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(Original Signature of Member)

116TH CONGRESS  
2D SESSION

**H. R.** \_\_\_\_\_

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

Ms. WATERS introduced the following bill; which was referred to the  
Committee on \_\_\_\_\_

\_\_\_\_\_  
**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, D.C., Guam, and Puerto Rico.

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

1 one-third of such institutions disappearing since  
2 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 ongo-  
5 ing 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 DEVEL-  
4 OPMENT FINANCIAL INSTITUTIONS.—Section 117 of the  
5 Community Development Banking and Financial Institu-  
6 tions Act of 1994 (12 U.S.C. 4716) is amended by adding  
7 at the end the following:

8 “(g) REPORTING ON MINORITY COMMUNITY DEVEL-  
9 OPMENT 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 per-  
22 cent is owned by one or more socially and eco-  
23 nomically 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 Deposi-  
9 tories 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 cred-  
14 it union with respect to which the respec-  
15 tive covered regulator is the covered regu-  
16 lator of such depository institution or in-  
17 sured credit union; and

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

23 (B) DIVERSITY.—To the extent prac-  
24 ticable, each covered regulator shall ensure that  
25 the members of the Minority Depositories Advi-

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. 1691e-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 depository  
14       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.