

116TH CONGRESS
2D SESSION

S. _____

To amend the Community Development Banking and Financial Institutions Act of 1994 to establish a CDFI National Crisis Fund, and for other purposes.

IN THE SENATE OF THE UNITED STATES

Mr. SCHATZ (for himself, Ms. BALDWIN, Mr. VAN HOLLEN, Mrs. GILLIBRAND, Mr. WYDEN, Ms. WARREN, Mrs. FEINSTEIN, Mr. BLUMENTHAL, Mr. SANDERS, and Mr. HEINRICH) introduced the following bill; which was read twice and referred to the Committee on _____

A BILL

To amend the Community Development Banking and Financial Institutions Act of 1994 to establish a CDFI National Crisis Fund, 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 **SECTION 1. CDFI NATIONAL CRISIS FUND.**

4 (a) IN GENERAL.—The Community Development
5 Banking and Financial Institutions Act of 1994 (12
6 U.S.C. 4701 et seq.) is amended by inserting after section
7 122 (12 U.S.C. 4719) the following:

1 **“SEC. 123. CDFI CRISIS FUND.**

2 “(a) DEFINITIONS.—In this section:

3 “(1) AFFECTED AREA.—The term ‘affected
4 area’ means—

5 “(A) a State that is subject to a covered
6 crisis;

7 “(B) a county that is subject to a covered
8 crisis described in paragraph (3)(B); or

9 “(C) a Tribal government that is—

10 “(i) located in a State that is subject
11 to a covered crisis; or

12 “(ii) subject to a covered crisis.

13 “(2) COMMUNITY DEVELOPMENT FINANCIAL IN-
14 STITUTION.—The term ‘community development fi-
15 nancial institution’ shall include small and emerging
16 community development financial institutions, as de-
17 fined in the most recent relevant regulations from
18 the Department of the Treasury.

19 “(3) COVERED CRISIS.—The term ‘covered cri-
20 sis’ means—

21 “(A) the emergency involving Federal pri-
22 mary responsibility determined to exist by the
23 President under section 501(b) of the Robert T.
24 Stafford Disaster Relief and Emergency Assist-
25 ance Act (42 U.S.C. 5191(b)) with respect to
26 the Coronavirus disease 2019 (COVID–19);

1 “(B) a major disaster exists in the State
2 for which assistance is authorized under section
3 408 of the Robert T. Stafford Disaster Relief
4 and Emergency Assistance Act (42 U.S.C.
5 5174) for a county;

6 “(C) a major disaster exists in the State
7 for which assistance is authorized under section
8 408 of the Robert T. Stafford Disaster Relief
9 and Emergency Assistance Act (42 U.S.C.
10 5174) for individuals who live in an area of the
11 State in which a majority of the residents of the
12 State reside;

13 “(D) an increase in statewide 6-month av-
14 erage unemployment rate, seasonally adjusted,
15 by not less than 0.5 percentage points more
16 than the lowest recorded unemployment rate
17 over the preceding 12-month period; or

18 “(E) an increase in the national 3-month
19 average unemployment rate, seasonally ad-
20 justed, by not less than 0.5 percentage points
21 more than the lowest recorded unemployment
22 rate over the preceding 12-month period.

23 “(4) CRISIS FUND.—The term ‘Crisis Fund’
24 means the CDFI National Crisis Fund established
25 under this section.

1 “(5) LOW-INCOME.—The term ‘low-income’
2 means having an income, as adjusted for family size,
3 that is—

4 “(A) for metropolitan areas, less than 80
5 percent of the area median income; and

6 “(B) for nonmetropolitan areas, the great-
7 er of—

8 “(i) less than 80 percent of the area
9 median income; or

10 “(ii) less than 80 percent of the state-
11 wide nonmetropolitan area median income.

12 “(6) MINORITY COMMUNITY DEVELOPMENT FI-
13 NANCIAL INSTITUTION.—The term ‘minority commu-
14 nity financial institution’ means a community devel-
15 opment financial institution that—

16 “(A) if a privately-owned institution, 51
17 percent is owned by 1 or more socially and eco-
18 nomically disadvantaged individuals;

19 “(B) if publicly-owned, 51 percent of the
20 stock is owned by 1 or more socially and eco-
21 nomically disadvantaged individuals; and

22 “(C) in the case of a mutual institution,
23 where the majority of the Board of Directors,
24 account holders, and the community which the
25 institution services is predominantly Black

1 American, Native American, Hispanic Amer-
2 ican, or Asian American.

3 “(7) NATIVE COMMUNITY DEVELOPMENT FI-
4 NANCIAL INSTITUTION.—

5 “(A) IN GENERAL.—The term ‘Native
6 community development financial institution’
7 means a community development financial insti-
8 tution—

9 “(i) the activities of which not less
10 than 51 percent serve Native Americans;
11 or

12 “(ii) that is not less than 51 percent
13 owned or controlled Native Americans.

14 “(B) NATIVE AMERICANS.—In this para-
15 graph, the term ‘Native Americans’ has the
16 meaning given the term in section 3765 of title
17 38, United States Code.

18 “(8) STATE.—The term ‘State’ means any
19 State of the United States, the District of Columbia,
20 the Commonwealth of Puerto Rico, the Virgin Is-
21 lands, Guam, American Samoa, and the Common-
22 wealth of the Northern Mariana Islands.

23 “(9) TRIBAL GOVERNMENT.—The term ‘Tribal
24 government’ has the meaning given the term ‘Indian
25 tribal government’ in section 102 of the Robert T.

1 Stafford Disaster Relief and Emergency Assistance
2 Act (42 U.S.C. 5122).

3 “(10) VERY LOW-INCOME.—The term ‘very low-
4 income’ means having an income, as adjusted for
5 family size, that is—

6 “(A) for metropolitan areas, less than 50
7 percent of the area median income; and

8 “(B) for nonmetropolitan areas, the great-
9 er of—

10 “(i) less than 50 percent of the area
11 median income; or

12 “(ii) less than 50 percent of the state-
13 wide nonmetropolitan area median income.

14 “(b) PURPOSE.—The purpose of this section is to cre-
15 ate a fund to support community development financial
16 institutions during acute periods of crisis in their mission
17 to provide uniquely supportive financial products and serv-
18 ices to otherwise underserved clients.

19 “(c) ESTABLISHMENT.—There is established in the
20 Treasury the CDFI National Crisis Fund, which shall be
21 within the Fund.

22 “(d) AVAILABILITY OF CRISIS FUND.—Amounts in
23 the Crisis Fund shall be available, until expended, to pro-
24 vide grants to community development financial institu-
25 tions as provided under this section.

1 “(e) GRANTS.—

2 “(1) IN GENERAL.—The Crisis Fund shall be
3 authorized to make grants to community develop-
4 ment financial institutions to enable those institu-
5 tions to provide emergency assistance in the form of
6 financial products and services to help small busi-
7 nesses and low-income and very low-income popu-
8 lations respond to and recover from covered crises in
9 the affected area.

10 “(2) APPLICATION.—

11 “(A) IN GENERAL.—The Secretary shall—

12 “(i) accept applications during the pe-
13 riod beginning upon notification of a cov-
14 ered crisis under subsection (f) and ending
15 on the date that is 6 months after the date
16 of the notification;

17 “(ii) approve or deny any application
18 submitted for a grant under paragraph (1)
19 not later than 30 days after receipt; and

20 “(iii) upon request by an applicant for
21 a grant under paragraph (1), provide tech-
22 nical assistance for the applicant.

23 “(B) SELECTION FORMULA.—

1 “(i) IN GENERAL.—Not later than
2 180 days after the date of enactment of
3 this section, the Fund shall—

4 “ (I) develop a selection formula
5 as may be necessary for the selection
6 of community development financial
7 institutions to receive assistance
8 under this section and guidance to aid
9 those institutions in meeting the for-
10 mula; and

11 “ (II) post the information de-
12 scribed in subclause (I) on a publicly
13 available website.

14 “(ii) CONSIDERATIONS.—In estab-
15 lishing the selection formula under clause
16 (i), the Fund shall take into account—

17 “ (I) the program capacity of a
18 community development financial in-
19 stitution to provide emergency assist-
20 ance in the form of financial products
21 and services to help targeted popu-
22 lations or populations in investment
23 areas recover from covered crises in
24 the affected area; and

1 section for each fiscal year in which an
2 community development financial institu-
3 tion receives a grant receives a grant under
4 this section based on the demonstrated ca-
5 pacity of and the cost of grant require-
6 ments for the applicant.

7 “(C) LIMITATION OF ASSISTANCE.—The
8 total aggregate amount outstanding and com-
9 mitted to any community development financial
10 institution in grants under this section in any
11 fiscal year shall not exceed 15 percent of the
12 total amount of the Crisis Fund.

13 “(D) DISTRIBUTION OF ASSISTANCE.—The
14 Secretary shall disburse the full amount of a
15 grant under this section to an approved appli-
16 cant not later than 30 days after the date on
17 which the application is approved.

18 “(E) SET ASIDES.—

19 “(i) NATIVE CDFIS.—Of the amounts
20 in the Crisis Fund, 10 percent shall be set
21 aside for grants made to Native commu-
22 nity development financial institutions,
23 which set aside may also qualify under
24 clause (ii).

1 “(ii) MINORITY COMMUNITY DEVEL-
2 OPMENT FINANCIAL INSTITUTIONS.—Of
3 the amounts in the Crisis Fund, 30 per-
4 cent shall be set aside for grants made to
5 minority community development financial
6 institutions.

7 “(F) USE OF GRANT FUNDS FOR MORE
8 THAN 1 COVERED CRISIS.—The Secretary may
9 retroactively approve use of grant funds for cov-
10 ered crises in affected areas that took place
11 after the grant was made.

12 “(4) USE OF FUNDS.—A recipient of a grant
13 under this section—

14 “(A) shall use—

15 “(i) not less than 90 percent of the
16 grant funds for activities described in
17 paragraph (1) in the affected area of the
18 covered crisis;

19 “(ii) not less than 25 percent of the
20 grant funds for activities described in
21 paragraph (1) that benefit very low-income
22 individuals; and

23 “(iii) not less than 15 percent of the
24 grant funds for activities described in
25 paragraph (1) that benefit individuals with

1 incomes of not more than 30 percent of
2 the area median income, which set aside
3 may also qualify under clause (ii);

4 “(B) may use not more than 10 percent of
5 the grant funds for administrative costs, costs
6 related to outreach and partnership building,
7 and financial products and services to areas
8 surrounding the affected area; and

9 “(C) may use any remaining grant funds
10 approved for a covered crisis in an affected area
11 for another covered crisis in an affected area
12 occurring after the grant was made, if the Sec-
13 retary approves the use of those funds under
14 paragraph (3)(F).

15 “(5) UNEMPLOYMENT MEASURES FOR TRIBAL
16 GOVERNMENTS.—The Commissioner of the Bureau
17 of Labor Statistics shall coordinate with the Assist-
18 ant Secretary of Indian Affairs to develop reliable
19 unemployment measures for American Indian, Na-
20 tive Alaskan, and Native Hawaiian communities in
21 order to understand when the requirements for a
22 covered crisis under subsection (a)(1)(C) are met
23 with respect to a Tribal government.

24 “(f) NOTIFICATION OF COVERED CRISIS.—

1 “(1) EMERGENCY OR MAJOR DISASTER.—The
2 Administrator of the Federal Emergency Manage-
3 ment Agency, through the Secretary of the Treas-
4 ury, shall notify the Fund when the requirements for
5 a covered crisis under subparagraph (A) or (B) of
6 subsection (a)(1) are met, which shall include the
7 date on which the requirements are met and the rel-
8 evant affected areas.

9 “(2) UNEMPLOYMENT.—The Secretary of
10 Labor, through the Secretary of the Treasury, shall
11 notify the Crisis Fund when the requirements for a
12 covered crisis under subsection (a)(1)(C) are met,
13 which shall include the date on which the require-
14 ments are met and the relevant affected areas, in-
15 cluding for Tribal governments.

16 “(g) DATA.—The Fund shall post updates on—

17 “(1) the disbursements of funds from the Crisis
18 Fund, including the distribution of funds going to
19 low-income and very low-income populations and de-
20 mographic data regarding the areas and populations
21 receiving funds from the Crisis Fund; and

22 “(2) all other applications made, denied, and
23 disbursed on a monthly basis during a covered crisis.

24 “(h) REPOSITORY OF BEST PRACTICES.—Based on
25 the recommendations of the Comptroller General of the

1 United States and data that the Secretary of the Treasury
2 may collect from recipients of grants under this section,
3 the Secretary of the Treasury shall—

4 “(1) develop a publicly accessible database of
5 best practices for effective use of those grants, in-
6 cluding past case studies of success and other useful
7 information; and

8 “(2) issue guidance, restrictions, and regula-
9 tions with respect to those grants.

10 “(i) AUTHORIZATION OF APPROPRIATIONS.—

11 “(1) CRISIS FUND AUTHORIZATION.—To carry
12 out this section, there are authorized to be appro-
13 priated to the Crisis Fund \$2,000,000,000 for fiscal
14 year 2021, to remain available until expended.

15 “(2) FUTURE FISCAL YEARS.—For every fiscal
16 year following fiscal year 2021, there is authorized
17 to be appropriated to the Crisis Fund an amount
18 equal to the amount by which—

19 “(A) \$2,000,000,000 (or, if greater, the
20 amount determined for such fiscal year under
21 paragraph (3)); exceeds

22 “(B) the balance of the Crisis Fund as of
23 the last day of the fiscal year preceding the fis-
24 cal year involved.

25 “(3) INFLATION ADJUSTMENT.—

1 “(A) IN GENERAL.—Subject to subpara-
2 graph (B), the amount determined under this
3 paragraph for a fiscal year is the product of—

4 “(i) \$2,000,000,000; and

5 “(ii) the quotient obtained by divid-
6 ing—

7 “(I) the Consumer Price Index
8 for all-urban consumers published by
9 the Department of Labor for the 12-
10 month period ending with September
11 of the preceding fiscal year; and

12 “(II) the Consumer Price Index
13 for All-Urban Consumers published by
14 the Department of Labor for the 12-
15 month period ending with September
16 2019.

17 “(B) RULE OF APPLICATION.—In no case
18 shall the application of this paragraph result in
19 the application under paragraph (2)(A) of an
20 amount for a fiscal year that is less than the
21 amount that applied under such paragraph
22 (2)(A) for the preceding fiscal year.

23 “(4) ADMINISTRATIVE EXPENSES.—Of the
24 amounts made available under paragraph (1), the

1 Crisis Fund may use not more than 0.5 percent for
2 administrative costs and expenses.

3 “(j) REGULATIONS.—The Secretary of the Treasury
4 may prescribe such regulations as necessary to carry out
5 this section.

6 “(k) REPORT.—Not later than 1 year after the date
7 of enactment of this section and periodically thereafter,
8 the Comptroller General of the United States shall submit
9 to Congress a report—

10 “(1) evaluating the impact of this section in
11 meeting intended outcomes, focusing on the use of
12 the Crisis Fund in aiding community development fi-
13 nancial institutions in to support their communities
14 and helping them respond to and recover from nat-
15 ural disasters and economic crises; and

16 “(2) making recommendations to the Fund and
17 to Congress.”.

18 (b) TECHNICAL AND CONFORMING AMENDMENT.—
19 The table of contents in section 1(b) of the Riegle Commu-
20 nity Development and Regulatory Improvement Act of
21 1994 (Public Law 103–325; 108 Stat. 2160) is amended
22 by inserting after the item relating to section 121 the fol-
23 lowing:

“Sec. 122. Grants to establish loan-loss reserve funds.

“Sec. 123. CDFI Crisis Fund.”.

1 **SEC. 2. RESILIENCE GRANTS.**

2 Section 108 of the Riegle Community Development
3 and Regulatory Improvement Act of 1994 (12 U.S.C.
4 4707) is amended—

5 (1) in subsection (a)(1)—

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

8 (B) in subparagraph (B), by striking the
9 period at the end and inserting “; and”; and

10 (C) by adding at the end the following:

11 “(C) grants to community development fi-
12 nancial institutions (as defined in section 123)
13 to improve resilience to the impacts of covered
14 crises (as defined in section 123) in any State
15 (as defined in section 123).”;

16 (2) in subsection (d)—

17 (A) in paragraph (1), by striking “para-
18 graph (2)” and inserting “paragraphs (2) and
19 (3)”;

20 (B) by redesignating paragraph (3) as
21 paragraph (4);

22 (C) by inserting after paragraph (2) the
23 following:

24 “(3) RESILIENCE GRANTS.—With respect to re-
25 siliance grants described in subsection (a)(1)(C),
26 each grant made a fiscal year shall be in an amount

1 that is not more than 10 percent of the total amount
2 appropriated for resilience grants for that fiscal
3 year.”; and

4 (D) in paragraph (4), as so redesignated,
5 by striking “paragraphs (1) and (2)” and in-
6 serting “paragraphs (1), (2), and (3)”;

7 (3) by redesignating subsections (e) through (h)
8 as subsections (f) through (i), respectively; and

9 (4) by inserting after subsection (d) the fol-
10 lowing:

11 “(e) RESILIENCE GRANTS.—

12 “(1) IN GENERAL.—With respect to resilience
13 grants described in subsection (a)(1)(C), the Sec-
14 retary of the Treasury shall award the grants based
15 on criteria established by the Fund, including—

16 “(A) making awards for projects that the
17 Fund determines will have the greatest impact
18 in improving resilience for low-income popu-
19 lations; and

20 “(B) coordinating with the Federal Emer-
21 gency Management Agency, the Department of
22 Housing and Urban Development, and with the
23 Small Business Administration, as relevant, to
24 ensure that the awards meet unmet resilience
25 needs.

1 “(2) USE OF FUNDS.—A recipient of a resil-
2 ience grant described in subsection (a)(1)(C) shall
3 use—

4 “(A) not less than 25 percent of the grant
5 funds for activities described in paragraph (1)
6 that benefit very low-income individuals; and

7 “(B) not less than 15 percent of the grant
8 funds for activities described in paragraph (1)
9 that benefit individuals with incomes of not
10 more than 30 percent of the area median in-
11 come.

12 “(3) SET ASIDES.—

13 “(A) NATIVE CDFIS.—Of the amounts
14 made available under this subsection, 10 per-
15 cent shall be set aside for resilience grants
16 made to Native community development finan-
17 cial institutions, which set aside may also qual-
18 ify under subparagraph (ii).

19 “(B) MINORITY COMMUNITY DEVELOP-
20 MENT FINANCIAL INSTITUTIONS.—Of the
21 amounts made available under this subsection,
22 30 percent shall be set aside for grants made
23 to minority community development financial
24 institutions.

1 “(4) REPOSITORY OF BEST PRACTICES.—Based
2 on the recommendations of the Comptroller General
3 of the United States and data that the Secretary of
4 the Treasury may collect from recipients of resilience
5 grants described in subsection (a)(1)(C), the Sec-
6 retary of the Treasury shall—

7 “(A) develop a publicly accessible database
8 of best practices for effective use of those
9 grants, including past case studies of success
10 and other useful information; and

11 “(B) issue guidance, restrictions, and regu-
12 lations with respect to those grants.

13 “(5) AUTHORIZATION OF APPROPRIATIONS.—
14 To provide resilience grants described in subsection
15 (a)(1)(C), there is authorized to be appropriated to
16 the Fund \$30,000,000 for fiscal year 2021, to re-
17 main available until expended.

18 “(6) DEFINITIONS.—In this subsection, the
19 terms ‘low-income’, ‘minority community develop-
20 ment financial institution’, ‘Native community devel-
21 opment financial institution’ and ‘very low-income’
22 have the meanings given those terms in section
23 123.”.