

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 nonmetropolitan 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;

(B) the Secretary of Commerce or his or her designee;

(C) the Secretary of Housing and Urban Development or his or her designee;

(D) the Secretary of the Interior or his or her designee;

(E) the Secretary of the Treasury or his or her designee;

(F) the Administrator of the Small Business Administration or his or her designee; and

(G) 9 private citizens, appointed by the President, who shall be selected, to the maximum extent practicable, to provide for national geographic representation and racial, ethnic, and gender diversity, including—

(i) 2 individuals who are officers of existing community development financial institutions;

(ii) 2 individuals who are officers of insured depository institutions;

(iii) 2 individuals who are officers of national consumer or public interest organizations;

(iv) 2 individuals who have expertise in community development; and

(v) 1 individual who has personal experience and specialized expertise in the unique lending and community development issues confronted by Indian tribes on Indian reservations.

(3) Chairperson

The members of the Board specified in paragraph (2)(G) shall select, by majority vote, a chairperson of the Board, who shall serve for a term of 2 years.

(4) Board function

It shall be the function of the Board to advise the Administrator on the policies of the Fund regarding activities under this subchapter. The Board shall not advise the Administrator on the granting or denial of any particular application.

(5) Terms of private members

(A) In general

Each member of the Board appointed under paragraph (2)(G) shall serve for a term of 4 years.

(B) Vacancies

Any member appointed to fill a vacancy occurring prior to the expiration of the term for which the previous member was appointed shall be appointed for the remainder of such term. Members may continue to serve following the expiration of their terms until a successor is appointed.

(6) Meetings

The Board shall meet at least annually and at such other times as requested by the Administrator or the chairperson. A majority of the members of the Board shall constitute a quorum.

(7) Reimbursement for expenses

The members of the Board may receive reimbursement for travel, per diem, and other necessary expenses incurred in the performance of their duties, in accordance with chapter 10 of title 5.

(8) Costs and expenses

The Fund shall provide to the Board all necessary staff and facilities.

(e) Omitted**(f) Government Corporation Control Act exemption**

Section 9107(b) of title 31, shall not apply to deposits of the Fund made pursuant to section 4707 of this title.

(g) Limitation of Fund and Federal liability

The liability of the Fund and the United States Government arising out of any investment in a community development financial institution in accordance with this subchapter shall be limited to the amount of the investment. The Fund shall be exempt from any assessments and other liabilities that may be imposed on controlling or principal shareholders by any Federal law or the law of any State, Territory, or the District of Columbia. Nothing in this subsection shall affect the application of any Federal tax law.

(h) Prohibition on issuance of securities

The Fund may not issue stock, bonds, debentures, notes, or other securities.

(i) Omitted**(j) Assisted institutions not United States instrumentalities**

A community development financial institution or other organization that receives assistance pursuant to this subchapter shall not be deemed to be an agency, department, or instrumentality of the United States.

(k) Transition period**(1) In general**

During the transition period, the Secretary of the Treasury may—

(A) assist in the establishment of the administrative functions of the Fund listed in paragraph (2); and

(B) hire not more than 6 individuals to serve as employees of the Fund during the transition period.

(2) Continued service

Individuals hired in accordance with paragraph (1)(B) may continue to serve as employees of the Fund after the transition period.

(3) Administrative functions

The administrative functions referred to in paragraph (1)(A) shall be limited to—

(A) establishing accounting, information, and recordkeeping systems for the Fund; and

(B) procuring office space, equipment, and supplies.

(4) Expedited hiring

During the transition period, the Secretary of the Treasury may—

(A) appoint and terminate the individuals referred to in paragraph (1)(B) without regard to the civil service laws and regulations; and

(B) fix the compensation of the individuals referred to in paragraph (1)(B) without re-

gard 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.

(5) Certain employees

During the transition period, employees of the Department of the Treasury may only comprise less than one-half of the total number of individuals hired in accordance with paragraph (1)(B).

(6) Transition expenses

Amounts previously appropriated to the Department of the Treasury may be used to pay obligations and expenses of the Fund incurred under this section, and such amounts may be reimbursed by the Fund to the Department of the Treasury from amounts appropriated to the Fund for fiscal year 1995.

(7) “Transition period” defined

For purposes of this subsection, the term “transition period” means the period beginning on September 23, 1994, and ending on the date on which the Administrator is appointed.

(Pub. L. 103-325, title I, §104, Sept. 23, 1994, 108 Stat. 2166; Pub. L. 112-166, §2(w), Aug. 10, 2012, 126 Stat. 1289; Pub. L. 117-286, §4(a)(57), Dec. 27, 2022, 136 Stat. 4311.)

Editorial Notes**CODIFICATION**

Section is comprised of section 104 of Pub. L. 103-325. Subsecs. (e) and (i) of section 104 of Pub. L. 103-325 amended section 9101 of Title 31, Money and Finance, and section 5313 of Title 5, Government Organization and Employees, respectively.

AMENDMENTS

2022—Subsec. (d)(1). Pub. L. 117-286, §4(a)(57)(A), substituted “chapter 10 of title 5, except that section 1013 of title 5” for “the Federal Advisory Committee Act, except that section 14 of that Act”.

Subsec. (d)(7). Pub. L. 117-286, §4(a)(57)(B), substituted “chapter 10 of title 5.” for “the Federal Advisory Committee Act.”

2012—Subsec. (b)(1). Pub. L. 112-166 struck out “, by and with the advice and consent of the Senate” before period at end of first sentence.

Statutory Notes and Related Subsidiaries**EFFECTIVE DATE OF 2012 AMENDMENT**

Amendment by Pub. L. 112-166 effective 60 days after Aug. 10, 2012, and applicable to appointments made on and after that effective date, including any nomination pending in the Senate on that date, see section 6(a) of Pub. L. 112-166, set out as a note under section 113 of Title 6, Domestic Security.

ADMINISTRATION OF FUND BY SECRETARY OF THE TREASURY

Pub. L. 104-134, title I, §101(e) [title III], Apr. 26, 1996, 110 Stat. 1321-257, 1321-294; renumbered title I, Pub. L. 104-140, §1(a), May 2, 1996, 110 Stat. 1327, provided in part: “That notwithstanding any other provision of law, for purposes of administering the Community Development Financial Institutions Fund, the Secretary of the Treasury shall have all powers and rights of the Administrator of the CDBFI Act [12 U.S.C. 4701 et seq.]

and the Fund shall be within the Department of the Treasury.”

Similar provisions were contained in the following prior appropriations act:

Pub. L. 104-19, title I, July 27, 1995, 109 Stat. 237.

§ 4703a. Capital investments for neighborhoods disproportionately impacted by the COVID-19 pandemic

(a) Definitions

In this section—

(1) the term “bank holding company” has the meaning given the term in section 1841 of this title;

(2) the term “eligible institution” means any low- and moderate-income community financial institution that is eligible to participate in the Program;

(3) the term “Emergency Capital Investment Fund” means the Emergency Capital Investment Fund established under subsection (b);

(4) the term “low- and moderate-income community financial institution” means any financial institution that is—

(A)(i) a community development financial institution; or

(ii) a minority depository institution; and

(B)(i) an insured depository institution that is not controlled by a bank holding company or savings and loan holding company that is also an eligible institution;

(ii) a bank holding company;

(iii) a savings and loan holding company;

or

(iv) a federally insured credit union;

(5) the term “minority” means any Black American, Native American, Hispanic American, Asian American, Native Alaskan, Native Hawaiian, or Pacific Islander;

(6) the term “minority depository institution” means an entity that is—

(A) a minority depository institution, as defined in section 308 of the Financial Institutions Reform, Recovery, and Enforcement Act of 1989 (12 U.S.C. 1463 note); or

(B) considered to be a minority depository institution by—

(i) the appropriate Federal banking agency; or

(ii) the National Credit Union Administration, in the case of an insured credit union; or

(C) listed in the Federal Deposit Insurance Corporation’s Minority Depository Institutions List published for the Third Quarter 2020.¹

(7) the term “Program” means the Emergency Capital Investment Program established under subsection (b);

(8) the term “savings and loan holding company” has the meaning given the term under section 1467a(a) of this title; and

(9) the “Secretary” means the Secretary of the Treasury.

(b) Establishment

(1) Fund established

There is established in the Treasury of the United States a fund to be known as the

“Emergency Capital Investment Fund”, which shall be administered by the Secretary.

(2) Program authorized

The Secretary is authorized to establish an emergency program known as the “Emergency Capital Investment Program” to support the efforts of low- and moderate-income community financial institutions to, among other things, provide loans, grants, and forbearance for small businesses, minority-owned businesses, and consumers, especially in low-income and underserved communities, including persistent poverty counties, that may be disproportionately impacted by the economic effects of the COVID-19 pandemic, by providing direct and indirect capital investments in low- and moderate-income community financial institutions consistent with this section.

(c) Purchases

(1) In general

Subject to paragraph (2), the Emergency Capital Investment Fund shall be available to the Secretary, without further appropriation or fiscal year limitation, for the costs of purchases (including commitments to purchase), and modifications of such purchases, of preferred stock and other financial instruments from eligible institutions on such terms and conditions as are determined by the Secretary in accordance with this section.

(2) Purchase limit

The aggregate amount of purchases pursuant to paragraph (1) may not exceed \$9,000,000,000.

(d) Application

(1) Acceptance

The Secretary shall begin accepting applications for capital investments under the Program not later than the end of the 30-day period beginning on December 27, 2020.

(2) Consultation with regulators

For each eligible institution that applies to receive a capital investment under the Program, the Secretary shall consult with the appropriate Federal banking agency or the National Credit Union Administration, as applicable, to determine whether the eligible institution may receive such capital investment.

(3) Eligibility

(A) In general

Only low- and moderate-income community financial institutions shall be eligible to participate in the Program.

(B) Additional criteria

The Secretary may establish additional criteria for participation by an institution in the Program, as the Secretary may determine appropriate in furtherance of the goals of the Program.

(4) Requirement to provide an emergency investment lending plan for communities that may be disproportionately impacted by the economic effects of the COVID-19 pandemic

(A) In general

At the time that an applicant submits an application to the Secretary for a capital in-

¹ So in original. The period probably should be a semicolon.