

**Editorial Notes**

## CODIFICATION

Section was formerly classified to section 13821 of Title 42, The Public Health and Welfare, prior to editorial reclassification and renumbering as this section.

**Statutory Notes and Related Subsidiaries**

## SHORT TITLE

For short title of subtitle K of title III of Pub. L. 103-322, which is classified to this part, as the “National Community Economic Partnership Act of 1994”, see section 31101 of Pub. L. 103-322, set out as a Short Title of 1994 Act note under section 10101 of this title.

**§ 12182. Provision of assistance****(a) Authority**

The Secretary of Health and Human Services (referred to in this part as the “Secretary”) may, in accordance with this subpart, provide nonrefundable lines of credit to community development corporations for the establishment, maintenance or expansion of revolving loan funds to be utilized to finance projects intended to provide business and employment opportunities for low-income, unemployed, or underemployed individuals and to improve the quality of life in urban and rural areas.

**(b) Revolving loan funds****(1) Competitive assessment of applications**

In providing assistance under subsection (a) of this section, the Secretary shall establish and implement a competitive process for the solicitation and consideration of applications from eligible entities for lines of credit for the capitalization of revolving funds.

**(2) Eligible entities**

To be eligible to receive a line of credit under this subpart an applicant shall—

(A) be a community development corporation;

(B) prepare and submit an application to the Secretary that shall include a strategic investment plan that identifies and describes the economic characteristics of the target area to be served, the types of business to be assisted and the impact of such assistance on low-income, underemployed, and unemployed individuals in the target area;

(C) demonstrate previous experience in the development of low-income housing or community or business development projects in a low-income community and provide a record of achievement with respect to such projects; and

(D) have secured one or more commitments from local sources for contributions (either in cash or in kind, letters of credit or letters of commitment) in an amount that is at least equal to the amount requested in the application submitted under subparagraph (B).

**(3) Exception**

Notwithstanding the provisions of paragraph (2)(D), the Secretary may reduce local contributions to not less than 25 percent of the amount of the line of credit requested by the

community development corporation if the Secretary determines such to be appropriate in accordance with section 12186 of this title.

(Pub. L. 103-322, title III, §31112, Sept. 13, 1994, 108 Stat. 1882.)

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## CODIFICATION

Section was formerly classified to section 13822 of Title 42, The Public Health and Welfare, prior to editorial reclassification and renumbering as this section.

**§ 12183. Approval of applications****(a) In general**

In evaluating applications submitted under section 12182(b)(2)(B) of this title, the Secretary shall ensure that—

(1) the residents of the target area to be served (as identified under the strategic development plan) would have an income that is less than the median income for the area (as determined by the Secretary);

(2) the applicant community development corporation possesses the technical and managerial capability necessary to administer a revolving loan fund and has past experience in the development and management of housing, community and economic development programs;

(3) the applicant community development corporation has provided sufficient evidence of the existence of good working relationships with—

(A) local businesses and financial institutions, as well as with the community the corporation proposes to serve; and

(B) local and regional job training programs;

(4) the applicant community development corporation will target job opportunities that arise from revolving loan fund investments under this subpart so that 75 percent of the jobs retained or created under such investments are provided to—

(A) individuals with—

(i) incomes that do not exceed the Federal poverty line; or

(ii) incomes that do not exceed 80 percent of the median income of the area;

(B) individuals who are unemployed or underemployed;

(C) individuals who are participating or have participated in job training programs authorized under title I of the Workforce Innovation and Opportunity Act [29 U.S.C. 3111 et seq.] or the Family Support Act of 1988 (Public Law 100-485);

(D) individuals whose jobs may be retained as a result of the provision of financing available under this subpart; or

(E) individuals who have historically been underrepresented in the local economy; and

(5) a representative cross section of applicants are approved, including large and small community development corporations, urban and rural community development corporations and community development corporations representing diverse populations.

**(b) Priority**

In determining which application to approve under this subpart the Secretary shall give priority to those applicants proposing to serve a target area—

(1) with a median income that does not exceed 80 percent of the median for the area (as determined by the Secretary); and

(2) with a high rate of unemployment, as determined by the Secretary or in which the population loss is at least 7 percent from April 1, 1980, to April 1, 1990, as reported by the Bureau of the Census.

(Pub. L. 103-322, title III, §31113, Sept. 13, 1994, 108 Stat. 1883; Pub. L. 105-277, div. A, §101(f) [title VIII, §405(d)(44), (f)(35)], Oct. 21, 1998, 112 Stat. 2681-337, 2681-428, 2681-434; Pub. L. 113-128, title V, §512(jj), July 22, 2014, 128 Stat. 1722.)

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## REFERENCES IN TEXT

The Workforce Innovation and Opportunity Act, referred to in subsec. (a)(4)(C), is Pub. L. 113-128, July 22, 2014, 128 Stat. 1425. Title I of the Act is classified generally to subchapter I (§3111 et seq.) of chapter 32 of Title 29, Labor. For complete classification of this Act to the Code, see Short Title note set out under section 3101 of Title 29 and Tables.

The Family Support Act of 1988, referred to in subsec. (a)(4)(C), is Pub. L. 100-485, Oct. 13, 1988, 102 Stat. 2343. For complete classification of this Act to the Code, see Short Title of 1988 Amendments note set out under section 1305 of Title 42, The Public Health and Welfare, and Tables.

## CODIFICATION

Section was formerly classified to section 13823 of Title 42, The Public Health and Welfare, prior to editorial reclassification and renumbering as this section.

## AMENDMENTS

2014—Subsec. (a)(4)(C). Pub. L. 113-128 substituted “job training programs authorized under title I of the Workforce Innovation and Opportunity Act or the Family Support Act of 1988 (Public Law 100-485)” for “job training programs authorized under title I of the Workforce Investment Act of 1998 or the Family Support Act of 1988 (Public Law 100-485)”.

1998—Subsec. (a)(4)(C). Pub. L. 105-277, §101(f) [title VIII, §405(f)(35)], struck out “the Job Training Partnership Act or” after “authorized under”.

Pub. L. 105-277, §101(f) [title VIII, §405(d)(44)], substituted “authorized under the Job Training Partnership Act or title I of the Workforce Investment Act of 1998” for “authorized under the Job Training Partnership Act (29 U.S.C. 1501 et seq.)”.

**Statutory Notes and Related Subsidiaries**

## EFFECTIVE DATE OF 2014 AMENDMENT

Amendment by Pub. L. 113-128 effective on the first day of the first full program year after July 22, 2014 (July 1, 2015), see section 506 of Pub. L. 113-128, set out as an Effective Date note under section 3101 of Title 29, Labor.

## EFFECTIVE DATE OF 1998 AMENDMENT

Amendment by section 101(f) [title VIII, §405(d)(44)] of Pub. L. 105-277 effective Oct. 21, 1998, and amendment by section 101(f) [title VIII, §405(f)(35)] of Pub. L. 105-277 effective July 1, 2000, see section 101(f) [title VIII, §405(g)(1), (2)(B)] of Pub. L. 105-277, set out as a note under section 3502 of Title 5, Government Organization and Employees.

**§ 12184. Availability of lines of credit and use****(a) Approval of application**

The Secretary shall provide a community development corporation that has an application approved under section 12183 of this title with a line of credit in an amount determined appropriate by the Secretary, subject to the limitations contained in subsection (b).

**(b) Limitations on availability of amounts****(1) Maximum amount**

The Secretary shall not provide in excess of \$2,000,000 in lines of credit under this subpart to a single applicant.

**(2) Period of availability**

A line of credit provided under this subpart shall remain available over a period of time established by the Secretary, but in no event shall any such period of time be in excess of 3 years from the date on which such line of credit is made available.

**(3) Exception**

Notwithstanding paragraphs (1) and (2), if a recipient of a line of credit under this subpart has made full and productive use of such line of credit, can demonstrate the need and demand for additional assistance, and can meet the requirements of section 12182(b)(2) of this title, the amount of such line of credit may be increased by not more than \$1,500,000.

**(c) Amounts drawn from line of credit**

Amounts drawn from each line of credit under this subpart shall be used solely for the purposes described in section 12181 of this title and shall only be drawn down as needed to provide loans, investments, or to defray administrative costs related to the establishment of a revolving loan fund.

**(d) Use of revolving loan funds**

Revolving loan funds established with lines of credit provided under this subpart may be used to provide technical assistance to private business enterprises and to provide financial assistance in the form of loans, loan guarantees, interest reduction assistance, equity shares, and other such forms of assistance to business enterprises in target areas and who are in compliance with section 12183(a)(4) of this title.

(Pub. L. 103-322, title III, §31114, Sept. 13, 1994, 108 Stat. 1884.)

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## CODIFICATION

Section was formerly classified to section 13824 of Title 42, The Public Health and Welfare, prior to editorial reclassification and renumbering as this section.

**§ 12185. Limitations on use of funds****(a) Matching requirement**

Not to exceed 50 percent of the total amount to be invested by an entity under this subpart may be derived from funds made available from a line of credit under this subpart.

**(b) Technical assistance and administration**

Not to exceed 10 percent of the amounts available from a line of credit under this subpart