



U.S. HOUSE COMMITTEE ON FINANCIAL SERVICES
– CHAIRWOMAN MAXINE WATERS –
COVID-19 STIMULUS PACKAGE
SECTION-BY-SECTION OF *FINANCIAL SERVICES PROVISIONS*

DIVISION N—ADDITIONAL CORONAVIRUS RESPONSE AND RELIEF

TITLE V – BANKING

Subtitle A — Emergency Rental Assistance

- **Sec. 501. Emergency Rental Assistance.** Section 5201 appropriates \$25 billion through Treasury to provide to state and local government entities, including \$400 million for U.S. territories and \$800 million for Native Americans, Alaska Natives, and Native Hawaiians (with the District of Columbia treated as a state). Funds would be required to be allocated to state and local governments (“grantees”) within 30 days of enactment. Eligible households are defined as renter households who: (1) have a household income not more than 80 percent of AMI; (2) have one or more household members who can demonstrate a risk of experiencing homelessness or housing instability; and (3) have one or more household members who qualify for unemployment benefits or experienced financial hardship due, directly or indirectly, to the pandemic. Assistance would be prioritized for renter households whose incomes do not exceed 50 percent of AMI as well as renter households who are currently unemployed and have been unemployed for 90 or more days. Financial assistance provided under this section is non-taxable for households receiving such assistance.
- **Sec. 502. Eviction Moratorium.** This section extends the CDC eviction moratorium until January 31, 2021.

Subtitle B – Community Development Investment (CDFIs and MDIs)

- **Sec. 520. Purpose.** This section stipulates the purpose of this subtitle is to establish emergency programs to support access to credit to and investments in low- and moderate-income (LMI) and minority communities disproportionately impacted by the COVID-19 pandemic.
- **Sec. 521. Considerations; Requirements for Creditors.** This section includes factors that the Secretary of the Treasury must consider in implementing this subtitle, including increasing the availability of affordable credit for consumers, small businesses, and nonprofit organizations that provide direct benefits to LMI communities, low-income and underserved individuals, and minorities. This section also affirms that lenders receiving funds through this subtitle must fully comply with all applicable requirements relating to fair lending.
- **Sec. 522. Capital Investments for Neighborhoods Disproportionally Impacted by the COVID-19 Pandemic.** This section establishes a \$9 billion Emergency Capital Investment Program (ECIP), administered by the Department of the Treasury, to provide low-cost, long-term capital investments to minority depository institutions (MDIs) and community development financial institutions (CDFIs) that are depository institutions. Participants must develop a plan to maintain or expand significant lending or investment activity in LMI minority communities, and the repayment terms on the investment

incentivizes enhanced lending to LMI communities. During the initial application period when entities apply in a timely manner, as determined by Treasury, \$4 billion will be set aside for eligible institutions with less than \$2 billion in total assets, with \$2 billion of that amount reserved for eligible institutions with less than \$500 million in total assets. If there are ECIP funds left over in either tranche, Treasury can redeploy those funds to other applicants until all funds have been expended. Additionally, this section provides a narrow exemption from the Equal Credit Opportunity Act (ECOA) for the sole purpose and exclusive use of data collection to ensure compliance with the program's plan to enhance lending to minority communities, while ensuring institutions will be subject to ECOA enforcement actions should they discriminate against borrowers. Treasury's authority to make new capital investments ceases 6 months after the date on which the national emergency concerning the COVID-19 outbreak under the National Emergencies Act terminates.

- **Sec. 523. Emergency Support for CDFIs and Communities Responding to the COVID-19 Pandemic.** This section provides \$3 billion to the CDFI Fund to provide grants and other financial assistance to CDFIs, including CDFI loan funds, as they serve consumers, small businesses, and nonprofits in their communities. Of the total funds, \$1.25 billion will be available until September 30, 2021, for the CDFI Fund to award grants and other financial and technical assistance to help CDFIs serve their communities responding to the economic hardships created by the pandemic, including \$25 million reserved to benefit Native American, Native Hawaiian, and Alaska Native communities. The remaining \$1.75 billion will be available until expended to provide additional grants and other financial and technical assistance to CDFIs, including reserved for "minority lending institutions," a new category of CDFIs that predominantly serve minority communities and are either MDIs or meet other standards for accountability to minority populations as determined by the CDFI Fund. This section also provides a narrow exemption from ECOA for the sole purpose and exclusive use of data collection to ensure CDFIs are adequately serving minority communities, while ensuring institutions will be subject to ECOA enforcement actions should they discriminate against borrowers.
- **Sec. 524. Inspector General Oversight.** This section stipulates that the Inspector General of the Department of the Treasury will oversee the programs established under this subtitle, and will report to Congress semiannually.
- **Sec. 525. Study and Report with Respect to Impact of Programs on Low- and Moderate-Income and Minority Communities.** This section requires Treasury to conduct a study 18 months after enactment of impact of the programs established under this subtitle on LMI and minority communities.

Subtitle C—Miscellaneous

- **Sec. 540. Extensions of Temporary Relief and Emergency Authorities.** This section extends and modifies a CARES Act provision allowing banks and credit unions to temporarily delay the adoption of a new credit loss accounting standard – Current Expected Credit Loss (CECL). The section allows these institutions until the earlier of (1) the first day of the fiscal year of the institution that begins after the national emergency termination date or (2) January 1, 2022.

Section 5401 also extends another CARES Act provision that temporarily changes the National Credit Union Administration's (NCUA) Central Liquidity Facility (CLF) for credit unions to meet liquidity needs by expanding the ability to borrow up to a value 16 times the CLF's subscribed capital stock and surplus, up from the statutory limit of 12 times. This section extends the termination of CLF's expansion to December 31, 2021.

- **Sec. 541. Extension of Temporary Relief from Troubled Debt Restructurings and Insurer Clarification.** This section extends the CARES Act provision under section 4013, which allows

financial institutions to determine if they will suspend the Generally Accepted Accounting Principles (GAAP) requirements for recognizing any potential COVID-related losses from a troubled debt restructuring (TDR) related to a loan modification. This section extends the termination of this provision to the earlier of (1) 60 days after the national emergency termination date or (2) January 1, 2022, and it clarifies that insurance companies are covered by the provision.

- **Sec. 542. Healthcare Operating Loss Loans.** This section authorizes HUD to insure mortgages under Section 223(d) to cover the operating losses of healthcare facilities that are already insured under the Section 232 and 242 programs and that were financially sound immediately prior to the COVID-19 pandemic.

TITLE X – MISCELLANEOUS

- **Sec. 1003. Rescissions.** This section rescinds the unobligated amounts appropriated under section 4027 of the CARES Act that were deposited in the Exchange Stabilization Fund (ESF) for direct loans by the Department of the Treasury (Treasury) and emergency lending programs and facilities established by the Board of Governors of the Federal Reserve System (Federal Reserve or Fed). There is an immediate rescission of \$429 billion from unobligated balances, and a subsequent rescission on January 9, 2021 of any remaining unobligated balances. Certain administrative expenses are exempted from the rescissions.
- **Sec. 1004. Emergency Relief and Taxpayer Protections.** This section clarifies that proceeds from investments should be deposited as described in section 4003(e) of the CARES Act.
- **Sec. 1005. Termination of Authority.** This section sets December 31, 2020 as the date for termination of the Federal Reserve’s authority to make new loans, asset purchases, or modifications through the existing CARES Act facilities. As the ESF funds provided through the CARES Act are rescinded, this section clarifies the Secretary of the Treasury retains authority to use other ESF funds to backstop future Federal Reserve emergency lending programs and facilities under section 13(3) of the Federal Reserve Act. This section also clarifies that while those other ESF funds may not be used to establish Federal Reserve emergency lending programs and facilities that are the “same as” (i.e. identical to) current Federal Reserve programs and facilities that received CARES Act funding support (except the Term Asset-Backed Securities Loan Facility, or TALF), it permits substantially similar Federal Reserve emergency lending programs and facilities, including those designed to support small businesses and non-profit organizations, as well as state, territory, and local governments, to be established with ESF funds in the future.
- **Sec. 1006. Rule of Construction.** This section clarifies that the Federal Reserve fully retains the authority it had prior to the enactment of the CARES Act to establish programs and facilities under section 13(3) of the Federal Reserve Act.