

**SUBSTITUTE AMENDMENT TO THE AMENDMENT IN
THE NATURE OF A SUBSTITUTE TO H.R. 5322
OFFERED BY MR. MEEKS OF NEW YORK**

**[Amendment to the Ensuring Diversity in Community
Banking Act of 2019]**

Strike all after the enacting clause and insert the
following:

1 SECTION 1. SHORT TITLE; TABLE OF CONTENTS.

2 (a) **SHORT TITLE.**—This Act may be cited as the
3 “Ensuring Diversity in Community Banking Act of
4 2019”.

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. Sense of Congress on funding the loan-loss reserve fund for small dollar loans.
- Sec. 3. Definitions.
- Sec. 4. Inclusion of women’s banks in the definition of minority depository institution.
- Sec. 5. Establishment of impact bank designation.
- Sec. 6. Minority Depository Institutions Advisory Committees.
- Sec. 7. Federal deposits in minority depository institutions.
- Sec. 8. Minority Bank Deposit Program.
- Sec. 9. Diversity report and best practices.
- Sec. 10. Investments in minority depository institutions and impact banks.
- Sec. 11. Report on covered mentor-protége programs.
- Sec. 12. Custodial deposit program for covered minority depository institutions and impact banks.
- Sec. 13. Streamlined community development financial institution applications and reporting.
- Sec. 14. Task force on lending to small business concerns.

1 **SEC. 2. SENSE OF CONGRESS ON FUNDING THE LOAN-LOSS**
2 **RESERVE FUND FOR SMALL DOLLAR LOANS.**

3 The sense of Congress is the following:

4 (1) The Community Development Financial In-
5 stitutions Fund (the "CDFI Fund") is an agency of
6 the Department of the Treasury, and was estab-
7 lished by the Riegle Community Development and
8 Regulatory Improvement Act of 1994. The mission
9 of the CDFI Fund is "to expand economic oppor-
10 tunity for underserved people and communities by
11 supporting the growth and capacity of a national
12 network of community development lenders, inves-
13 tors, and financial service providers". A community
14 development financial institution (a "CDFI") is a
15 specialized financial institution serving low-income
16 communities and a Community Development Entity
17 (a "CDE") is a domestic corporation or partnership
18 that is an intermediary vehicle for the provision of
19 loans, investments, or financial counseling in low-in-
20 come communities. The CDFI Fund certifies CDFIs
21 and CDEs. Becoming a certified CDFI or CDE al-
22 lows organizations to participate in various CDFI
23 Fund programs as follows:

24 (A) The Bank Enterprise Award Program,
25 which provides FDIC-insured depository institu-
26 tions awards for a demonstrated increase in

1 lending and investments in distressed commu-
2 nities and CDFIs.

3 (B) The CDFI Program, which provides
4 Financial and Technical Assistance awards to
5 CDFIs to reinvest in the CDFI, and to build
6 the capacity of the CDFI, including financing
7 product development and loan loss reserves.

8 (C) The Native American CDFI Assistance
9 Program, which provides CDFIs and spon-
10 soring entities Financial and Technical Assist-
11 ance awards to increase lending and grow the
12 number of CDFIs owned by Native Americans
13 to help build capacity of such CDFIs.

14 (D) The New Market Tax Credit Program,
15 which provides tax credits for making equity in-
16 vestments in CDEs that stimulate capital in-
17 vestments in low-income communities.

18 (E) The Capital Magnet Fund, which pro-
19 vides awards to CDFIs and nonprofit affordable
20 housing organizations to finance affordable
21 housing solutions and related economic develop-
22 ment activities.

23 (F) The Bond Guarantee Program, a
24 source of long-term, patient capital for CDFIs

1 to expand lending and investment capacity for
2 community and economic development purposes.

3 (2) The Department of the Treasury is author-
4 ized to create multi-year grant programs designed to
5 encourage low-to-moderate income individuals to es-
6 tablish accounts at federally insured banks, and to
7 improve low-to-moderate income individuals' access
8 to such accounts on reasonable terms.

9 (3) Under this authority, grants to participants
10 in CDFI Fund programs may be used for loan-loss
11 reserves and to establish small-dollar loan programs
12 by subsidizing related losses. These grants also allow
13 for the providing recipients with the financial coun-
14 seling and education necessary to conduct trans-
15 actions and manage their accounts. These loans pro-
16 vide low-cost alternatives to payday loans and other
17 nontraditional forms of financing that often impose
18 excessive interest rates and fees on borrowers, and
19 lead millions of Americans to fall into debt traps.
20 Small-dollar loans can only be made pursuant to
21 terms, conditions, and practices that are reasonable
22 for the individual consumer obtaining the loan.

23 (4) Program participation is restricted to eligi-
24 ble institutions, which are limited to organizations
25 listed in section 501(c)(3) of the Internal Revenue

1 Code and exempt from tax under 501(a) of such
2 Code, federally insured depository institutions, com-
3 munity development financial institutions and State,
4 local, or Tribal government entities.

5 (5) Since its founding, the CDFI Fund has
6 awarded over \$3,300,000,000 to CDFIs and CDEs,
7 allocated \$54,000,000,000 in tax credits, and
8 \$1,510,000,000 in bond guarantees. According to
9 the CDFI Fund, some programs attract as much as
10 \$10 in private capital for every \$1 invested by the
11 CDFI Fund. The Administration and the Congress
12 should prioritize appropriation of funds for the loan
13 loss reserve fund and technical assistance programs
14 administered by the Community Development Finan-
15 cial Institution Fund, as included in the version of
16 the “Financial Services and General Government
17 Appropriations Act, 2020” (H.R. 3351) that passed
18 the House of Representatives on June, 26, 2019.

19 **SEC. 3. DEFINITIONS.**

20 In this Act:

21 (1) **COMMUNITY DEVELOPMENT FINANCIAL IN-**
22 **STITUTION.**—The term “community development fi-
23 nancial institution” has the meaning given under
24 section 103 of the Riegle Community Development

1 and Regulatory Improvement Act of 1994 (12
2 U.S.C. 4702).

3 (2) MINORITY DEPOSITORY INSTITUTION.—The
4 term “minority depository institution” has the
5 meaning given under section 308 of the Financial
6 Institutions Reform, Recovery, and Enforcement Act
7 of 1989 (12 U.S.C. 1463 note), as amended by this
8 Act.

9 **SEC. 4. INCLUSION OF WOMEN’S BANKS IN THE DEFINITION**
10 **OF MINORITY DEPOSITORY INSTITUTION.**

11 Section 308(b)(1) of the Financial Institutions Re-
12 form, Recovery, and Enforcement Act of 1989 (12 U.S.C.
13 1463 note) is amended—

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

16 (2) by striking “means any” and inserting the
17 following: “means—

18 “(A) any”; and

19 (3) in clause (iii) (as so redesignated), by strik-
20 ing the period at the end and inserting “; or”; and

21 (4) by inserting at the end the following new
22 subparagraph:

23 “(B) any bank described in clause (i), (ii),
24 or (iii) of section 19(b)(1)(A) of the Federal
25 Reserve Act—

1 “(i) more than 50 percent of the out-
2 standing shares of which are held by 1 or
3 more women; and

4 “(ii) the majority of the directors on
5 the board of directors of which are
6 women.”.

7 **SEC. 5. ESTABLISHMENT OF IMPACT BANK DESIGNATION.**

8 (a) IN GENERAL.—Each appropriate Federal bank-
9 ing agency shall establish a program under which a deposi-
10 tory institution with total consolidated assets of less than
11 \$10,000,000,000 may elect to be designated as an impact
12 bank if the total dollar value of the loans extended by such
13 depository institution to low-income borrowers is greater
14 than or equal to 50 percent of the assets of such bank.

15 (b) DESIGNATION.—Based on data obtained through
16 examinations, an appropriate Federal banking agency
17 shall submit a notification to a depository institution stat-
18 ing that the depository institution qualifies for designation
19 as an impact bank.

20 (c) APPLICATION.—A depository institution that does
21 not receive a notification described in subsection (b) may
22 submit an application to the appropriate Federal banking
23 agency demonstrating that the depository institution
24 qualifies for designation as an impact bank.

1 (d) ADDITIONAL DATA OR OVERSIGHT.—A deposi-
2 tory institution is not required to submit additional data
3 to an appropriate Federal banking agency or be subject
4 to additional oversight from such an agency if such data
5 or oversight is related specifically and solely for consider-
6 ation for a designation as an impact bank.

7 (e) REMOVAL OF DESIGNATION.—If an appropriate
8 Federal banking agency determines that a depository in-
9 stitution designated as an impact bank no longer meets
10 the criteria for such designation, the appropriate Federal
11 banking agency shall rescind the designation and notify
12 the depository institution of such rescission.

13 (f) RECONSIDERATION OF DESIGNATION; AP-
14 PEALS.—A depository institution may—

15 (1) submit to the appropriate Federal banking
16 agency a request to reconsider a determination that
17 such depository institution no longer meets the cri-
18 teria for the designation; or

19 (2) file an appeal in accordance with procedures
20 established by the appropriate Federal banking
21 agency.

22 (g) RULEMAKING.—Not later than 1 year after the
23 date of the enactment of this Act, the appropriate Federal
24 banking agencies shall jointly issue rules to carry out the

1 requirements of this section, including by providing a defi-
2 nition of a low-income borrower.

3 (h) REPORTS.—Each appropriate Federal banking
4 agency shall submit an annual report to the Congress con-
5 taining a description of actions taken to carry out this sec-
6 tion.

7 (i) FEDERAL DEPOSIT INSURANCE ACT DEFINI-
8 TIONS.—In this section, the terms “depository institution”
9 and “appropriate Federal banking agency” have the
10 meanings given such terms, respectively, in section 3 of
11 the Federal Deposit Insurance Act (12 U.S.C. 1813).

12 **SEC. 6. MINORITY DEPOSITORY INSTITUTIONS ADVISORY**
13 **COMMITTEES.**

14 (a) ESTABLISHMENT.—Each covered regulator shall
15 establish an advisory committee to be called the “Minority
16 Depository Institutions Advisory Committee”.

17 (b) DUTIES.—Each Minority Depository Institutions
18 Advisory Committee shall provide advice to the respective
19 covered regulator on meeting the goals established by sec-
20 tion 308 of the Financial Institutions Reform, Recovery,
21 and Enforcement Act of 1989 (12 U.S.C. 1463 note) to
22 preserve the present number of covered minority institu-
23 tions, preserve the minority character of minority-owned
24 institutions in cases involving mergers or acquisitions, pro-
25 vide technical assistance, and encourage the creation of

1 new covered minority institutions. The scope of the work
2 of each such Minority Depository Institutions Advisory
3 Committee shall include an assessment of the current con-
4 dition of covered minority institutions, what regulatory
5 changes or other steps the respective agencies may be able
6 to take to fulfill the requirements of such section 308, and
7 other issues of concern to minority depository institutions.

8 (c) MEMBERSHIP.—

9 (1) IN GENERAL.—Each Minority Depository
10 Institutions Advisory Committee shall consist of no
11 more than 10 members, who—

12 (A) shall serve for one two-year term;

13 (B) shall serve as a representative of a de-
14 pository institution or an insured credit union
15 with respect to which the respective covered
16 regulator is the covered regulator of such de-
17 pository institution or insured credit union; and

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

23 (2) DIVERSITY.—To the extent practicable,
24 each covered regulator shall ensure that the mem-
25 bers of Minority Depository Institutions Advisory

1 Committee of such agency reflect the diversity of de-
2 pository institutions.

3 (d) MEETINGS.—

4 (1) IN GENERAL.—Each Minority Depository
5 Institutions Advisory Committee shall meet not less
6 frequently than twice each year.

7 (2) INVITATIONS.—Each Minority Depository
8 Institutions Advisory Committee shall invite the at-
9 tendance at each meeting of the Minority Depository
10 Institutions Advisory Committee of—

11 (A) one member of the majority party and
12 one member of the minority party of the Com-
13 mittee on Financial Services of the House of
14 Representatives and the Committee on Bank-
15 ing, Housing, and Urban Affairs of the Senate;
16 and

17 (B) one member of the majority party and
18 one member of the minority party of any rel-
19 evant subcommittees of such committees.

20 (e) NO TERMINATION OF ADVISORY COMMITTEES.—

21 The termination requirements under section 14 of the
22 Federal Advisory Committee Act (5 U.S.C. app.) shall not
23 apply to a Minority Depository Institutions Advisory Com-
24 mittee established pursuant to this section.

25 (f) DEFINITIONS.—In this section:

1 (1) COVERED REGULATOR.—The term “covered
2 regulator” means the Comptroller of the Currency,
3 the Board of Governors of the Federal Reserve Sys-
4 tem, the Federal Deposit Insurance Corporation,
5 and the National Credit Union Administration.

6 (2) COVERED MINORITY INSTITUTION.—The
7 term “covered minority institution” means a minor-
8 ity depository institution (as defined in section
9 308(b) of the Financial Institutions Reform, Recov-
10 ery, and Enforcement Act of 1989 (12 U.S.C. 1463
11 note)) or a minority credit union (as defined in sec-
12 tion 1204(c) of the Financial Institutions Reform,
13 Recovery, and Enforcement Act of 1989, as amend-
14 ed by this Act).

15 (3) DEPOSITORY INSTITUTION.—The term “de-
16 pository institution” has the meaning given under
17 section 3 of the Federal Deposit Insurance Act (12
18 U.S.C. 1813).

19 (4) INSURED CREDIT UNION.—The term “in-
20 sured credit union” has the meaning given in section
21 101 of the Federal Credit Union Act (12 U.S.C.
22 1752).

23 (g) TECHNICAL AMENDMENT.—Section 308(b) of the
24 Financial Institutions Reform, Recovery, and Enforce-

1 ment Act of 1989 (12 U.S.C. 1463 note) is amended by
2 adding at the end the following new paragraph:

3 “(3) DEPOSITORY INSTITUTION.—The term ‘de-
4 pository institution’ means an ‘insured depository in-
5 stitution’ (as defined in section 3 of the Federal De-
6 posit Insurance Act (12 U.S.C. 1813)) and an in-
7 sured credit union (as defined in section 101 of the
8 Federal Credit Union Act (12 U.S.C. 1752)).”.

9 **SEC. 7. FEDERAL DEPOSITS IN MINORITY DEPOSITORY IN-**
10 **STITUTIONS.**

11 (a) IN GENERAL.—Section 308 of the Financial In-
12 stitutions Reform, Recovery, and Enforcement Act of
13 1989 (12 U.S.C. 1463 note) is amended—

14 (1) by adding at the end the following new sub-
15 section:

16 “(d) FEDERAL DEPOSITS.—The Secretary of the
17 Treasury shall ensure that deposits made by Federal agen-
18 cies in minority depository institutions and impact banks
19 are collateralized or insured, as determined by the Sec-
20 retary. Such deposits shall include reciprocal deposits as
21 defined in section 337.6(e)(2)(v) of title 12, Code of Fed-
22 eral Regulations (as in effect on March 6, 2019).”; and

23 (2) in subsection (b), as amended by section
24 6(g), by adding at the end the following new para-
25 graph:

1 “(4) **IMPACT BANK.**—The term ‘impact bank’
2 means a depository institution designated by an ap-
3 propriate Federal banking agency pursuant to sec-
4 tion 5 of the Ensuring Diversity in Community
5 Banking Act of 2019.”.

6 (b) **TECHNICAL AMENDMENTS.**—Section 308 of the
7 Financial Institutions Reform, Recovery, and Enforce-
8 ment Act of 1989 (12 U.S.C. 1463 note) is amended—

9 (1) in the matter preceding paragraph (1), by
10 striking “section—” and inserting “section:”; and

11 (2) in the paragraph heading for paragraph (1),
12 by striking “FINANCIAL” and inserting “DEPOSI-
13 TORY”.

14 **SEC. 8. MINORITY BANK DEPOSIT PROGRAM.**

15 (a) **IN GENERAL.**—Section 1204 of the Financial In-
16 stitutions Reform, Recovery, and Enforcement Act of
17 1989 (12 U.S.C. 1811 note) is amended to read as follows:

18 **“SEC. 1204. EXPANSION OF USE OF MINORITY BANKS AND**
19 **MINORITY CREDIT UNIONS.**

20 “(a) **MINORITY BANK DEPOSIT PROGRAM.**—

21 “(1) **ESTABLISHMENT.**—There is established a
22 program to be known as the ‘Minority Bank Deposit
23 Program’ to expand the use of minority banks and
24 minority credit unions.

1 “(2) ADMINISTRATION.—The Secretary of the
2 Treasury, acting through the Fiscal Service, shall—

3 “(A) on application by a depository institu-
4 tion or credit union, certify whether such depos-
5 itory institution or credit union is a minority
6 bank or minority credit union;

7 “(B) maintain and publish a list of all de-
8 pository institutions and credit unions that have
9 been certified pursuant to subparagraph (A);
10 and

11 “(C) periodically distribute the list de-
12 scribed in subparagraph (B) to—

13 “(i) all Federal departments and
14 agencies;

15 “(ii) interested State and local govern-
16 ments; and

17 “(iii) interested private sector compa-
18 nies.

19 “(3) INCLUSION OF CERTAIN ENTITIES ON
20 LIST.—A depository institution or credit union that,
21 on the date of the enactment of this section, has a
22 current certification from the Secretary of the
23 Treasury stating that such depository institution or
24 credit union is a minority bank or minority credit

1 union shall be included on the list described under
2 paragraph (2)(B).

3 “(b) EXPANDED USE AMONG FEDERAL DEPART-
4 MENTS AND AGENCIES.—

5 “(1) IN GENERAL.—Not later than 1 year after
6 the establishment of the program described in sub-
7 section (a), the head of each Federal department or
8 agency shall develop and implement standards and
9 procedures to ensure, to the maximum extent pos-
10 sible as permitted by law and consistent with prin-
11 ciples of sound financial management, the use of mi-
12 nority banks and minority credit unions to hold the
13 deposits of each such department or agency.

14 “(2) REPORT TO CONGRESS.—Not later than 2
15 years after the establishment of the program de-
16 scribed in subsection (a), and annually thereafter,
17 the head of each Federal department or agency shall
18 submit to Congress a report on the actions taken to
19 increase the use of minority banks and minority
20 credit unions hold the deposits of each such depart-
21 ment or agency.

22 “(c) DEFINITIONS.—For purposes of this section:

23 “(1) CREDIT UNION.—The term ‘credit union’
24 has the meaning given the term ‘insured credit

1 union' in section 101 of the Federal Credit Union
2 Act (12 U.S.C. 1752).

3 “(2) DEPOSITORY INSTITUTION.—The term ‘de-
4 pository institution’ has the meaning given in section
5 3 of the Federal Deposit Insurance Act (12 U.S.C.
6 1813).

7 “(3) MINORITY.—The term ‘minority’ means
8 any Black American, Native American, Hispanic
9 American, or Asian American.

10 “(4) MINORITY BANK.—The term ‘minority
11 bank’ means a minority depository institution as de-
12 fined in section 308 of this Act.

13 “(5) MINORITY CREDIT UNION.—The term ‘mi-
14 nority credit union’ means any credit union for
15 which more than 50 percent of the membership (in-
16 cluding board members) of such credit union are mi-
17 nority individuals, as determined by the National
18 Credit Union Administration pursuant to section
19 308 of this Act.”.

20 (b) CONFORMING AMENDMENTS.—The following pro-
21 visions are amended by striking “1204(c)(3)” and insert-
22 ing “1204(c)”:

23 (1) Section 808(b)(3) of the Community Rein-
24 vestment Act of 1977 (12 U.S.C. 2907(b)(3)).

1 (2) Section 40(g)(1)(B) of the Federal Deposit
2 Insurance Act (12 U.S.C. 1831q(g)(1)(B)).

3 (3) Section 704B(h)(4) of the Equal Credit Op-
4 portunity Act (15 U.S.C. 1691c-2(h)(4)).

5 **SEC. 9. DIVERSITY REPORT AND BEST PRACTICES.**

6 (a) ANNUAL REPORT.—Each covered regulator shall
7 submit to Congress an annual report on diversity includ-
8 ing the following:

9 (1) Data, based on voluntary self-identification,
10 on the racial, ethnic, and gender composition of the
11 examiners of each covered regulator, disaggregated
12 by length of time served as an examiner.

13 (2) The status of any examiners of covered reg-
14 ulators, based on voluntary self-identification, as a
15 veteran.

16 (3) Whether any covered regulator, as of the
17 date on which the report required under this section
18 is submitted, has adopted a policy, plan, or strategy
19 to promote racial, ethnic, and gender diversity
20 among examiners of the covered regulator.

21 (4) Whether any special training is developed
22 and provided for examiners related specifically to
23 working with banks that serve communities that are
24 predominantly minorities, low income, or rural, and
25 the key focus of such training.

1 (b) BEST PRACTICES.—Each Office of Minority and
2 Women Inclusion of a covered regulator shall develop, pro-
3 vide to the head of the covered regulator, and make pub-
4 licly available best practices—

5 (1) for increasing the diversity of candidates
6 applying for examiner positions, including through
7 outreach efforts to recruit diverse candidate to apply
8 for entry-level examiner positions; and

9 (2) for retaining and providing fair consider-
10 ation for promotions within the examiner staff for
11 purposes of achieving diversity among examiners.

12 (c) COVERED REGULATOR DEFINED.—In this sec-
13 tion, the term “covered regulator” means the Comptroller
14 of the Currency, the Board of Governors of the Federal
15 Reserve System, the Federal Deposit Insurance Corpora-
16 tion, and the National Credit Union Administration.

17 **SEC. 10. INVESTMENTS IN MINORITY DEPOSITORY INSTITU-**
18 **TIONS AND IMPACT BANKS.**

19 (a) CONTROL FOR CERTAIN INSTITUTIONS.—Section
20 7(j)(8)(B) of the Federal Deposit Insurance Act (12
21 U.S.C. 1817(j)(8)(B)) is amended to read as follows:

22 “(B) ‘control’ means the power, directly or indi-
23 rectly—

24 “(i) to direct the management or policies
25 of an insured depository institution; or

1 “(ii)(I) with respect to an insured deposi-
2 tory institution, of a person to vote 25 per cen-
3 tum or more of any class of voting securities of
4 such institution; or

5 “(II) with respect to an insured depository
6 institution that is an impact bank (as des-
7 ignated pursuant to section 5 of the Ensuring
8 Diversity in Community Banking Act of 2019)
9 or a minority depository institution (as defined
10 in section 308(b) of the Financial Institutions
11 Reform, Recovery, and Enforcement Act of
12 1989), of an individual to vote 30 percent or
13 more of any class of voting securities of such an
14 impact bank or a minority depository institu-
15 tion.”.

16 (b) RULEMAKING.—The appropriate Federal banking
17 agency (as defined in section 3 of the Federal Deposit In-
18 surance Act (12 U.S.C. 1813)) shall jointly issue rules for
19 de novo minority depository institutions and de novo im-
20 pact banks (as designated pursuant to section 5) to allow
21 3 years to meet the capital requirements otherwise appli-
22 cable to minority depository institutions and impact
23 banks.

24 (c) REPORT.—Not later than 1 year after the date
25 of the enactment of this Act, the appropriate Federal

1 banking agencies shall jointly submit to Congress a report
2 on—

3 (1) the principal causes for the low number of
4 de novo minority depository institutions during the
5 10-year period preceding the date of the report;

6 (2) the main challenges to the creation of de
7 novo minority depository institutions and de novo
8 impact banks; and

9 (3) regulatory and legislative considerations to
10 promote the establishment of de novo minority de-
11 pository institutions and de novo impact banks.

12 **SEC. 11. REPORT ON COVERED MENTOR-PROTEGE PRO-**
13 **GRAMS.**

14 (a) REPORT.—Not later than 6 months after the date
15 of the enactment of this Act and annually thereafter, the
16 Secretary of the Treasury shall submit to Congress a re-
17 port on participants in a covered mentor-protege program,
18 including—

19 (1) an analysis of outcomes of such program;

20 (2) the number of minority depository institu-
21 tions that are eligible to participate in such program
22 but do not have large financial institution mentors;
23 and

1 (3) recommendations for how to match such mi-
2 nority depository institutions with large financial in-
3 stitution mentors.

4 (b) DEFINITIONS.—In this section:

5 (1) COVERED MENTOR-PROTEGE PROGRAM.—

6 The term “covered mentor-protege program” means
7 a mentor-protege program established by the Sec-
8 retary of the Treasury pursuant to section 45 of the
9 Small Business Act (15 U.S.C. 657r).

10 (2) LARGE FINANCIAL INSTITUTION.—The term
11 “large financial institution” means any entity—

12 (A) regulated by the Comptroller of the
13 Currency, the Board of Governors of the Fed-
14 eral Reserve System, the Federal Deposit In-
15 surance Corporation, or the National Credit
16 Union Administration; and

17 (B) that has total consolidated assets
18 greater than or equal to \$50,000,000,000.

19 **SEC. 12. CUSTODIAL DEPOSIT PROGRAM FOR COVERED MI-**
20 **NORITY DEPOSITORY INSTITUTIONS AND IM-**
21 **PACT BANKS.**

22 (a) IN GENERAL.—Not later than one year after the
23 date of the enactment of this Act, the Secretary of the
24 Treasury shall issue rules establishing a custodial deposit

1 program under which a covered bank may receive deposits
2 from a qualifying account.

3 (b) REQUIREMENTS.—In issuing rules under sub-
4 section (a), the Secretary of the Treasury shall—

5 (1) ensure each covered bank participating in
6 the program established under this section—

7 (A) has appropriate policies relating to
8 management of assets, including measures to
9 ensure the safety and soundness of each such
10 covered bank; and

11 (B) is compliant with applicable law; and

12 (2) ensure, to the extent practicable that the
13 rules do not conflict with goals described in section
14 308(a) of the Financial Institutions Reform, Recov-
15 ery, and Enforcement Act of 1989 (12 U.S.C. 1463
16 note).

17 (c) REPORT.—Each quarter, the Secretary of the
18 Treasury shall submit to Congress a report on the imple-
19 mentation of the program established under this section
20 including information identifying participating covered
21 banks and the total amount of deposits received by covered
22 banks under the program.

23 (d) DEFINITIONS.—In this section:

24 (1) COVERED BANK.—The term “covered bank”
25 means—

1 (A) a minority depository institution that
2 is well capitalized, as defined by the Federal
3 Deposit Insurance Corporation or the National
4 Credit Union Administration, as appropriate; or

5 (B) a depository institution designated
6 pursuant to section 5 of the Ensuring Diversity
7 in Community Banking Act of 2019 that is well
8 capitalized, as defined by the Federal Deposit
9 Insurance Corporation.

10 (2) QUALIFYING ACCOUNT.—The term “quali-
11 fying account” means any account established in the
12 Department of the Treasury that—

13 (A) is controlled by the Secretary; and

14 (B) is expected to maintain a balance
15 greater than \$200,000,000 for the following 24-
16 month period.

17 **SEC. 13. STREAMLINED COMMUNITY DEVELOPMENT FI-**
18 **NANCIAL INSTITUTION APPLICATIONS AND**
19 **REPORTING.**

20 (a) APPLICATION PROCESSES.—Not later than 12
21 months after the date of the enactment of this Act and
22 with respect to any person having assets under
23 \$3,000,000,000 that submits an application for deposit in-
24 surance with the Federal Deposit Insurance Corporation
25 that could also become a community development financial

1 institution, the Federal Deposit Insurance Corporation, in
2 consultation with the Administrator of the Community
3 Development Financial Institutions Fund, shall—

4 (1) develop systems and procedures to record
5 necessary information to allow the Administrator to
6 conduct preliminary analysis for such person to also
7 become a community development financial institu-
8 tion; and

9 (2) develop procedures to streamline the appli-
10 cation and annual certification processes and to re-
11 duce costs for such person to become, and maintain
12 certification as, a community development financial
13 institution.

14 (b) IMPLEMENTATION REPORT.—Not later than 18
15 months after the date of the enactment of this Act, the
16 Federal Deposit Insurance Corporation shall submit to
17 Congress a report describing the systems and procedures
18 required under subsection (a).

19 (c) ANNUAL REPORT.—

20 (1) IN GENERAL.—Section 17(a)(1) of the Fed-
21 eral Deposit Insurance Act (12 U.S.C. 1827(a)(1))
22 is amended—

23 (A) in subparagraph (E), by striking
24 “and” at the end;

1 (B) by redesignating subparagraph (F) as
2 subparagraph (G);

3 (C) by inserting after subparagraph (E)
4 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 5 of
14 the Ensuring Diversity in Community Banking
15 Act of 2019); and”.

16 (2) APPLICATION.—The amendment made by
17 this subsection shall apply with respect to the first
18 report to be submitted after the date that is 2 years
19 after the date of the enactment of this Act.

20 **SEC. 14. TASK FORCE ON LENDING TO SMALL BUSINESS**
21 **CONCERNS.**

22 (a) IN GENERAL.—Not later than 6 months after the
23 date of the enactment of this Act, the Administrator of
24 the Small Business Administration shall establish a task
25 force to examine methods for improving relationships be-

1 tween the Small Business Administration and community
2 development financial institutions, minority depository in-
3 stitutions, and Impact Banks to increase the volume of
4 loans provided by such institutions to small business con-
5 cerns (as defined under section 3 of the Small Business
6 Act (15 U.S.C. 632)).

7 (b) REPORT TO CONGRESS.—Not later than 18
8 months after the establishment of the task force described
9 in subsection (a), the Administrator of the Small Business
10 Administration shall submit to Congress a report on the
11 findings of such task force.



