H. R. 3617

To make technical corrections to the Community Development Banking and Financial Institutions Act of 1994 to reflect the status of the Community Development Financial Institutions Fund within the Treasury Department, to extend the authorization for the Fund, and to make other amendments to the Community Development Financial Institutions Fund, the community development financial institutions program, the Bank Enterprise Act awards program, and the small business capital enhancement program in order to more efficiently and effectively promote economic revitalization, community development, and community development financial institutions, and for other purposes.

IN THE HOUSE OF REPRESENTATIVES

APRIL 1, 1998

Mr. VENTO (for himself and Mrs. ROUKEMA) (both by request) introduced the following bill; which was referred to the Committee on Banking and Financial Services

A BILL

To make technical corrections to the Community Development Banking and Financial Institutions Act of 1994 to reflect the status of the Community Development Financial Institutions Fund within the Treasury Department, to extend the authorization for the Fund, and to make other amendments to the Community Development Financial Institutions Fund, the community development financial institutions program, the Bank Enterprise Act awards program, and the small business capital enhancement program in order to more efficiently and
effectively promote economic revitalization, community development, and community development financial institutions, and for other purposes.

Be it enacted by the Senate and House of Representa-
tives of the United States of America in Congress assembled,

SECTION 1. SHORT TITLE; TABLE OF CONTENTS.

(a) SHORT TITLE.—This Act may be cited as the “Community Development Financial Institutions Fund Amendments Act of 1998”.

(b) TABLE OF CONTENTS.—The table of contents for this Act follows:

Sec. 1. Short title; table of contents.
Sec. 2. Technical corrections to reflect status of the Fund within Treasury Department; miscellaneous technical corrections.
Sec. 3. Amendments to programs administered by the Fund.
Sec. 4. Extension of authorization.
Sec. 5. Amendments to Small Business Capital Enhancement Program.

SEC. 2. TECHNICAL CORRECTIONS TO REFLECT STATUS OF THE FUND WITHIN TREASURY DEPART-
MENT; MISCELLANEOUS TECHNICAL COR-
RECTIONS.

(a) PURPOSE.—Section 102(b) of the Community Development Banking and Financial Institutions Act of 1994 (12 U.S.C. 4701(b)) is amended to read as follows:

“(b) PURPOSE.—The purpose of this subtitle is to create a Community Development Financial Institutions Fund to promote economic revitalization and community development through investment in and assistance to com-
Community development financial institutions, including enhancing the liquidity of community development financial institutions, and through incentives to insured depository institutions that increase lending and other assistance and investment in both economically distressed communities and community development financial institutions.”.

(b) Definitions.—

(1) Section 103 of the Community Development Banking and Financial Institutions Act of 1994 is amended—

(A) by striking paragraph (1); and

(B) by redesignating paragraphs (2) through (21) as paragraphs (1) through (20), respectively.

(2) The Community Development Banking and Financial Institutions Act of 1994 (12 U.S.C. 4701 et seq.) is amended (other than in section 118) by striking “Administrator” each place it appears and inserting instead “Secretary of the Treasury”.

(c) Establishment of Fund Within Treasury Department.—

(1) In general.—Section 104(a) of the Community Development Banking and Financial Institutions Act of 1994 (12 U.S.C. 4703(a)) is amended to read as follows:
“(a) Establishment.—

“(1) In general.—There is established in the Department of the Treasury a Community Development Financial Institutions Fund that shall have the functions specified by this subtitle and subtitle B of Title II. The offices of the Fund shall be in Washington, D.C. The Fund shall not be affiliated with any other agency or department of the Federal Government.

“(2) Wholly owned government corporation.—The Fund shall be a wholly owned government corporation within the Department of the Treasury and shall be treated in all respects as an agency of the United States, except as otherwise provided in this subtitle.”.

(2) Authority of the Secretary of the Treasury.—Section 104(b) of the Community Development Banking and Financial Institutions Act of 1994 (12 U.S.C. 4703(b)) is amended to read as follows:

“(b) Management of Fund.—

“(1) Authority of Secretary of the Treasury.—All functions of the Fund shall be performed by or under the supervision of the Secretary of the Treasury.
“(2) APPOINTMENT OF OFFICERS AND EMPLOYEES.—The Secretary of the Treasury may appoint such officers and employees of the Fund, including a Director, as the Secretary deems necessary or appropriate.”.

(3) INSPECTOR GENERAL.—

(A) IN GENERAL.—Section 118 of the Community Development Banking and Financial Institutions Act of 1994 is amended to read as follows:

“SEC. 118. INSPECTOR GENERAL.

“The Inspector General of the Department of the Treasury shall be the Inspector General of the Fund.”.

(B) TECHNICAL AND CONFORMING AMENDMENT.—Section 11 of the Inspector General Act of 1978 (5 U.S.C. App. 3) is amended—

(i) in paragraph (1), by striking “; the Administrator of the Community Development Financial Institutions Fund;”; and

(ii) in paragraph (2), by striking “the Community Development Financial Institutions Fund,”.

(4) TECHNICAL CORRECTION TO RULEMAKING AUTHORITY.—Section 119(a)(1) of the Community Development Banking and Financial Institutions Act
of 1994 (12 U.S.C. 4717(a)(1)) is amended to read as follows:

“(1) IN GENERAL.—The Secretary of the Treasury may promulgate such regulations and procedures as may be necessary to carry out this subtitle.”.

SEC. 3. AMENDMENTS TO PROGRAMS ADMINISTERED BY THE FUND.

(a) AMENDMENTS TO COMMUNITY DEVELOPMENT FINANCIAL INSTITUTIONS PROGRAM.—


(2) TRAINING PROGRAMS.—Section 109(d) of the Community Development Banking and Financial Institutions Act of 1994 (12 U.S.C. 4708(d)) is amended to read as follows:

“(d) FORM.—The Fund may offer the training program described in this section directly, through grants, contracts, or cooperative agreements with other organizations. The Fund may provide the training through grants, contracts, or cooperative agreements with organizations
that possess special expertise in community development, without regard to whether the organizations receive or are eligible to receive assistance under this subtitle.”.

(b) Amendments to the Bank Enterprise Act Awards Program.—

(1) Awards for Assistance to Community Development Financial Institutions.—Section 233(a)(2) of the Bank Enterprise Act (12 U.S.C. 1834a(a)(2)) is amended—

(A) by striking “for for” in the text preceding subparagraph (A) and inserting “for”;

(B) in subparagraph (A), by striking “for low- and moderate-income persons” and inserting “to community development financial institutions, low- and moderate-income persons”;

and

(C) in subparagraph (B)—

(i) by inserting “of the increase” after “the amount”; and

(ii) by striking “financial” each place such term appears.

(2) Increase in Award Amounts for Certain Activities.—Section 114(b)(2) of the Community Development Banking and Financial Institutions Act of 1994 (12 U.S.C. 4713(b)(2)) is amend-
ed by amending the substitute text used to apply section 233(a)(3) of the Bank Enterprise Act of 1991—

(A) in subparagraph (A), by inserting “and (2)(B)” after “paragraph (2)(A)”;  

(B) in subparagraph (A)(i), by inserting “each” before “such subparagraph”; and  

(C) in subparagraph (A)(ii), by inserting “each” before “such subparagraph”.  

(3) AWARDING CREDIT FOR ADDITIONAL QUALIFIED ACTIVITIES.—Section 233(a)(4) of the Bank Enterprise Act (12 U.S.C. 1834a(a)(4)) is amended—

(A) in the text preceding subparagraph (A), by inserting “and (2)(B)” after “paragraph (2)(A)”; and  

(B) by adding at the end the following new subparagraph:  

“(P) Other forms of assistance that the Board deems appropriate.”  

(4) EVALUATION OF TECHNICAL ASSISTANCE PROVIDED.—Section 233(a)(7) of the Bank Enterprise Act (12 U.S.C. 1834a(a)(7)) is amended—

(A) by inserting “and other” after “technical”; and
(B) by striking “and (O)” and inserting instead “(O), and (P)”.

(5) Establishing alternative criteria in defining certain distressed communities.—Section 233(b)(4)(C) of the Bank Enterprise Act (12 U.S.C. 1834a(b)(4)(C)) is amended by inserting “or alternative” before “eligibility requirements”.

SEC. 4. EXTENSION OF AUTHORIZATION.

Section 121(a)(1) of the Community Development Banking and Financial Institutions Act of 1994 (12 U.S.C. 4718(a)(1)) is amended to read as follows:

“(1) In general.—There are authorized to be appropriated to the Fund, to remain available until expended, such funds as may be necessary to carry out this subtitle and subtitle B of title II.”.

SEC. 5. AMENDMENTS TO SMALL BUSINESS CAPITAL ENHANCEMENT PROGRAM.

(a) Definition of financial institution.—Section 252(5) of the Riegle Community Development and Regulatory Improvement Act of 1994 (12 U.S.C. 4742(5)) is amended by inserting “any community development financial institution (as defined in section 103(5) of this Act) and,” before “any federally chartered”.

(b) Elimination of threshold appropriation.—Section 253 of the Riegle Community Develop-
ment and Regulatory Improvement Act of 1994 (12 U.S.C. 4743) is amended by striking subsection (d) and redesignating subsection (e) as subsection (d).

(c) CONFORMING AMENDMENT.—Section 254(a) of the Riegle Community Development and Regulatory Improvement Act of 1994 (12 U.S.C. 4744(a)) is amended byinserting “(if any)” after “appropriate Federal banking agency”.

(d) AMENDMENTS TO REIMBURSEMENT AUTHORITY.—Section 257(a) of the Riegle Community Develop-
ment and Regulatory Improvement Act of 1994 (12 U.S.C. 4747(a)) is amended to read as follows—

“(a) REIMBURSEMENTS.—The Fund shall reimburse participating States according to criteria established by the Fund. Such criteria may include whether a participating State is creating a new program, is expanding in scope or scale an existing State program, the need for Fund reim-
bursement, the availability of Fund resources, and other criteria established by the Fund. Not later than 30 cal-
endar days after receiving a report filed in compliance with section 256, the Fund shall reimburse a participating State meeting such criteria in an amount equal to up to 50 percent of the amount of contributions by the participat-
ing State to the reserve funds that are subject to reim-
bursement by the Fund pursuant to section 256 and this
section, until such sums made available by the Fund for this purpose are expended.”.

(e) CONFORMING AMENDMENT.—Section 260 of the Riegle Community Development and Regulatory Improvement Act of 1994 (12 U.S.C. 4750) is repealed.