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 “Ensuring Diversity in Community Banking Act of 2019”.
3 (b) TABLE OF CONTENTS.—The table of contents for 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. Requirement to mentor minority depository institutions or community development financial institutions to serve as a depository or financial agent.
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.
SEC. 2. SENSE OF CONGRESS ON FUNDING THE LOAN-LOSS RESERVE FUND FOR SMALL DOLLAR LOANS.

The sense of Congress is the following:

(1) The Community Development Financial Institutions Fund (the “CDFI Fund”) is an agency of the Department of the Treasury, and was established by the Riegle Community Development and Regulatory Improvement Act of 1994. The mission of the CDFI Fund is “to expand economic opportunity for underserved people and communities by supporting the growth and capacity of a national network of community development lenders, investors, and financial service providers”. A community development financial institution (a “CDFI”) is a specialized financial institution serving low-income communities and a Community Development Entity (a “CDE”) is a domestic corporation or partnership that is an intermediary vehicle for the provision of loans, investments, or financial counseling in low-income communities. The CDFI Fund certifies CDFIs and CDEs. Becoming a certified CDFI or CDE allows organizations to participate in various CDFI Fund programs as follows:

(A) The Bank Enterprise Award Program, which provides FDIC-insured depository institutions awards for a demonstrated increase in
lending and investments in distressed communities and CDFIs.

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

(C) The Native American CDFI Assistance Program, which provides CDFIs and sponsoring entities Financial and Technical Assistance awards to increase lending and grow the number of CDFIs owned by Native Americans to help build capacity of such CDFIs.

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

(E) The Capital Magnet Fund, which provides awards to CDFIs and nonprofit affordable housing organizations to finance affordable housing solutions and related economic development activities.

(F) The Bond Guarantee Program, a source of long-term, patient capital for CDFIs
to expand lending and investment capacity for
community and economic development purposes.

(2) The Department of the Treasury is author-
ized to create multi-year grant programs designed to
encourage low-to-moderate income individuals to es-

tablish accounts at federally insured banks, and to
improve low-to-moderate income individuals’ access
to such accounts on reasonable terms.

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

(4) Program participation is restricted to eligi-
ble institutions, which are limited to organizations
listed in section 501(c)(3) of the Internal Revenue
Code and exempt from tax under 501(a) of such Code, federally insured depository institutions, com-
munity development financial institutions and State,
local, or Tribal government entities.

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

SEC. 3. DEFINITIONS.

In this Act:

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

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

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

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

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

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

“(A) any”; and

(3) in clause (iii) (as so redesignated), by striking the period at the end and inserting “; or”; and

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

“(B) any bank described in clause (i), (ii), or (iii) of section 19(b)(1)(A) of the Federal Reserve Act—
“(i) more than 50 percent of the outstanding shares of which are held by 1 or more women; and
“(ii) the majority of the directors on the board of directors of which are women.”.

SEC. 5. ESTABLISHMENT OF IMPACT BANK DESIGNATION.

(a) In General.—Each appropriate Federal banking agency shall establish a program under which a depository institution with total consolidated assets of less than $10,000,000,000 may elect to be designated as an impact bank if 50 percent or more of the loans extended by such covered bank are extended to low-income borrowers.

(b) Designation.—Based on data obtained through examinations, an appropriate Federal banking agency shall submit a notification to a depository institution stating that the depository institution qualifies for designation as an impact bank.

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

(d) Additional Data or Oversight.—A depository institution is not required to submit additional data
to an appropriate Federal banking agency or be subject to additional oversight from such an agency if such data or oversight is related specifically and solely for consideration for a designation as an impact bank.

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

(f) RECONSIDERATION OF DESIGNATION; APPEALS.—A depository institution may—

(1) submit to the appropriate Federal banking agency a request to reconsider a determination that such depository institution no longer meets the criteria for the designation; or

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

(g) RULEMAKING.—Not later than 1 year after the date of the enactment of this Act, the appropriate Federal banking agencies shall jointly issue rules to carry out the requirements of this section, including by providing a definition of a low-income borrower.
(h) **FEDERAL DEPOSIT INSURANCE ACT DEFINITIONS.**—In this section, the terms “depository institution” and “appropriate Federal banking agency” have the meanings given such terms, respectively, in section 3 of the Federal Deposit Insurance Act (12 U.S.C. 1813).

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

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

(b) **DUTIES.**—Each Minority Depository Institutions Advisory Committee shall provide advice to the respective covered regulator on meeting the goals established by section 308 of the Financial Institutions Reform, Recovery, and Enforcement Act of 1989 (12 U.S.C. 1463 note) to preserve the present number of covered minority institutions, preserve the minority character of minority-owned institutions in cases involving mergers or acquisitions, provide technical assistance, and encourage the creation of new covered minority institutions. The scope of the work of each such Minority Depository Institutions Advisory Committee shall include an assessment of the current condition of covered minority institutions, what regulatory changes or other steps the respective agencies may be able
to take to fulfill the requirements of such section 308, and other issues of concern to minority depository institutions.

(c) Membership.—

(1) In general.—Each Minority Depository Institutions Advisory Committee shall consist of no more than 10 members, who—

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

(B) shall serve as a representative of a depository institution or an insured credit union with respect to which the respective covered regulator is the covered regulator of such depository institution or insured credit union; and

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

(2) Diversity.—To the extent practicable, each covered regulator shall ensure that the members of Minority Depository Institutions Advisory Committee of such agency reflect the diversity of depository institutions.

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

(2) INVITATIONS.—Each Minority Depository Institutions Advisory Committee shall invite the attendance at each meeting of the Minority Depository Institutions Advisory Committee of—

(A) one member of the majority party and one member of the minority party of the Committee on Financial Services of the House of Representatives and the Committee on Banking, Housing, and Urban Affairs of the Senate; and

(B) one member of the majority party and one member of the minority party of any relevant subcommittees of such committees.

(c) NO TERMINATION OF ADVISORY COMMITTEES.—The termination requirements under section 14 of the Federal Advisory Committee Act (5 U.S.C. app.) shall not apply to a Minority Depository Institutions Advisory Committee established pursuant to this section.

(f) DEFINITIONS.—In this section:

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

(2) COVERED MINORITY INSTITUTION.—The term “covered minority institution” means a minority depository institution (as defined in section 308(b) of the Financial Institutions Reform, Recovery, and Enforcement Act of 1989 (12 U.S.C. 1463 note)) or a minority credit union (as defined in section 1204(c) of the Financial Institutions Reform, Recovery, and Enforcement Act of 1989, as amended by this Act).

(3) DEPOSITORY INSTITUTION.—The term “depository institution” has the meaning given under section 3 of the Federal Deposit Insurance Act (12 U.S.C. 1813).

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

(g) TECHNICAL AMENDMENT.—Section 308(b) of the Financial Institutions Reform, Recovery, and Enforcement Act of 1989 (12 U.S.C. 1463 note) is amended by adding at the end the following new paragraph:

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

SEC. 7. FEDERAL DEPOSITS IN MINORITY DEPOSITORY IN-
STITUTIONS.

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

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

“(d) Federal Deposits.—The Secretary of the
Treasury shall ensure that deposits made by Federal agen-
cies in minority depository institutions and impact banks
are fully collateralized or fully insured, as determined by
the Secretary. Such deposits shall include reciprocal de-
posits as defined in section 337.6(e)(2)(v) of title 12, Code
of Federal Regulations (as in effect on March 6, 2019).”;

and

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

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

(b) TECHNICAL AMENDMENTS.—Section 308 of the Financial Institutions Reform, Recovery, and Enforcement Act of 1989 (12 U.S.C. 1463 note) is amended—

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

(2) in the paragraph heading for paragraph (1), by striking “FINANCIAL” and inserting “DEPOSITORY”.

SEC. 8. MINORITY BANK DEPOSIT PROGRAM.

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

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

“(a) MINORITY BANK DEPOSIT PROGRAM.—

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

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

“(A) on application by a depository institution or credit union, certify whether such deposi-
itory institution or credit union is a minority
bank or minority credit union;

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

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

“(i) all Federal departments and
agencies;

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

“(iii) interested private sector compa-

“(3) INCLUSION OF CERTAIN ENTITIES ON
LIST.—A depository institution or credit union that,
on the date of the enactment of this section, has a
current certification from the Secretary of the
Treasury stating that such depository institution or
credit union is a minority bank or minority credit
union shall be included on the list described under
paragraph (2)(B).

“(b) EXPANDED USE AMONG FEDERAL DEPART-
MENTS AND AGENCIES.—
“(1) IN GENERAL.—Not later than 1 year after the establishment of the program described in subsection (a), the head of each Federal department or agency shall develop and implement standards and procedures to ensure, to the maximum extent possible as permitted by law, the use of minority banks and minority credit unions to serve the financial needs of each such department or agency.

“(2) REPORT TO CONGRESS.—Not later than 2 years after the establishment of the program described in subsection (a), and annually thereafter, the head of each Federal department or agency shall submit to Congress a report on the actions taken to increase the use of minority banks and minority credit unions to serve the financial needs of each such department or agency.

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

“(1) CREDIT UNION.—The term ‘credit union’ has the meaning given the term ‘insured credit union’ in section 101 of the Federal Credit Union Act (12 U.S.C. 1752).

“(2) DEPOSITORY INSTITUTION.—The term ‘depository institution’ has the meaning given the term ‘insured depository institution’ in section 3 of the Federal Deposit Insurance Act (12 U.S.C. 1813).
“(3) MINORITY.—The term ‘minority’ means any Black American, Native American, Hispanic American, or Asian American.

“(4) MINORITY BANK.—The term ‘minority bank’ means a minority depository institution as defined in section 308 of this Act.

“(5) MINORITY CREDIT UNION.—The term ‘minority credit union’ means any credit union for which more than 50 percent of the membership (including board members) of such credit union are minority individuals, as determined by the National Credit Union Administration pursuant to section 308 of this Act.”.

(b) CONFORMING AMENDMENTS.—The following provisions are amended by striking “1204(c)(3)” and inserting “1204(c)”:

(1) Section 808(b)(3) of the Community Reinvestment Act of 1977 (12 U.S.C. 2907(b)(3)).

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

(3) Section 704B(h)(4) of the Equal Credit Opportunity Act (15 U.S.C. 1691e–2(h)(4)).
SEC. 9. DIVERSITY REPORT AND BEST PRACTICES.

(a) ANNUAL REPORT.—Each covered regulator shall submit to Congress an annual report on diversity including the following:

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

(2) The status of any examiners of covered regulators, based on voluntary self-identification, as a veteran.

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

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

(b) BEST PRACTICES.—Each Office of Minority and Women Inclusion of a covered regulator shall develop, provide to the head of the covered regulator, and make publicly available best practices—
(1) for increasing the diversity of candidates applying for examiner positions, including through outreach efforts to recruit diverse candidates to apply for entry-level examiner positions; and

(2) for retaining and providing fair consideration for promotions within the examiner staff for purposes of achieving diversity among examiners.

(c) COVERED REGULATOR DEFINED.—In this section, the term “covered regulator” means the Comptroller of the Currency, the Board of Governors of the Federal Reserve System, the Federal Deposit Insurance Corporation, and the National Credit Union Administration.

SEC. 10. INVESTMENTS IN MINORITY DEPOSITORY INSTITUTIONS AND IMPACT BANKS.

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

“(B) ‘control’ means the power, directly or indirectly—

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

“(ii)(I) with respect to an insured depository institution, of a person to vote 25 percent or more of any class of voting securities of such institution; or
“(II) with respect to an insured depository institution that is an impact bank (as designated pursuant to section 5 of the Ensuring Diversity in Community Banking Act of 2019) or a minority depository institution (as defined in section 308(b) of the Financial Institutions Reform, Recovery, and Enforcement Act of 1989), of an individual to vote 30 percent of more of any class of voting securities of such an impact bank or a minority depository institution.”.

(b) RULEMAKING.—The appropriate Federal banking agency (as defined in section 3 of the Federal Deposit Insurance Act (12 U.S.C. 1813)) shall jointly issue rules for de novo minority depository institutions and de novo impact banks (as designated pursuant to section 5) to allow 3 years to meet the capital requirements otherwise applicable to minority depository institutions and impact banks.

c) REPORT.—Not later than 1 year after the date of the enactment of this Act, the appropriate Federal banking agencies shall jointly submit to Congress a report on—
(1) the principal causes for the low number of
de novo minority depository institutions during the
10-year period preceding the date of the report;
(2) the main challenges to the creation of de
novo minority depository institutions and de novo
impact banks; and
(3) regulatory and legislative considerations to
promote the establishment of de novo minority de-
pository institutions and de novo impact banks.

SEC. 11. REQUIREMENT TO MENTOR MINORITY DEPOSI-
TORY INSTITUTIONS OR COMMUNITY DEVEL-
OPMENT FINANCIAL INSTITUTIONS TO SERVE
AS A DEPOSITARY OR FINANCIAL AGENT.

(a) In General.—Before a large financial institu-
tion may be employed as a financial agent of the Depart-
ment of the Treasury or perform any reasonable duties
as depository of public moneys of the Department of the
Treasury, the large financial institution shall demonstrate
participation as a mentor in a covered mentor-protege pro-
gram to a protege firm that is a minority depository insti-
tution or a community development financial institution.

(b) Report.—Not later than 6 months after the date
of the enactment of this Act and annually thereafter, the
Secretary of the Treasury shall submit to Congress a re-
port on participants in a covered mentor-protege program,
including an analysis of outcomes of such program.

(c) PROCEDURES.—The Secretary of the Treasury
shall publish procedures for compliance with the require-
ments of this section for large financial institutions.

(d) DEFINITIONS.—In this section:

(1) COVERED MENTOR-PROTEGE PROGRAM.—
The term “covered mentor-protege program” means
a mentor-protege program established by the Sec-
retary of the Treasury pursuant to section 45 of the

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

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

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

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

(a) ESTABLISHMENT.—The Secretary of the Treas-
ury shall establish a custodial deposit program (in this sec-
tion referred to as the “Program”) under which a covered bank shall receive monthly deposits from a qualifying account.

(b) APPLICATION.—A covered bank shall submit to the Secretary an application to participate in the Program at such time, in such manner, and containing such information as the Secretary may determine.

(c) PROGRAM OPERATIONS.—

(1) DESIGNATION OF CUSTODIAL ENTITIES.—

The Secretary shall designate eligible custodial entities to make monthly deposits with covered banks selected for participation in the Program on behalf of a qualifying account.

(2) CUSTODIAL ACCOUNTS.—

(A) IN GENERAL.—The Secretary shall establish a custodial deposit account for each qualifying account with the eligible custodial entity designated to make deposits with covered banks for each such qualifying account.

(B) AMOUNT.—The Secretary shall deposit a total amount not greater than 5 percent of a qualifying account into any custodial deposit accounts established under subparagraph (A).

(C) DEPOSITS WITH PROGRAM PARTICIPANTS.—
(i) MONTHLY DEPOSITS.—Each month, each eligible custodial entity designated by the Secretary shall deposit an amount not greater than the insured amount, in the aggregate, from each custodial deposit account, in a single covered bank.

(ii) LIMITATION.—With respect to the funds of an individual qualifying account, the eligible custodial entity may not deposit an amount greater than the insured amount in a single covered bank.

(iii) INSURED AMOUNT DEFINED.—In this subparagraph, the term “insured amount” means the amount that is the greater of—

(I) the standard maximum deposit insurance amount (as defined in section 11(a)(1)(E) of the Federal Deposit Insurance Act (12 U.S.C. 1821(a)(1)(E))); or

(II) such higher amount negotiated between the Secretary and the Corporation under which the Corpora-
tion will insure all deposits of such higher amount.

(D) LIMITATIONS.—The total amount of funds deposited under the Program in a covered bank may not exceed the lesser of—

(i) 10 percent of the average amount of deposits held by such covered bank in the previous quarter; or

(ii) $100,000,000.

(3) INTEREST.—

(A) IN GENERAL.—Each eligible custodial entity designated by the Secretary shall—

(i) collect interest from each covered bank in which such custodial entity deposits funds pursuant to paragraph (2); and

(ii) disburse such interest to the Secretary each month.

(B) INTEREST RATE.—The rate of any interest collected under this paragraph may not exceed 50 percent of the discount window primary credit interest rate most recently published on the Federal Reserve Statistical Release on selected interest rates (daily or weekly), commonly referred to as the H.15 release (commonly known as the “Federal funds rate”).
(4) STATEMENTS.—Each eligible custodial entity designated by the Secretary shall submit to the Secretary monthly statements that include the total amount of funds deposited with, and interest rate received from, each covered bank by the eligible custodial entity on behalf of qualifying entities.

(5) RECORDS.—The Secretary shall issue a quarterly report to Congress and make publicly available a record identifying all covered banks participating in the Program and amounts deposited under the Program in covered banks.

(d) REQUIREMENTS RELATING TO DEPOSITS.—Deposits made with covered banks under this section may not—

(1) be considered by the Corporation to be funds obtained, directly or indirectly, by or through any deposit broker for deposit into 1 or more deposit accounts (as described under section 29 of the Federal Deposit Insurance Act (12 U.S.C. 1831f)); or

(2) be subject to insurance fees from the Corporation that are greater than insurance fees for typical demand deposits not obtained, directly or indirectly, by or through any deposit broker (commonly known as “core deposits”).

(e) MODIFICATIONS.—
(1) **IN GENERAL.**—The Secretary shall provide a 3-month period for public notice and comment before making any material change to the operation of the Program.

(2) **EXCEPTION.**—The requirements of paragraph (1) shall not apply if the Secretary makes a material change to the Program to comply with safety and soundness standards or other law.

(f) **TERMINATION.**—

(1) **BY COVERED BANK.**—A covered bank selected for participation in the Program pursuant to subsection (c) may terminate participation in the Program by providing the Secretary a notification 60 days prior to termination.

(2) **BY SECRETARY.**—The Secretary may terminate the participation of a covered bank in the Program if the Secretary determines the covered bank—

(A) violated any terms of participation in the Program;

(B) failed to comply with Federal bank secrecy laws, as documented in writing by the primary regulator of the covered bank;

(C) failed to remain well capitalized; or
(D) failed comply with safety and soundness standards, as documented in writing by the primary regulator of the covered bank.

(g) DEFINITIONS.—In this section:

(1) CORPORATION.—The term “Corporation” means the Federal Deposit Insurance Corporation.

(2) COVERED BANK.—The term “covered bank” means—

(A) a minority depository institution that is regulated by the Corporation or the National Credit Union Administration that is well capitalized (as defined in section 38(b) of the Federal Deposit Insurance Act (12 U.S.C. 1831o(b))); or

(B) a depository institution designated pursuant to section 5 of the Ensuring Diversity in Community Banking Act of 2019 that is well capitalized (as defined in section 38(b) of the Federal Deposit Insurance Act (12 U.S.C. 1831o(b))).

(3) ELIGIBLE CUSTODIAL ENTITY.—The term “eligible custodial entity” means—

(A) an insured depository institution (as defined in section 3 of the Federal Deposit Insurance Act (12 U.S.C. 1813)),

...
(B) an insured credit union (as defined in section 101 of the Federal Credit Union Act (12 U.S.C. 1752)), or

(C) or a well capitalized State-chartered trust company,
designated by the Secretary under subsection (c)(1).

(4) FEDERAL BANK SECRECY LAWS.—The term “Federal bank secrecy laws” means—

(A) section 21 of the Federal Deposit Insurance Act (12 U.S.C. 1829b);

(B) section 123 of Public Law 91–508;

and

(C) subchapter II of chapter 53 of title 31, United States Code.

(5) QUALIFYING ACCOUNT.—The term “qualifying account” means any account established in the Department of the Treasury that—

(A) is controlled by the Secretary; and

(B) is expected to maintain a balance greater than $200,000,000 for the following calendar month.

(6) SECRETARY.—The term “Secretary” means the Secretary of the Treasury.
(7) WELL CAPITALIZED.—The term “well capitalized” has the meaning given in section 38 of the Federal Deposit Insurance Act (12 U.S.C. 1831o).

SEC. 13. STREAMLINED COMMUNITY DEVELOPMENT FINANCIAL INSTITUTION APPLICATIONS AND REPORTING.

(a) APPLICATION PROCESSES.—Not later than 12 months after the date of the enactment of this Act and with respect to any person having assets under $3,000,000,000 that submits an application for deposit insurance with the Federal Deposit Insurance Corporation that could also become a community development financial institution, the Federal Deposit Insurance Corporation, in consultation with the Administrator of the Community Development Financial Institutions Fund, shall—

(1) develop systems and procedures to record necessary information to allow the Administrator to conduct preliminary analysis for such person to also become a community development financial institution; and

(2) develop procedures to streamline the application and annual certification processes and to reduce costs for such person to become, and maintain certification as, a community development financial institution that serves low- and moderate-income
neighborhoods (as defined under the Community Re-
investment Act of 1977 (12 U.S.C. 2901 et seq.)).

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

(c) ANNUAL REPORT.—

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

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

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

(C) by inserting after subparagraph (E)
the following new subparagraph:

“(F) applicants for deposit insurance that
could also become a community development fi-
nancial institution (as defined in section 103 of
the Riegle Community Development and Regu-
lar Improvement Act of 1994), a minority
depository institution (as defined in section 308
of the Financial Institutions Reform, Recovery,
and Enforcement Act of 1989), or an impact
bank (as designated pursuant to section 5 of the Ensuring Diversity in Community Banking Act of 2019); and’’.

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

SEC. 14. TASK FORCE ON LENDING TO SMALL BUSINESS CONCERNS.

(a) IN GENERAL.—Not later than 6 months after the date of the enactment of this Act, the Administrator of the Small Business Administration shall establish a task force to examine methods for improving relationships between the Small Business Administration and community development financial institutions, minority depository institutions, and Impact Banks to increase the volume of loans provided by such institutions to small business concerns (as defined under section 3 of the Small Business Act (15 U.S.C. 632)).

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