, referred to in subsec. (b), was in original "this subtitle", meaning subtitle A of title I of Pub. L. 103-325, Sept. 23, 1994, 108 Stat. 2163, which is classified principally to this subchapter. For complete classification of this subtitle to the Code, see Short Title note below and Tables.

Statutory Notes and Related Subsidiaries

SHORT TITLE

Pub. L. 103-325, §1(a), Sept. 23, 1994, 108 Stat. 2160, provided that: "This Act [see Tables for classification]

may be cited as the 'Riegle Community Development and Regulatory Improvement Act of 1994'."

Pub. L. 103-325, title I, §101, Sept. 23, 1994, 108 Stat. 2163, provided that: "This subtitle [subtitle A (§§101-121) of title I of Pub. L. 103-325, enacting this subchapter and section 1772c-1 of this title, amending sections 1766 and 1834a of this title, section 5313 of Title 5, Government Organization and Employees, section 11 of Pub. L. 95-452 set out in the Appendix to Title 5, section 657 of Title 18, Crimes and Criminal Procedure, and section 9101 of Title 31, Money and Finance, and enacting provisions set out as a note under section 11 of Pub. L. 95-452 set out in the Appendix to Title 5] may be cited as the 'Community Development Banking and Financial Institutions Act of 1994'."

§ 4702. Definitions

For purposes of this subchapter, the following definitions shall apply:

(1) Administrator

The term "Administrator" means the Administrator of the Fund appointed under section 4703(b) of this title.

(2) Appropriate Federal banking agency

The term "appropriate Federal banking agency" has the same meaning as in section 1813 of this title, and also includes the National Credit Union Administration Board with respect to insured credit unions.

(3) Affiliate

The term "affiliate" has the same meaning as in section 1841(k) of this title.

(4) Board

The term "Board" means the Community Development Advisory Board established under section 4703(d) of this title.

(5) Community development financial institution

(A) In general

The term "community development financial institution" means a person (other than an individual) that—

- (i) has a primary mission of promoting community development;
- (ii) serves an investment area or targeted population;
- (iii) provides development services in conjunction with equity investments or loans, directly or through a subsidiary or affiliate;
- (iv) maintains, through representation on its governing board or otherwise, accountability to residents of its investment area or targeted population; and
- (v) is not an agency or instrumentality of the United States, or of any State or political subdivision of a State.

(B) Conditions for qualification of holding companies

(i) Consolidated treatment

A depository institution holding company may qualify as a community development financial institution only if the holding company and the subsidiaries and affiliates of the holding company collectively satisfy the requirements of subparagraph (A).

(ii) Exclusion of subsidiary or affiliate for failure to meet consolidated treatment rule

No subsidiary or affiliate of a depository institution holding company may qualify as a community development financial institution if the holding company and the subsidiaries and affiliates of the holding company do not collectively meet the requirements of subparagraph (A).

(C) Conditions for subsidiaries

No subsidiary of an insured depository institution may qualify as a community development financial institution if the insured depository institution and its subsidiaries do not collectively meet the requirements of subparagraph (A).

(6) Community partner

The term “community partner” means a person (other than an individual) that provides loans, equity investments, or development services, including a depository institution holding company, an insured depository institution, an insured credit union, a non-profit organization, a State or local government agency, a quasi-governmental entity, and an investment company authorized to operate pursuant to the Small Business Investment Act of 1958 [15 U.S.C. 661 et seq.].

(7) Community partnership

The term “community partnership” means an agreement between a community development financial institution and a community partner to provide development services, loans, or equity investments, to an investment area or targeted population.

(8) Depository institution holding company

The term “depository institution holding company” has the same meaning as in section 1813 of this title.

(9) Development services

The term “development services” means activities that promote community development and are integral to lending or investment activities, including—

- (A) business planning;
- (B) financial and credit counseling; and
- (C) marketing and management assistance.

(10) Fund

The term “Fund” means the Community Development Financial Institutions Fund established under section 4703(a) of this title.

(11) Indian reservation

The term “Indian reservation” has the same meaning as in section 1903(10) of title 25, and shall include land held by incorporated Native groups, regional corporations, and village corporations, as defined in or established pursuant to the Alaska Native Claims Settlement Act [43 U.S.C. 1601 et seq.], public domain Indian allotments, and former Indian reservations in the State of Oklahoma.

(12) Indian tribe

The term “Indian tribe” means any Indian tribe, band, pueblo, nation, or other organized

group or community, including any Alaska Native village or regional or village corporation, as defined in or established pursuant to the Alaska Native Claims Settlement Act [43 U.S.C. 1601 et seq.], which is recognized as eligible for the special programs and services provided by the United States to Indians because of their status as Indians.

(13) Insured community development financial institution

The term “insured community development financial institution” means any community development financial institution that is an insured depository institution or an insured credit union.

(14) Insured credit union

The term “insured credit union” has the same meaning as in section 1752(7) of this title.

(15) Insured depository institution

The term “insured depository institution” has the same meaning as in section 1813 of this title.

(16) Investment area

The term “investment area” means a geographic area (or areas) including an Indian reservation that—

(A)(i) meets objective criteria of economic distress developed by the Fund, which may include the percentage of low-income families or the extent of poverty, the rate of unemployment or underemployment, rural population outmigration, lag in population growth, and extent of blight and disinvestment; and

(ii) has significant unmet needs for loans or equity investments; or

(B) encompasses or is located in an empowerment zone or enterprise community designated under section 1391 of title 26.

(17) Low-income

The term “low-income” means having an income, adjusted for family size, of not more than—

(A) for metropolitan areas, 80 percent of the area median income; and

(B) for nonmetropolitan areas, the greater of—

(i) 80 percent of the area median income; or

(ii) 80 percent of the statewide non-metropolitan area median income.

(18) State

The term “State” has the same meaning as in section 1813 of this title.

(19) Subsidiary

The term “subsidiary” has the same meaning as in section 1813 of this title, except that a community development financial institution that is a corporation shall not be considered to be a subsidiary of any insured depository institution or depository institution holding company that controls less than 25 percent of any class of the voting shares of such corporation, and does not otherwise control in any manner the election of a majority of the directors of the corporation.

(20) Targeted population

The term “targeted population” means individuals, or an identifiable group of individuals, including an Indian tribe, who—

- (A) are low-income persons; or
- (B) otherwise lack adequate access to loans or equity investments.

(21) Training program

The term “training program” means the training program operated by the Fund under section 4708 of this title.

(Pub. L. 103-325, title I, § 103, Sept. 23, 1994, 108 Stat. 2163.)

Editorial Notes

REFERENCES IN TEXT

The Small Business Investment Act of 1958, referred to in par. (6), is Pub. L. 85-699, Aug. 21, 1958, 72 Stat. 689, which is classified principally to chapter 14B (§ 661 et seq.) of Title 15, Commerce and Trade. For complete classification of this Act to the Code, see Short Title note set out under section 661 of Title 15 and Tables.

The Alaska Native Claims Settlement Act, referred to in pars. (11) and (12), is Pub. L. 92-203, Dec. 18, 1971, 85 Stat. 688, which is classified generally to chapter 33 (§ 1601 et seq.) of Title 43, Public Lands. For complete classification of this Act to the Code, see Short Title note set out under section 1601 of Title 43 and Tables.

§ 4703. Establishment of national Fund for community development banking**(a) Establishment****(1) In general**

There is established a corporation to be known as the Community Development Financial Institutions Fund that shall have the duties and responsibilities specified by this subchapter and subchapter II of this chapter. The Fund shall have succession until dissolved. The offices of the Fund shall be in Washington, D.C. The Fund shall not be affiliated with or be within any other agency or department of the Federal Government.

(2) Wholly owned Government corporation

The Fund shall be a wholly owned Government corporation in the executive branch and shall be treated in all respects as an agency of the United States, except as otherwise provided in this subchapter.

(b) Management of Fund**(1) Appointment of Administrator**

The management of the Fund shall be vested in an Administrator, who shall be appointed by the President. The Administrator shall not engage in any other business or employment during service as the Administrator.

(2) Chief financial officer

The Administrator shall appoint a chief financial officer, who shall have the authority and functions of an agency Chief Financial Officer under section 902 of title 31. In the event of a vacancy in the position of the Administrator or during the absence or disability of the Administrator, the chief financial officer shall perform the duties of the position of Administrator.

(3) Other officers and employees

The Administrator may appoint such other officers and employees of the Fund as the Ad-

ministrator determines to be necessary or appropriate.

(4) Expedited hiring

During the 2-year period beginning on September 23, 1994, the Administrator may—

(A) appoint and terminate the individuals referred to in paragraphs (2) and (3) without regard to the civil service laws and regulations; and

(B) fix the compensation of the individuals referred to in paragraph (3) without regard to the provisions of chapter 51 and subchapter III of chapter 53 of title 5 relating to classification of positions and General Schedule pay rates, except that the rate of pay for such individuals may not exceed the rate payable for level V of the Executive Schedule under section 5316 of such title.

(c) General powers

In carrying out the functions of the Fund, the Administrator—

(1) shall have all necessary and proper authority to carry out this subchapter and subchapter II of this chapter;

(2) shall have the power to adopt, alter, and use a corporate seal for the Fund, which shall be judicially noticed;

(3) may adopt, amend, and repeal bylaws, rules, and regulations governing the manner in which business of the Fund may be conducted and such rules and regulations as may be necessary or appropriate to implement this subchapter and subchapter II of this chapter;

(4) may enter into, perform, and enforce such agreements, contracts, and transactions as may be deemed necessary or appropriate to the conduct of activities authorized under this subchapter and subchapter II of this chapter;

(5) may determine the character of and necessity for expenditures of the Fund and the manner in which they shall be incurred, allowed, and paid;

(6) may utilize or employ the services of personnel of any agency or instrumentality of the United States with the consent of the agency or instrumentality concerned on a reimbursable or nonreimbursable basis; and

(7) may execute all instruments necessary or appropriate in the exercise of any of the functions of the Fund under this subchapter and subchapter II of this chapter and may delegate to the officers of the Fund such of the powers and responsibilities of the Administrator as the Administrator deems necessary or appropriate for the administration of the Fund.

(d) Advisory Board**(1) Establishment**

There is established an advisory board to the Fund to be known as the Community Development Advisory Board, which shall be operated in accordance with the provisions of chapter 10 of title 5, except that section 1013 of title 5 does not apply to the Board.

(2) Membership

The Board shall consist of 15 members, including—

(A) the Secretary of Agriculture or his or her designee;