To amend the CARES Act to add requirements for the Main Street Lending Program related to non-profit organizations, small businesses, minority depository institutions, and community development financial institutions, and for other purposes.

IN THE HOUSE OF REPRESENTATIVES

MAY 15, 2020

Mrs. BEATTY introduced the following bill; which was referred to the Committee on Financial Services

A BILL

To amend the CARES Act to add requirements for the Main Street Lending Program related to non-profit organizations, small businesses, minority depository institutions, and community development financial institutions, 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,
3
4 SECTION 1. MAIN STREET LENDING PROGRAM REQUIRE-
5 MENTS.
6 (a) In General.—Section 4003(c)(3)(D)(ii) of the
7 CARES Act (15 U.S.C. 9042(c)(3)(D)(ii)) is amended—
(1) by striking “Nothing in this subparagraph shall limit the discretion of the Board of Governors of the Federal Reserve System to” and inserting the following:

“(I) IN GENERAL.—The Board of Governors of the Federal Reserve System shall”; and

(2) by adding at the end the following:

“(II) REQUIREMENTS.—In carrying out subclause (I), the Board of Governors of the Federal Reserve System—

“(aa) shall make non-profit organizations and institutions of higher education (as such term is defined in section 101(a) of the Higher Education Act of 1965 (20 U.S.C. 1001(a))) eligible for any program or facility established under such subclause; and

“(bb) shall—

“(AA) create a low-cost loan option tailored to the unique needs of non-profit organizations, including the
ability to defer payments without capitalization of interest;

“(BB) solely for non-profit organizations that predominantly serve low-income communities (as determined by the Board of Governors), have the loans forgiven by the Secretary of the Treasury for a similar purpose to maintain payroll and operations provided under the Paycheck Protection Program, notwithstanding subsection (d)(3); and

“(CC) make any organization that meets the requirements of section 501(c)(4) of the Internal Revenue Code of 1986 eligible for any facility, but only if such organization has not made and will not make a contribution, expenditure,
independent expenditure, or electioneering communication (within the meanings of such terms under the Federal Election Campaign Act of 1971), and has not undertaken and will not undertake similar campaign finance activities in State and local elections;”.

(b) DEADLINE.—Not later than the end of the 5-day period beginning on the date of enactment of this Act, the Board of Governors of the Federal Reserve System shall issue such rules or take such other actions as may be necessary to implement the requirements made by the amendments made by this section.

SEC. 2. OPTIONS FOR SMALL BUSINESSES AND NON-PROFITS UNDER THE MAIN STREET LENDING PROGRAM.

(a) IN GENERAL.—Section 4003(c)(3)(D)(ii)(II) of the CARES Act (15 U.S.C. 9042(c)(3)(D)(ii)(II)), as added by section 1, if further amended by adding at the end the following:

“(cc) shall provide at least one low-cost loan option that
small businesses, small non-profits, and small institutions of higher education (as such term is defined in section 101(a) of the Higher Education Act of 1965 (20 U.S.C. 1001(a))) are eligible for that does not have a minimum loan size and includes the ability to defer payments without capitalization of interest, and, solely for small non-profit organizations that predominantly serve low-income communities, as determined by the Federal Reserve, have the loans forgiven by the Department of the Treasury for a similar purpose to maintain payroll and operations provided under the Paycheck Protection Program, notwithstanding section 4003(d)(3) of the CARES Act;”.

(b) DEADLINE.—Not later than the end of the 5-day period beginning on the date of enactment of this Act, the Board of Governors of the Federal Reserve System shall issue such rules or take such other actions as may be nec-
necessary to implement the requirements made by the amend-
ments made by this section.

SEC. 3. TREATMENT OF CDFIS UNDER THE MAIN STREET
LENDING PROGRAM.

(a) In General.—Section 4003(c)(3)(D)(ii)(II) of
the CARES Act (15 U.S.C. 9042(c)(3)(D)(ii)(II)), as
amended by section 2, is further amended by adding at
the end the following:

“(dd) shall authorize com-
munity development financial in-
stitutions to be eligible lenders
under such program or facility;
and

“(ee) shall provide re-
resources, webinars, and technical
assistance (using funds from
such program or facility) to mi-
nority depository institutions and
community development financial
institutions that wish to be eligi-
able lenders under such program
or facility.”.

(b) Deadline.—Not later than the end of the 5-day
period beginning on the date of enactment of this Act, the
Board of Governors of the Federal Reserve System shall
issue such rules or take such other actions as may be nec-
essary to implement the requirements made by the amend-
ments made by this section.