

116TH CONGRESS
2D SESSION

S. _____

To provide assistance to small businesses affected by COVID–19, and for other purposes.

IN THE SENATE OF THE UNITED STATES

Mr. CARDIN (for himself, Mrs. SHAHEEN, Mr. SCHUMER, Ms. ROSEN, Ms. DUCKWORTH, Mr. COONS, Ms. HIRONO, Ms. CANTWELL, Mr. MARKEY, Mr. BOOKER, Ms. KLOBUCHAR, Mr. VAN HOLLEN, Mr. BLUMENTHAL, Mrs. GILLIBRAND, Mrs. MURRAY, Mr. KING, Mr. REED, Mr. MENENDEZ, Ms. CORTEZ MASTO, Ms. BALDWIN, Mr. KAINE, Mr. BROWN, Ms. WARREN, Mr. DURBIN, Mr. WYDEN, Mr. MERKLEY, Mr. HEINRICH, Mr. BENNET, and Ms. STABENOW) introduced the following bill; which was read twice and referred to the Committee on _____

A BILL

To provide assistance to small businesses affected by COVID–19, 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. SHORT TITLE; TABLE OF CONTENTS; DEFINI-**
4 **TIONS.**

5 (a) SHORT TITLE.—This Act may be cited as the
6 “Heroes Small Business Lifeline Act”.

2

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

Sec. 1. Short title; table of contents; definitions.

TITLE I—FUNDING PROVISIONS

- Sec. 101. Amount authorized for commitments.
- Sec. 102. Funding for the paycheck protection program.
- Sec. 103. Direct appropriations.
- Sec. 104. Emergency designation.

TITLE II—MODIFICATIONS TO THE PAYCHECK PROTECTION
PROGRAM

- Sec. 201. Periods for loan forgiveness and application submission.
- Sec. 202. Supplemental covered loans for certain business concerns.
- Sec. 203. Certifications and documentation for streamlined forgiveness of covered loans.
- Sec. 204. Eligibility of certain organizations for loans under the paycheck protection program.
- Sec. 205. Limit on aggregate loan amount for eligible recipients with more than 1 physical location.
- Sec. 206. Allowable uses of covered loans; forgiveness.
- Sec. 207. Documentation required for certain eligible recipients.
- Sec. 208. Exclusion of certain publicly traded and foreign entities.
- Sec. 209. Election of 12-week period by seasonal employers.
- Sec. 210. Inclusion of certain refinancing in nonrecourse requirements.
- Sec. 211. Credit elsewhere requirements.
- Sec. 212. Prohibition on receiving duplicative amounts for payroll costs.
- Sec. 213. Application of certain terms through life of covered loan.
- Sec. 214. Interest calculation on covered loans.
- Sec. 215. Reimbursement for processing.
- Sec. 216. Duplication requirements for economic injury disaster loan recipients.
- Sec. 217. Reapplication for and modification to paycheck protection program.
- Sec. 218. Treatment of certain criminal violations.
- Sec. 219. Eligibility and treatment of Farm Credit System institutions.

TITLE III—TAX PROVISIONS

- Sec. 301. Improved coordination between paycheck protection program and employee retention tax credit.

TITLE IV—COVID-19 ECONOMIC INJURY DISASTER LOAN
PROGRAM REFORM

- Sec. 401. Sense of Congress.
- Sec. 402. Notices to applicants for economic injury disaster loans or advances.
- Sec. 403. Modifications to emergency EIDL advances.
- Sec. 404. Data transparency, verification, and notices for economic injury disaster loans.
- Sec. 405. Lifeline funding for small business continuity, adaptation, and resiliency.
- Sec. 406. Modifications to economic injury disaster loans.
- Sec. 407. Principal and interest payments for certain disaster loans.
- Sec. 408. Training.

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- Sec. 409. Outreach plan.
- Sec. 410. Report on best practices.
- Sec. 411. Extension of period of availability for administrative funds.

TITLE V—MICRO-SBIC AND EQUITY INVESTMENT ENHANCEMENT

- Sec. 501. Micro-SBIC Program.

TITLE VI—MISCELLANEOUS

- Sec. 601. Repeal of EIDL advance deduction.
- Sec. 602. Extension of the debt relief program.
- Sec. 603. Modifications to 7(a) loan programs.
- Sec. 604. Flexibility in deferral of payments of 7(a) loans.
- Sec. 605. Recovery assistance under the microloan program.
- Sec. 606. Maximum loan amount for 504 loans.
- Sec. 607. Temporary fee reductions.
- Sec. 608. Extension of participation in 8(a) program.
- Sec. 609. Report on minority, women, and rural lending.
- Sec. 610. Comprehensive program guidance.
- Sec. 611. Reports on paycheck protection program.
- Sec. 612. Prohibiting conflicts of interest for small business programs under the CARES Act.
- Sec. 613. Inclusion of SCORE and Veteran Business Outreach Centers in entrepreneurial development programs.
- Sec. 614. Clarification of use of CARES Act funds for small business development centers.
- Sec. 615. Funding for the Office of Inspector General of the Small Business Administration.
- Sec. 616. Extension of waiver of matching funds requirement under the Women's Business Center program.
- Sec. 617. Access to Small Business Administration information and databases.
- Sec. 618. Small business local relief program.
- Sec. 619. Grants for shuttered venue operators.
- Sec. 620. Support for restaurants.

TITLE VII—MINORITY BUSINESS DEVELOPMENT AGENCY AND COMMUNITY DEVELOPMENT FINANCIAL INSTITUTIONS FUND

- Sec. 701. Definitions.

Subtitle A—Codification of the Minority Business Development Agency

- Sec. 711. Short title.
- Sec. 712. Findings and purposes.
- Sec. 713. Minority Business Development Agency.

PART I—EXISTING INITIATIVES

SUBPART A—MARKET DEVELOPMENT, RESEARCH, AND INFORMATION

- Sec. 721. Private sector development.
- Sec. 722. Public sector development.
- Sec. 723. Research and information.

SUBPART B—MINORITY BUSINESS DEVELOPMENT CENTER PROGRAM

- Sec. 731. Purpose.

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- Sec. 732. Definitions.
- Sec. 733. Establishment.
- Sec. 734. Cooperative agreements.
- Sec. 735. Minimizing disruptions to existing business centers program.
- Sec. 736. Publicity.
- Sec. 737. Emergency appropriations.

PART II—NEW INITIATIVES TO PROMOTE ECONOMIC RESILIENCY FOR
MINORITY BUSINESSES

- Sec. 741. Annual diverse business forum on capital formation.
- Sec. 742. Agency study on alternative financing solutions.
- Sec. 743. Educational development relating to management and entrepreneurship.

PART III—ADMINISTRATIVE AND OTHER POWERS OF THE AGENCY;
MISCELLANEOUS PROVISIONS

- Sec. 751. Administrative powers.
- Sec. 752. Financial assistance.
- Sec. 753. Audits.
- Sec. 754. Review and report by comptroller general.
- Sec. 755. Annual reports; recommendations.
- Sec. 756. Separability.
- Sec. 757. Executive order 11625.
- Sec. 758. Amendment to the Federal Acquisition Streamlining Act of 1994.

Subtitle B—Other Provisions

- Sec. 761. Emergency grants to minority business enterprises.

TITLE VIII—PROMOTING AND ADVANCING COMMUNITIES OF
COLOR THROUGH INCLUSIVE LENDING

- Sec. 801. Short title.
- Sec. 802. Findings; Sense of Congress.
- Sec. 803. Purposes.
- Sec. 804. Considerations; requirements for creditors.
- Sec. 805. Neighborhood Capital Investment Program.
- Sec. 806. Emergency support for CDFIs and communities.
- Sec. 807. Ensuring diversity in community banking.
- Sec. 808. Establishment of Financial Agent Partnership Program.
- Sec. 809. Strengthening minority lending institutions.
- Sec. 810. CDFI Bond Guarantee Reform.
- Sec. 811. Reports.
- Sec. 812. Inspector General oversight.
- Sec. 813. Study and report with respect to impact of programs on low- and moderate-income and minority communities.
- Sec. 814. Community development financial institutions fund.

1 (c) DEFINITIONS.—In this Act:

2 (1) ADMINISTRATION.—The term “Administra-
3 tion” means the Small Business Administration.

1 (2) ADMINISTRATOR.—The term “Adminis-
2 trator” means the Administrator of the Small Busi-
3 ness Administration.

4 (d) EFFECTIVE DATE; APPLICABILITY.—Except as
5 otherwise provided in this Act, this Act and the amend-
6 ments made by this Act shall take effect on the date of
7 the enactment of this Act and shall apply to loans made,
8 or other assistance provided, on or after the date of enact-
9 ment of this Act.

10 **TITLE I—FUNDING PROVISIONS**

11 **SEC. 101. AMOUNT AUTHORIZED FOR COMMITMENTS.**

12 Section 1102(b) of the CARES Act (Public Law 116–
13 136) is amended to read as follows:

14 “(b) COMMITMENTS FOR PPP AND OTHER 7(A)
15 LOANS.—

16 “(1) PPP LOANS.—During the period begin-
17 ning on the date of enactment of the Heroes Small
18 Business Lifeline Act and ending on March 31,
19 2021, subject to the availability of appropriations,
20 the Administrator may make commitments under
21 paragraph (36) of section 7(a) of the Small Business
22 Act (15 U.S.C. 636(a)) in such amounts as the Ad-
23 ministrator determines necessary, but not less than
24 \$779,640,000,000.

1 “(2) OTHER 7(A) LOANS.—For fiscal year 2021,
2 commitments for general business loans authorized
3 under paragraphs (1) through (35) of section 7(a) of
4 the Small Business Act (15 U.S.C. 636(a)) shall not
5 exceed \$75,000,000,000 for a combination of amor-
6 tizing term loans and the aggregated maximum line
7 of credit provided by revolving loans.”.

8 **SEC. 102. FUNDING FOR THE PAYCHECK PROTECTION PRO-**
9 **GRAM.**

10 (a) DIRECT APPROPRIATIONS.—There is appro-
11 priated, out of amounts in the Treasury not otherwise ap-
12 propriated, to remain available until September 30, 2021,
13 such sums as may be necessary under the heading “Small
14 Business Administration—Business Loans Program Ac-
15 count, CARES Act” for the cost of guaranteed loans as
16 authorized under section 7(a)(36) of the Small Business
17 Act (15 U.S.C. 636(a)(36)).

18 (b) REMAINING UNOBLIGATED BALANCES.—Subject
19 to subsection (d), the unobligated balances for the cost
20 of guaranteed loans as authorized under section 7(a)(36)
21 of the Small Business Act (15 U.S.C. 636(a)(36)) in the
22 appropriations account under the heading “Small Busi-
23 ness Administration—Business Loans Program Account,
24 CARES Act” as of the day before the date of enactment
25 of this Act shall remain available until September 30,

1 2021 for the cost of guaranteed loans as authorized under
2 section 7(a)(36) of the Small Business Act (15 U.S.C.
3 636(a)(36)).

4 (c) SET ASIDE FOR CERTAIN ENTITIES.—Section
5 7(a)(36)(S) of the Small Business Act (15 U.S.C.
6 636(a)(36)(S)) is amended to read as follows:

7 “(S) SET ASIDE FOR CERTAIN ENTITIES.—
8 Of the amounts available on or after the date
9 of enactment of the Heroes Small Business
10 Lifeline Act (including amounts that were made
11 available before such date of enactment) to
12 guarantee covered loans under this paragraph,
13 the Administrator shall provide—

14 “(i) a set aside of not less than 10
15 percent of such amounts for covered loans
16 under subparagraph (B)(i) that are—

17 “(I) made to eligible recipients
18 with 10 or fewer employees, including
19 individuals who operate under a sole
20 proprietorship or as an independent
21 contractor and eligible self-employed
22 individuals; or

23 “(II) of not more than \$250,000
24 and made to an eligible recipient that
25 is located in neighborhood that is a

1 low-income neighborhood or moderate-
2 income neighborhood, for purposes of
3 the Community Reinvestment Act of
4 1977 (12 U.S.C. 2901 et seq.);

5 “(ii) a set aside of not more than 30
6 percent of such amounts for covered loans
7 under subparagraph (B)(i) that are made
8 to covered nonprofit organizations, covered
9 organizations, organizations described in
10 subparagraph (D)(viii), or housing co-
11 operatives; and

12 “(iii) a set aside of not more than 50
13 percent of such amounts for supplemental
14 covered loans that are made under sub-
15 paragraph (B)(ii), of which not less than
16 10 percent shall be for such supplemental
17 covered loans that are made to eligible re-
18 cipients with 10 or fewer employees, in-
19 cluding individuals who operate under a
20 sole proprietorship or as an independent
21 contractor and eligible self-employed indi-
22 viduals.”.

23 (d) SET ASIDE FOR COMMUNITY FINANCIAL INSTI-
24 TUTIONS.—Of the amounts available on or after the date
25 of enactment of this Act (including amounts that were

1 made available before such date of enactment) in the ap-
2 propriations account under the heading “Small Business
3 Administration—Business Loans Program Account,
4 CARES Act”, the lesser of 25 percent of such amounts
5 or \$15,000,000,000 shall be set aside for the cost to guar-
6 antee loans made under section 7(a)(36) of the Small
7 Business Act (15 U.S.C. 636(a)(36)) by community finan-
8 cial institutions (as such term is defined in subparagraph
9 (A)(xi) of such section).

10 (e) AMOUNTS RETURNED.—Section 7(a)(36) of the
11 Small Business Act (15 U.S.C. 636(a)(36)), as amended
12 by subsection (c), is amended by adding at the end the
13 following:

14 “(T) AMOUNTS RETURNED.—Any amounts
15 returned to the Secretary of the Treasury due
16 to the cancellation of a covered loan shall be
17 solely used for the cost to guarantee covered
18 loans made to eligible recipients with 10 or
19 fewer employees or covered loans of less than or
20 equal to \$250,000 made to an eligible recipient
21 that is located in a low- or moderate-income
22 neighborhoods (as that term is used in the
23 Community Reinvestment Act of 1977 (12
24 U.S.C. 2901 et seq.)).”

1 **SEC. 103. DIRECT APPROPRIATIONS.**

2 (a) IN GENERAL.—There is appropriated, out of
3 amounts in the Treasury not otherwise appropriated, for
4 additional amounts—

5 (1) for the cost of carrying out section 407 of
6 this Act, \$8,000,000,000;

7 (2) for the cost of carrying out title V of this
8 Act, \$1,000,000,000;

9 (3) for the cost of carrying out section 603 and
10 607 of this Act and the cost of guaranteed loans as
11 authorized by paragraphs (1) through (35) of sec-
12 tion 7(a) of the Small Business Act (15 U.S.C.
13 636(a)), \$1,000,000,000;

14 (4) for the cost of carrying out section 605 of
15 this Act, \$57,000,000;

16 (5) for the cost of carrying out section 618 of
17 this Act, \$15,000,000,000;

18 (6) for the cost of carrying out section 619 of
19 this Act, \$15,000,000,000; and

20 (7) for the cost of carrying out subtitle A of
21 title VII of this Act, \$25,000,000.

22 (b) EMERGENCY EIDL GRANTS.—

23 (1) IN GENERAL.—There is appropriated, out
24 of amounts in the Treasury not otherwise appro-
25 priated, for additional amounts under the heading
26 “Small Business Administration—Emergency EIDL

1 Grants” for the cost of emergency economic injury
2 disaster loan grants authorized under section 1110
3 of the CARES Act (15 U.S.C. 9009),
4 \$50,000,000,000, to remain available until ex-
5 pended.

6 (2) SET ASIDE.—Of amounts appropriated
7 under paragraph (1), \$40,000,000,000 shall be for
8 carrying out subsection (i) of section 1110 of the
9 CARES Act (15 U.S.C. 9009), as added by section
10 405 of this Act, of which \$20,000,000,000 shall be
11 for providing funding to covered entities described in
12 paragraph (8) of such subsection (i).

13 **SEC. 104. EMERGENCY DESIGNATION.**

14 (a) IN GENERAL.—The amounts provided under this
15 title are designated as an emergency requirement pursu-
16 ant to section 4(g) of the Statutory Pay-As-You-Go Act
17 of 2010 (2 U.S.C. 933(g)).

18 (b) DESIGNATION IN SENATE.—In the Senate, this
19 title is designated as an emergency requirement pursuant
20 to section 4112(a) of H. Con. Res. 71 (115th Congress),
21 the concurrent resolution on the budget for fiscal year
22 2018.

1 **TITLE II—MODIFICATIONS TO**
2 **THE PAYCHECK PROTECTION**
3 **PROGRAM**

4 **SEC. 201. PERIODS FOR LOAN FORGIVENESS AND APPLICA-**
5 **TION SUBMISSION.**

6 (a) PERIOD FOR COSTS THAT ARE ELIGIBLE FOR
7 FORGIVENESS AND APPLICATION SUBMISSION.—Section
8 1106 of the CARES Act (15 U.S.C. 9005) is amended—

9 (1) in subsection (a), by striking paragraph (3)
10 and inserting the following:

11 “(3) the term ‘covered period’ means the period
12 beginning on the date of the origination of a covered
13 loan and ending on a date selected by the eligible re-
14 cipient of the covered loan that—

15 “(A) is not earlier than the date that is 8
16 weeks after such date of origination; and

17 “(B) is not later than the date that is 24
18 weeks after such date of origination;”;

19 (2) in subsection (d), by striking “December
20 31, 2020” each place it appears and inserting “Sep-
21 tember 30, 2021”; and

22 (3) by striking subsection (l) and inserting the
23 following:

24 “(l) APPLICATION DEADLINE.—An eligible recipient
25 may apply for forgiveness under this section with respect

1 to a covered loan any time after the covered period appli-
2 cable to the covered loan ends if—

3 “(1) proceeds from the covered loan have been
4 spent; and

5 “(2) the eligible recipient is in compliance with
6 subsections (e) and (f).”.

7 (b) **APPLICABILITY OF AMENDMENTS.**—The amend-
8 ments made by subsection (a) shall be effective as if in-
9 cluded in the CARES Act (Public Law 116–136) and shall
10 apply to any loan made pursuant to section 7(a)(36) of
11 the Small Business Act (15 U.S.C. 636(a)(36)) or section
12 1109 of the CARES Act (15 U.S.C. 9008).

13 **SEC. 202. SUPPLEMENTAL COVERED LOANS FOR CERTAIN**
14 **BUSINESS CONCERNS.**

15 Section 7(a)(36)(B) of the Small Business Act (15
16 U.S.C. 636(a)(36)(B)) is amended—

17 (1) by striking “Except” and inserting the fol-
18 lowing:

19 “(i) **IN GENERAL.**—Except”; and

20 (2) by adding at the end the following:

21 “(ii) **SUPPLEMENTAL COVERED**
22 **LOANS.**—

23 “(I) **DEFINITIONS.**—In this
24 clause—

1 “(aa) the terms ‘exchange’,
2 ‘issuer’, and ‘security’ have the
3 meanings given those terms in
4 section 3(a) of the Securities Ex-
5 change Act of 1934 (15 U.S.C.
6 78c(a));

7 “(bb) the term ‘gross re-
8 ceipts’ means gross receipts with-
9 in the meaning of section 448(c)
10 of the Internal Revenue Code of
11 1986;

12 “(cc) the term ‘national se-
13 curities exchange’ means an ex-
14 change registered as a national
15 securities exchange under section
16 6 of the Securities Exchange Act
17 of 1934 (15 U.S.C. 78f);

18 “(dd) the term ‘publicly
19 traded entity’ means an issuer,
20 the securities of which are listed
21 on a national securities exchange;

22 “(ee) the term ‘significant
23 loss in revenue’ means that, due
24 to the impact of COVID-19—

1 “(AA) the gross re-
2 receipts of the eligible recipi-
3 ent during the first, second,
4 or third calendar quarter of
5 2020 are less than 75 per-
6 cent of the gross receipts of
7 the eligible recipient during
8 the same calendar quarter in
9 2019;

10 “(BB) if the eligible re-
11 cipient was not in business
12 on April 1, 2019, the gross
13 receipts of the eligible recipi-
14 ent during any 2-month pe-
15 riod during the first 3 cal-
16 endar quarters of 2020 are
17 less than 75 percent of the
18 amount of the gross receipts
19 of the eligible recipient dur-
20 ing any prior 2-month pe-
21 riod during the first 3 cal-
22 endar quarters of 2020; or

23 “(CC) if the eligible re-
24 cipient is seasonal employer,
25 as determined by the Ad-

1 administrator, the gross re-
2 cepts of the eligible recipi-
3 ent during any 2-month pe-
4 riod during the first 3 cal-
5 endar quarters of 2020 are
6 less than 75 percent of the
7 amount of the gross receipts
8 of the eligible recipient dur-
9 ing the same 2-month period
10 in 2019; and

11 “(ff) the term ‘smaller con-
12 cern’ means an eligible recipient
13 that—

14 “(AA) has not more
15 than 200 employees;

16 “(BB) operates under a
17 sole proprietorship or as an
18 independent contractor; or

19 “(CC) is an eligible
20 self-employed individual.

21 “(II) AUTHORITY.—Except as
22 otherwise provided in this clause, for
23 an eligible recipient that has received
24 a covered loan under clause (i), the
25 Administrator may guarantee a single

1 supplemental covered loan to the eligi-
2 ble recipient under the same terms,
3 conditions, and processes as a covered
4 loan made under clause (i).

5 “(III) CHOICE OF LENDER.—An
6 eligible recipient may apply for a sup-
7 plemental covered loan under this
8 clause with the lender that made the
9 covered loan under clause (i) to the el-
10 ible recipient or another lender.

11 “(IV) ELIGIBILITY.—

12 “(aa) IN GENERAL.—A sup-
13 plemental covered loan under this
14 clause—

15 “(AA) may only be
16 made to an eligible recipient
17 that is a smaller concern
18 that has had a significant
19 loss in revenue and has
20 used, or is expending funds
21 at a rate that the eligible re-
22 cipient will use on or before
23 the expected date of the dis-
24 bursement of the supple-
25 mental covered loan under

1 this clause, the full amount
2 of the covered loan received
3 under clause (i); and

4 “(BB) may not be
5 made to a publicly traded or
6 foreign owned entity as de-
7 scribed in clause (x) of sub-
8 paragraph (D).

9 “(bb) BUSINESS CONCERNS
10 WITH MORE THAN 1 PHYSICAL
11 LOCATION.—

12 “(AA) IN GENERAL.—
13 For purposes of a supple-
14 mental covered loan under
15 this clause, subparagraph
16 (D)(iii)(I) shall be applied
17 by substituting ‘not more
18 than 200 employees per
19 physical location’ for ‘not
20 more than 500 employees
21 per physical location’.

22 “(BB) LIMIT FOR MUL-
23 TIPLE LOCATIONS.—For an
24 eligible recipient with more
25 than 1 physical location, the

1 total amount of all supple-
2 mental covered loans made
3 under this clause to the eli-
4 gible recipient shall not be
5 more than \$2,000,000.

6 “(V) MAXIMUM AMOUNT.—The
7 maximum amount of a supplemental
8 covered loan under this clause is the
9 lesser of—

10 “(aa) the product obtained
11 by multiplying—

12 “(AA) the average total
13 monthly payments for pay-
14 roll costs by the eligible re-
15 cipient used to determine
16 the maximum amount of the
17 covered loan under clause (i)
18 made to the eligible recipient
19 under this paragraph; by

20 “(BB) 2.5; or

21 “(bb) \$2,000,000.

22 “(VI) EXCEPTION FROM CERTAIN
23 CERTIFICATION REQUIREMENTS.—An
24 eligible recipient applying for a sup-
25 plemental covered loan under this

1 clause shall not be required to make
2 the certification described in clause
3 (iii) or (iv) of subparagraph (G).

4 “(VII) REIMBURSEMENT FOR
5 PROCESSING SUPPLEMENTAL PPP.—
6 For a supplemental covered loan
7 under this clause of not more than
8 \$50,000, the reimbursement under
9 subparagraph (P)(i)(I) by the Admin-
10 istrator shall not be less than
11 \$2,500.”.

12 **SEC. 203. CERTIFICATIONS AND DOCUMENTATION FOR**
13 **STREAMLINED FORGIVENESS OF COVERED**
14 **LOANS.**

15 Section 1106 of the CARES Act (15 U.S.C. 9005)
16 is amended—

17 (1) in subsection (e), in the matter preceding
18 paragraph (1), by striking “An eligible recipient”
19 and all that follows through “an application,” and
20 inserting “Subject to subsection (f), an eligible re-
21 cipient applying for loan forgiveness under this sec-
22 tion shall provide proof of the use of covered loan
23 proceeds,”;

24 (2) by amending subsection (f) to read as fol-
25 lows:

1 “(f) DOCUMENTATION REQUIREMENTS.—To receive
2 loan forgiveness under this section, an eligible recipient
3 shall comply with the following requirements:

4 “(1) With respect to a covered loan in an
5 amount that is not more than \$50,000, the eligible
6 recipient—

7 “(A) shall certify to the Administrator that
8 the eligible recipient has used proceeds from the
9 covered loan in compliance with the require-
10 ments of section 7(a)(36) of the Small Business
11 Act (15 U.S.C. 636(a)(36)), including a de-
12 scription of the amount of proceeds used for
13 payroll costs and the number of employees the
14 eligible recipient was able to retain because of
15 the covered loan;

16 “(B) is not required to submit any docu-
17 mentation or application to receive forgiveness
18 under this section;

19 “(C) shall certify to the Administrator that
20 the eligible recipient can make the documenta-
21 tion described under subsection (e) available,
22 upon request, for a period of time determined
23 by the Administrator, which period shall be not
24 less than 3 years; and

1 “(D) may submit to the Administrator de-
2 mographic information of the owner of the eligi-
3 ble recipient, including the sex, race, ethnicity,
4 and veteran status of the owner, through a
5 process established by the Administrator.

6 “(2) With respect to a covered loan in an
7 amount that is more than \$50,000 but not more
8 than \$150,000, the eligible recipient—

9 “(A) shall submit to the lender that is
10 servicing the covered loan the certification de-
11 scribed in paragraph (1)(A) and a simplified
12 one-page application form that does not require
13 the submission of any documentation described
14 in subsection (e);

15 “(B) shall make the certification described
16 in paragraph (1)(C); and

17 “(C) may submit to the Administrator de-
18 mographic information of the owner of the eligi-
19 ble recipient, including the sex, race, ethnicity,
20 and veteran status of the owner, as established
21 by the Administrator on the application form
22 described in subparagraph (A).

23 “(3) With respect to a covered loan in an
24 amount that is more than \$150,000, the eligible re-
25 cipient—

1 “(A) shall submit to the lender that is
 2 servicing the covered loan the documentation
 3 described in subsection (e); and

4 “(B) may submit to the Administrator de-
 5 mographic information of the owner of the eligi-
 6 ble recipient, including the sex, race, ethnicity,
 7 and veteran status of the owner, through a
 8 process established by the Administrator.”; and

9 (3) by amending subsection (g) to read as fol-
 10 lows:

11 “(g) LENDER SUBMISSION.—Not later than 60 days
 12 after the date on which a lender receives an application
 13 for loan forgiveness under this section from an eligible re-
 14 cipient, the lender shall only be required to review the ap-
 15 plication to ensure completion, including that required at-
 16 testations have been made, before submitting the applica-
 17 tion to the Administrator.”.

18 **SEC. 204. ELIGIBILITY OF CERTAIN ORGANIZATIONS FOR**
 19 **LOANS UNDER THE PAYCHECK PROTECTION**
 20 **PROGRAM.**

21 Section 7(a)(36) of the Small Business Act (15
 22 U.S.C. 636(a)(36))—

23 (1) in subparagraph (A)—

24 (A) in clause (vii), by inserting “covered”
 25 before “nonprofit”;

1 (B) in clause (viii)(II)—

2 (i) in item (dd), by striking “or” at
3 the end;

4 (ii) in item (ee), by adding “or” at the
5 end; and

6 (iii) by adding at the end the fol-
7 lowing:

8 “(ff) any compensation of
9 an employee who is a registered
10 lobbyist under the Lobbying Dis-
11 closure Act of 1995 (2 U.S.C.
12 1601 et seq.);”;

13 (C) by amending clause (ix) to read as fol-
14 lows:

15 “(ix) the term ‘covered organization’
16 means—

17 “(I) an organization described in
18 section 501(c) of the Internal Revenue
19 Code of 1986 and exempt from tax
20 under section 501(a) of such Code
21 that is not a covered nonprofit organi-
22 zation;

23 “(II) an entity created by a State
24 or local government that derives the

1 majority of its operating budget from
2 the production of live events; or

3 “(III) a destination marketing
4 organization;”;

5 (D) in clause (xi)(IV), by striking “and” at
6 the end;

7 (E) in clause (xii), by striking the period
8 at the end and inserting a semicolon; and

9 (F) by adding at the end the following:

10 “(xiii) the term ‘housing cooperative’
11 means a cooperative housing corporation
12 (as defined in section 216(b) of the Inter-
13 nal Revenue Code of 1986); and

14 “(xiv) the term ‘destination marketing
15 organization’ means a nonprofit entity that
16 is an organization described in section
17 501(c)(6) of the Internal Revenue Code of
18 1986 and exempt from tax under section
19 501(a) of such Code, a State, or a political
20 subdivision of a State (including any in-
21 strumentality of such entities) engaged in
22 marketing and promoting communities and
23 facilities to businesses and leisure travelers
24 through a range of activities, including—

1 “(I) assisting with the location of
2 meeting and convention sites;

3 “(II) providing travel information
4 on area attractions, lodging accom-
5 modations, and restaurants;

6 “(III) providing maps; and

7 “(IV) organizing group tours of
8 local historical, recreational, and cul-
9 tural attractions.”; and

10 (2) in subparagraph (D)—

11 (A) in clause (i)—

12 (i) by inserting “covered” before
13 “nonprofit organization” each place it ap-
14 pears; and

15 (ii) by striking “veterans organiza-
16 tion” each place it appears and inserting
17 “housing cooperative, covered organiza-
18 tion”;

19 (B) in clause (iii)—

20 (i) by amending the clause heading to
21 read as follows: “REQUIREMENTS FOR
22 RESTAURANTS AND CERTAIN NEWS ORGA-
23 NIZATIONS”;

24 (ii) by striking “During the covered
25 period, any business concern that employs”

1 and inserting the following: “Any business
2 concern or other organization—

3 “(I) that, during the covered pe-
4 riod, employs”;

5 (iii) in subclause (I), as so designated,
6 by striking the period at the end and in-
7 sserting a semicolon; and

8 (iv) by adding at the end the fol-
9 lowing:

10 “(II) that—

11 “(aa) was not eligible to re-
12 ceive a covered loan the day be-
13 fore the date of enactment of this
14 subclause, is assigned a North
15 American Industry Classification
16 System code beginning with
17 511110, 515112, or 515120, and
18 an individual physical location of
19 the business concern at the time
20 of disbursal does not exceed the
21 size standard established by the
22 Administrator for the applicable
23 code shall, notwithstanding
24 clause (x), be eligible to receive a
25 covered loan for expenses associ-

1 ated with an individual physical
2 location of that business concern
3 to support the continued provi-
4 sion of local news, information,
5 content, or emergency informa-
6 tion, and, at the time of dis-
7 bursal, the individual physical lo-
8 cation; or

9 “(bb) was not eligible to re-
10 ceive a covered loan the day be-
11 fore the date of enactment of this
12 subclause, has a trade or busi-
13 ness that falls under a North
14 American Industry Classification
15 System code beginning with 5151
16 as a public broadcast entity (as
17 defined in section 397(11) of the
18 Communications Act of 1934 (47
19 U.S.C. 397(11)), and is a cov-
20 ered nonprofit organization or
21 another organization otherwise
22 subject to section 511(a)(2) of
23 the Internal Revenue Code of
24 1986, shall be eligible to receive
25 a covered loan for expenses to

1 support the continued provision
2 of local news, information, con-
3 tent, or emergency information
4 by such entity; or

5 “(III) that was not eligible to re-
6 ceive a covered loan the day before the
7 date of enactment of this subclause, is
8 assigned a North American Industry
9 Classification System code of 519130,
10 is identified as a Internet-only news
11 publisher or Internet-only periodical
12 publisher, and is engaged in the col-
13 lection and distribution of local or re-
14 gional and national news and informa-
15 tion shall be eligible to receive a cov-
16 ered loan for expenses to support the
17 continued provision of news, informa-
18 tion, content, or emergency informa-
19 tion.”;

20 (C) in clause (iv)—

21 (i) in subclause (II), by striking
22 “and” at the end;

23 (ii) in subclause (III), by striking the
24 period at the end and inserting “; and”;
25 and

1 (iii) by adding at the end the fol-
2 lowing:

3 “(IV) an individual physical loca-
4 tion of a business concern described in
5 clause (iii)(II), if such concern does
6 not pay, distribute, or otherwise pro-
7 vide any portion of the covered loan to
8 any other entity other than the indi-
9 vidual physical location that is the in-
10 tended recipient of the covered loan.”;

11 (D) in clause (v), by striking “nonprofit
12 organization, veterans organization,” and in-
13 sserting “covered organization, covered nonprofit
14 organization, housing cooperative,”;

15 (E) in clause (vi), by striking “nonprofit
16 organization and a veterans organization” and
17 inserting “covered organization, a covered non-
18 profit organization, and a housing cooperative”;

19 and

20 (F) by adding at the end the following:

21 “(vii) ADDITIONAL REQUIREMENTS
22 AND ADDITIONAL ELIGIBILITY FOR COV-
23 ERED ORGANIZATIONS AND COVERED NON-
24 PROFIT ORGANIZATIONS.—

31

1 “(I) LOBBYING RESTRICTION ON
2 SMALLER COVERED ORGANIZA-
3 TIONS.—During the covered period, a
4 covered organization described in
5 clause (i) may only receive a covered
6 loan if—

7 “(aa) the covered organiza-
8 tion does not receive more than
9 10 percent of its receipts from
10 lobbying activities;

11 “(bb) the lobbying activities
12 of the covered organization do
13 not comprise more than 10 per-
14 cent of the total activities of the
15 covered organization; and

16 “(cc) with respect to a cov-
17 ered organization described in
18 section 501(c)(4) of the Internal
19 Revenue Code of 1986 that is ex-
20 empt from taxation under sub-
21 section (a) of such section, such
22 covered organization has not
23 made and will not make a con-
24 tribution, expenditure, inde-
25 pendent expenditure, or election-

1 eering communication within the
2 meaning of the Federal Election
3 Campaign Act of 1971 (52
4 U.S.C. 30101 et seq.), and has
5 not undertaken and will not un-
6 dertake similar campaign finance
7 activities in State and local elec-
8 tions, during the election cycle
9 which ends on the date of the
10 general election in calendar year
11 2020.

12 “(II) ELIGIBILITY OF LARGER
13 ORGANIZATIONS.—

14 “(aa) COVERED NONPROFIT
15 ORGANIZATIONS.—During the
16 covered period, a covered non-
17 profit organization that employs
18 more than the maximum number
19 of employees allowed under
20 clause (i) shall be eligible to re-
21 ceive a covered loan if the cov-
22 ered nonprofit organization has
23 had a significant loss in revenue
24 (as defined in subparagraph
25 (B)(ii)(I)(ee)).

1 “(bb) COVERED ORGANIZA-
2 TIONS.—During the covered pe-
3 riod, a covered organization that
4 employs more than the maximum
5 number of employees allowed
6 under clause (i) shall be eligible
7 to receive a covered loan if the
8 covered organization—

9 “(AA) meets the re-
10 quirements of items (aa),
11 (bb), and (cc) of subclause
12 (I); and

13 “(BB) has had a sig-
14 nificant loss in revenue (as
15 defined in subparagraph
16 (B)(ii)(I)(ee)).

17 “(viii) INCLUSION OF CRITICAL AC-
18 CESS HOSPITALS.—During the covered pe-
19 riod, any covered organization that is a
20 critical access hospital (as defined in sec-
21 tion 1861(mm) of the Social Security Act
22 (42 U.S.C. 1395x(mm))) shall be eligible
23 to receive a covered loan, regardless of the
24 status of such a hospital as a debtor in a
25 case under chapter 11 of title 11, Unites

1 States Code, or the status of any debts
2 owed by such a hospital to the Federal
3 Government.

4 “(ix) ADDITIONAL REQUIREMENTS
5 FOR CERTAIN NEWS ENTITIES.—

6 “(I) IN GENERAL.—With respect
7 to an individual physical location of a
8 business concern described in item
9 (aa) of clause (iii)(II), each such loca-
10 tion shall be treated as an inde-
11 pendent, nonaffiliated entity for pur-
12 poses of this paragraph.

13 “(II) DEMONSTRATION OF
14 NEED.—Any individual physical loca-
15 tion of a business concern described in
16 item (aa) of clause (iii)(II) that is a
17 franchise or affiliate of, or owned or
18 controlled by a parent company, in-
19 vestment company, or the manage-
20 ment thereof, shall demonstrate, upon
21 request of the Administrator, the need
22 for a covered loan to support the con-
23 tinued provision of local news, infor-
24 mation, content, or emergency infor-

1 mation, and, at the time of disbursement,
2 the individual physical location.

3 “(III) LIMITATION ON USE OF
4 FUNDS.—A business concern, or a
5 parent company, investment company,
6 or management company of 1 or more
7 physical locations of a business con-
8 cern, described in item (aa) of clause
9 (iii)(II) may not use any portion of
10 the proceeds of a covered loan for any
11 expense that is not directly related to
12 the individual physical location de-
13 scribed in subclause (I) of this clause
14 with respect to which the covered loan
15 was made.

16 “(IV) WAIVER OF CERTAIN LIM-
17 TATIONS.—For an organization de-
18 scribed in item (bb) of clause (iii)(II),
19 during the covered period, the provi-
20 sions applicable to affiliations under
21 section 121.103 of title 13, Code of
22 Federal Regulations, or any successor
23 regulation, the provisions of section
24 120.110(j) of title 13, Code of Fed-
25 eral Regulations, or any successor

1 regulation, and any otherwise applica-
2 ble covered loan limitations based on
3 number of employees or loss in rev-
4 enue are waived with respect to deter-
5 mining eligibility for a covered loan
6 under such item.”.

7 **SEC. 205. LIMIT ON AGGREGATE LOAN AMOUNT FOR ELIGI-**
8 **BLE RECIPIENTS WITH MORE THAN 1 PHYS-**
9 **ICAL LOCATION.**

10 Section 7(a)(36)(E) of the Small Business Act (15
11 U.S.C. 636(a)(36)(E)) is amended by adding at the end
12 the following flush matter:

13 “With respect to an eligible recipient with more
14 than 1 physical location, the total amount of all
15 covered loans made under this clause to the eli-
16 gible recipient shall not be more than
17 \$10,000,000.”.

18 **SEC. 206. ALLOWABLE USES OF COVERED LOANS; FORGIVE-**
19 **NESS.**

20 (a) **PAYCHECK PROTECTION PROGRAM.**—Section
21 7(a)(36) of the Small Business Act (15 U.S.C.
22 636(a)(36)) is amended—

23 (1) in subparagraph (F)(i)—

24 (A) in subclause (VI), by striking “and” at
25 the end;

1 (B) in subclause (VII), by striking the pe-
2 riod at the end and inserting a semicolon; and

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

4 “(VIII) costs related to the provi-
5 sion of personal protective equipment
6 for employees or other equipment or
7 supplies determined by the employer
8 to be necessary to protect the health
9 and safety of employees and the gen-
10 eral public;

11 “(IX) payments for inventory,
12 raw materials, or supplies; and

13 “(X) costs related to property
14 damage, vandalism, or looting due to
15 public disturbances that occurred dur-
16 ing 2020 that were not covered by in-
17 surance or other compensation.”; and

18 (2) in subparagraph (G)—

19 (A) in the subparagraph heading, by strik-
20 ing “BORROWER REQUIREMENTS” and all that
21 follows through “eligible recipient applying”
22 and inserting “BORROWER CERTIFICATION RE-
23 QUIREMENTS.—An eligible recipient applying”;

24 (B) by redesignating subclauses (I)
25 through (IV) as clauses (i) through (iv), respec-

1 tively, and adjusting the margins accordingly;
2 and

3 (C) in clause (ii), as so redesignated, by
4 striking “to retain workers” and all that follows
5 through “utility payments” and inserting “for
6 an allowable use described in subparagraph
7 (F)”.

8 (b) FORGIVENESS.—

9 (1) DEFINITION OF EXPECTED FORGIVENESS
10 AMOUNT.—Section 1106(a)(7) of the CARES Act
11 (15 U.S.C. 9005(a)(7)) is amended—

12 (A) in subparagraph (C), by striking
13 “and” at the end;

14 (B) in subparagraph (D), by striking
15 “and” at the end; and

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

17 “(E) interest on any other debt obligations
18 that were incurred before the covered period;

19 “(F) any amount that was a loan made
20 under section 7(b)(2) of the Small Business Act
21 (15 U.S.C. 636(b)(2)) that was refinanced as
22 part of a covered loan and authorized by section
23 7(a)(36)(F)(iv) of the such Act;

24 “(G) payments made for the provision of
25 personal protective equipment for employees or

1 other equipment or supplies determined by the
2 employer to be necessary to protect the health
3 and safety of employees and the general public;

4 “(H) payments made for inventory, raw
5 materials, or supplies; and

6 “(I) payments related to property damage,
7 vandalism, or looting due to public disturbances
8 that occurred during 2020 that were not cov-
9 ered by insurance or other compensation; and”.

10 (2) FORGIVENESS.—Section 1106(b) of the
11 CARES Act (15 U.S.C. 9005(b)), is amended by
12 adding at the end the following:

13 “(5) Any payment of interest on any other debt
14 obligations that were incurred before the covered pe-
15 riod.

16 “(6) Any amount that was a loan made under
17 section 7(b)(2) of the Small Business Act (15 U.S.C.
18 636(b)(2)) that was refinanced as part of a covered
19 loan and authorized by section 7(a)(36)(F)(iv) of
20 such Act.

21 “(7) Any payment made for the provision of
22 personal protective equipment for employees or other
23 equipment or supplies determined by the employer to
24 be necessary to protect the health and safety of em-
25 ployees.

1 (B) in subsection (h), by striking “pay-
2 ments for payroll costs, payments on covered
3 mortgage obligations, payments on covered
4 lease obligations, or covered utility payments”
5 each place it appears and inserting “payments
6 or amounts refinanced described in subsection
7 (b)”.

8 **SEC. 207. DOCUMENTATION REQUIRED FOR CERTAIN ELI-**
9 **GIBLE RECIPIENTS.**

10 Section 7(a)(36)(D)(ii)(II) of the Small Business Act
11 (15 U.S.C. 636(a)(36)(D)(ii)(II)) is amended by striking
12 “as is necessary” and all that follows through the period
13 at the end and inserting “as determined necessary by the
14 Administrator and the Secretary, to establish such indi-
15 vidual as eligible.”.

16 **SEC. 208. EXCLUSION OF CERTAIN PUBLICLY TRADED AND**
17 **FOREIGN ENTITIES.**

18 Section 7(a)(36)(D) of the Small Business Act (15
19 U.S.C. 636(a)(36)(D)), as amended by section 204, is
20 amended by adding at the end the following:

21 “(x) EXCLUSION OF CERTAIN PUB-
22 LICLY TRADED AND FOREIGN ENTITIES.—
23 Effective on the date of enactment of this
24 clause—

1 “(I) a publicly traded entity, as
2 defined in subparagraph (B)(ii), is not
3 eligible to receive a covered loan; and

4 “(II) an entity that is 51 percent
5 or more owned by a foreign person, or
6 the management and daily business
7 operations of which are controlled by
8 a foreign person (excluding an entity
9 owned and controlled by a person
10 domiciled in a territory or possession
11 of the United States), is not eligible to
12 receive a covered loan.”.

13 **SEC. 209. ELECTION OF 12-WEEK PERIOD BY SEASONAL EM-**
14 **PLOYERS.**

15 Section 7(a)(36)(E)(i)(I)(aa)(AA) of the Small Busi-
16 ness Act (15 U.S.C. 636(a)(36)(E)(i)(I)(aa)(AA)) is
17 amended by striking “, in the case of an applicant” and
18 all that follows through “June 30, 2019” and inserting
19 the following: “an applicant that is a seasonal employer,
20 as determined by the Administrator, shall use the average
21 total monthly payments for payroll for any 12-week period
22 selected by the seasonal employer between February 15,
23 2019, and December 31, 2019”.

1 **SEC. 210. INCLUSION OF CERTAIN REFINANCING IN NON-**
2 **RECOURSE REQUIREMENTS.**

3 Section 7(a)(36)(F)(v) of the Small Business Act (15
4 U.S.C. 636(a)(36)(F)(v)) is amended by striking “clause
5 (i)” and inserting “clause (i) or (iv)”.

6 **SEC. 211. CREDIT ELSEWHERE REQUIREMENTS.**

7 Section 7(a)(36)(I) of the Small Business Act (15
8 U.S.C. 636(a)(36)(I)) is amended to read as follows:

9 “(I) CREDIT ELSEWHERE.—The require-
10 ment that a small business concern is unable to
11 obtain credit elsewhere (as defined in section
12 3(h))—

13 “(i) shall not apply to—

14 “(I) a covered loan approved by
15 the Administrator before the date of
16 enactment of the Heroes Small Busi-
17 ness Lifeline Act; or

18 “(II) a covered loan made to a
19 covered organization, covered non-
20 profit organization, or housing cooper-
21 ative; and

22 “(ii) shall only apply to covered loans
23 in an amount greater than \$350,000 ap-
24 proved by the Administrator on or after
25 the date of the enactment of the Heroes
26 Small Business Lifeline Act.”.

1 **SEC. 212. PROHIBITION ON RECEIVING DUPLICATIVE**
2 **AMOUNTS FOR PAYROLL COSTS.**

3 (a) PAYCHECK PROTECTION PROGRAM.—Clause (iv)
4 of section 7(a)(36)(G) of the Small Business Act (15
5 U.S.C. 636(a)(36)(G)), as redesignated by section 206, is
6 amended—

7 (1) by striking “December 31, 2020” and in-
8 serting “June 30, 2020”; and

9 (2) by striking “the same purpose and” and in-
10 serting “payments for payroll costs incurred during
11 such period”.

12 (b) TREASURY PROGRAM.—Section 1109(f) of the
13 CARES Act (15 U.S.C. 9008(f)) is amended—

14 (1) in paragraph (1), by striking “for the same
15 purpose” and inserting “for payments for payroll
16 costs (as defined in section 7(a)(36)(A)(viii) of the
17 Small Business Act (15 U.S.C.
18 636(a)(36)(A)(viii))”; and

19 (2) in paragraph (2), by striking “December
20 31, 2020” and inserting “June 30, 2020”.

21 **SEC. 213. APPLICATION OF CERTAIN TERMS THROUGH**
22 **LIFE OF COVERED LOAN.**

23 Section 7(a)(36) of the Small Business Act (15
24 U.S.C. 636(a)(36)) is amended—

1 (1) in subparagraph (H), in the matter pre-
2 ceding clause (i), by striking “During the covered
3 period, with” and inserting “With”;

4 (2) in subparagraph (J), in the matter pre-
5 ceding clause (i), by striking “During the covered
6 period, with” and inserting “With”; and

7 (3) in subparagraph (M)—

8 (A) in clause (ii), in the matter preceding
9 subclause (I), by striking “During the covered
10 period, the” and inserting “The”; and

11 (B) in clause (iii), by striking “During the
12 covered period, with” and inserting “With”.

13 **SEC. 214. INTEREST CALCULATION ON COVERED LOANS.**

14 Section 7(a)(36)(L) of the Small Business Act (15
15 U.S.C. 636(a)(36)(L)) is amended by inserting “, cal-
16 culated on a non-compounding, non-adjustable basis”
17 after “4 percent”.

18 **SEC. 215. REIMBURSEMENT FOR PROCESSING.**

19 Section 7(a)(36)(P) of the Small Business Act (15
20 U.S.C. 636(a)(36)(P)) is amended—

21 (1) in clause (ii), by adding at the end the fol-
22 lowing: “Such fees shall be paid by the eligible re-
23 cipient and may not be paid out of the proceeds of
24 a covered loan. A lender shall only be responsible for

1 paying fees to an agent for services for which the
2 lender directly contracts with the agent.”; and

3 (2) by amending clause (iii) to read as follows:

4 “(iii) TIMING.—A reimbursement de-
5 scribed in clause (i) shall be made not later
6 than 5 days after the reported disburse-
7 ment of the covered loan and may not be
8 required to be repaid by a lender unless
9 the lender is found guilty of an act of
10 fraud in connection with the covered
11 loan.”.

12 **SEC. 216. DUPLICATION REQUIREMENTS FOR ECONOMIC**
13 **INJURY DISASTER LOAN RECIPIENTS.**

14 Section 7(a)(36)(Q) of the Small Business Act (15
15 U.S.C. 636(a)(36)(Q)) is amended by striking “during the
16 period beginning on January 31, 2020, and ending on the
17 date on which covered loans are made available”.

18 **SEC. 217. REAPPLICATION FOR AND MODIFICATION TO**
19 **PAYCHECK PROTECTION PROGRAM.**

20 (a) DEFINITIONS.—In this section, the terms “cov-
21 ered loan” and “eligible recipient” have the meanings
22 given those terms in 7(a)(36)(A) of the Small Business
23 Act (15 U.S.C. 636(a)(36)(A)).

24 (b) RULES OR GUIDANCE.—Not later than 7 days
25 after the date of enactment of this Act, the Administrator

1 shall issue rules or guidance to ensure that an eligible re-
2 cipient of a covered loan that returns amounts disbursed
3 under the covered loan or does not accept the full amount
4 of the covered loan for which the eligible recipient was ap-
5 proved—

6 (1) in the case of an eligible recipient that re-
7 turned all or part of a covered loan, the eligible re-
8 cipient may reapply for a covered loan for an
9 amount equal to the difference between the amount
10 retained and the maximum amount applicable; and

11 (2) in the case of an eligible recipient that did
12 not accept the full amount of a covered loan, the eli-
13 gible recipient may request a modification to in-
14 crease the amount of the covered loan to the max-
15 imum amount applicable, subject to the require-
16 ments of section 7(a)(36) of the Small Business Act
17 (15 U.S.C. 636(a)).

18 **SEC. 218. TREATMENT OF CERTAIN CRIMINAL VIOLATIONS.**

19 (a) IN GENERAL.—Section 7(a)(36) of the Small
20 Business Act (15 U.S.C. 636(a)(36)), as amended by sec-
21 tion 101, is amended by adding at the end the following:

22 “(U) TREATMENT OF CERTAIN CRIMINAL
23 VIOLATIONS.—

24 “(i) FINANCIAL FRAUD OR DECEP-
25 TION.—An entity that is a business, orga-

1 nization, cooperative, or enterprise may not
2 receive a covered loan if an owner of 20
3 percent or more of the equity of the entity,
4 during the 5-year period preceding the
5 date on which the entity applies for a cov-
6 ered loan, has been convicted of a felony of
7 financial fraud or deception under Federal,
8 State, or Tribal law.

9 “(ii) ARRESTS OR CONVICTIONS.—An
10 entity that is a business, organization, co-
11 operative, or enterprise shall be an eligible
12 recipient notwithstanding a prior arrest or
13 conviction under Federal, State, or Tribal
14 law of an owner of 20 percent or more of
15 the equity of the entity, unless the owner
16 is currently incarcerated.

17 “(iii) WAIVER.—The Administrator
18 may waive the requirements of clause (i).”.

19 (b) RULEMAKING.—Not later than 15 days after the
20 date of enactment of this Act, the Administrator shall
21 make necessary revisions to any rules to carry out the
22 amendment made by this section.

1 **SEC. 219. ELIGIBILITY AND TREATMENT OF FARM CREDIT**
2 **SYSTEM INSTITUTIONS.**

3 (a) DEFINITION OF FARM CREDIT SYSTEM INSTITU-
4 TION.—In this section, the term “Farm Credit System in-
5 stitution”—

6 (1) means an institution of the Farm Credit
7 System chartered under the Farm Credit Act of
8 1971 (12 U.S.C. 2001 et seq.); and

9 (2) does not include the Federal Agricultural
10 Mortgage Corporation.

11 (b) FACILITATION OF PARTICIPATION IN PPP AND
12 SECOND DRAW LOANS.—

13 (1) APPLICABLE RULES.—Solely with respect to
14 loans under paragraph (36) of section 7(a) of the
15 Small Business Act (15 U.S.C. 636(a)), Farm Cred-
16 it Administration regulations and guidance issued as
17 of July 14, 2020, and compliance with such regula-
18 tions and guidance, shall be deemed functionally
19 equivalent to requirements referenced in section
20 3(a)(iii)(II) of the interim final rule of the Adminis-
21 tration entitled “Business Loan Program Temporary
22 Changes; Paycheck Protection Program” (85 Fed.
23 Reg. 20811 (April 15, 2020)).

24 (2) APPLICABILITY OF CERTAIN LOAN RE-
25 QUIREMENTS.—For purposes of making loans under
26 paragraph (36) of section 7(a) of the Small Business

1 Act (15 U.S.C. 636(a)) or forgiving those loans in
2 accordance with section 1106 of the CARES Act (15
3 U.S.C. 9005), sections 4.13, 4.14, and 4.14A of the
4 Farm Credit Act of 1971 (12 U.S.C. 2199, 2202,
5 2202a) (including regulations issued under those
6 sections) shall not apply.

7 (3) RISK WEIGHT.—

8 (A) IN GENERAL.—With respect to the ap-
9 plication of Farm Credit Administration capital
10 requirements, a loan described in subparagraph

11 (B)—

12 (i) shall receive a risk weight of zero
13 percent; and

14 (ii) shall not be included in the cal-
15 culation of any applicable leverage ratio or
16 other applicable capital ratio or calculation.

17 (B) LOANS DESCRIBED.—A loan referred
18 to in subparagraph (A) is—

19 (i) a loan made by a Farm Credit
20 Bank described in section 1.2(a) of the
21 Farm Credit Act of 1971 (12 U.S.C.
22 2002(a)) to a Federal Land Bank Associa-
23 tion, a Production Credit Association, or
24 an agricultural credit association described
25 in that section to make loans under para-

1 graph (36) of section 7(a) of the Small
2 Business Act (15 U.S.C. 636(a)) or forgive
3 those loans in accordance with section
4 1106 of the CARES Act (15 U.S.C. 9005);
5 or

6 (ii) a loan made by a Federal Land
7 Bank Association, a Production Credit As-
8 sociation, an agricultural credit associa-
9 tion, or the bank for cooperatives described
10 in section 1.2(a) of the Farm Credit Act of
11 1971 (12 U.S.C. 2002(a)) under para-
12 graph (36) of section 7(a) of the Small
13 Business Act (15 U.S.C. 636(a)).

14 **TITLE III—TAX PROVISIONS**

15 **SEC. 301. IMPROVED COORDINATION BETWEEN PAYCHECK** 16 **PROTECTION PROGRAM AND EMPLOYEE RE-** 17 **TENTION TAX CREDIT.**

18 (a) AMENDMENT TO PAYCHECK PROTECTION PRO-
19 GRAM.—Section 1106(a)(8) of the CARES Act (15 U.S.C.
20 9005(a)(8)) is amended by inserting “, except that such
21 costs shall not include qualified wages taken into account
22 in determining the credit allowed under section 2301 of
23 this Act” before the period at the end.

24 (b) AMENDMENTS TO EMPLOYEE RETENTION TAX
25 CREDIT.—

1 (1) IN GENERAL.—Section 2301(g) of the
2 CARES Act (Public Law 116–136; 26 U.S.C. 3111
3 note) is amended to read as follows:

4 “(g) ELECTION TO NOT TAKE CERTAIN WAGES INTO
5 ACCOUNT.—

6 “(1) IN GENERAL.—This section shall not apply
7 to so much of the qualified wages paid by an eligible
8 employer as such employer elects (at such time and
9 in such manner as the Secretary may prescribe) to
10 not take into account for purposes of this section.

11 “(2) COORDINATION WITH PAYCHECK PROTEC-
12 TION PROGRAM.—The Secretary, in consultation
13 with the Administrator of the Small Business Ad-
14 ministration, shall issue guidance providing that
15 payroll costs paid or incurred during the covered pe-
16 riod shall not fail to be treated as qualified wages
17 under this section by reason of an election under
18 paragraph (1) to the extent that a covered loan of
19 the eligible employer is not forgiven under section
20 1106(b) by reason of such payroll costs. Terms used
21 in the preceding sentence which are also used in sec-
22 tion 1106 shall have the same meaning as when
23 used in such section.”.

24 (2) CONFORMING AMENDMENTS.—

1 (A) Section 2301 of the CARES Act (Pub-
2 lic Law 116–136; 26 U.S.C. 3111 note) is
3 amended by striking subsection (j).

4 (B) Section 2301(l) of the CARES Act
5 (Public Law 116–136; 26 U.S.C. 3111 note) is
6 amended by striking paragraph (3) and by re-
7 designating paragraphs (4) and (5) as para-
8 graphs (3) and (4), respectively.

9 (c) EFFECTIVE DATE.—The amendments made by
10 this section shall take effect as if included in the provisions
11 of the CARES Act (Public Law 116–136) to which they
12 relate.

13 **TITLE IV—COVID-19 ECONOMIC**
14 **INJURY DISASTER LOAN PRO-**
15 **GRAM REFORM**

16 **SEC. 401. SENSE OF CONGRESS.**

17 It is the sense of Congress that—

18 (1) many businesses that have received eco-
19 nomic injury disaster loans under section 7(b)(2) of
20 the Small Business Act (15 U.S.C. 636(b)(2)) con-
21 tinue to suffer from the effects of the COVID–19
22 pandemic and may not be in a position to make pay-
23 ments in the near term;

24 (2) the Administrator has the authority under
25 the Small Business Act (15 U.S.C. 631 et seq.) to

1 reduce the interest charged on loans and to offer
2 borrowers up to 4 years of deferment on the pay-
3 ment of interest and principal; and

4 (3) the Congress encourages the Administrator
5 to use this discretion to provide relief to the hardest
6 hit small businesses that have received or will receive
7 direct loans from the Administration under section
8 7(b)(2) of the Small Business Act (15 U.S.C.
9 636(b)(2)).

10 **SEC. 402. NOTICES TO APPLICANTS FOR ECONOMIC INJURY**

11 **DISASTER LOANS OR ADVANCES.**

12 Section 7(b)(11) of the Small Business Act (15
13 U.S.C. 636(b)(11)) is amended—

14 (1) by striking “The Administrator” and insert-
15 ing the following:

16 “(A) IN GENERAL.—The Administrator”;

17 and

18 (2) by adding at the end the following:

19 “(B) ACCEPTANCE CRITERIA AND QUALI-
20 FICATIONS.—In carrying out subparagraph (A),
21 the Administrator shall—

22 “(i) publish on the website of the Ad-
23 ministration a description of the rules
24 issued with respect to a loan made under

1 this subsection, which shall be clear and
2 easy to understand; and

3 “(ii) upon receiving an application for
4 a loan under this subsection, provide to the
5 loan applicant the description described in
6 clause (i).

7 “(C) RIGHT TO EXPLANATION OF DE-
8 CLINED LOAN OR ADVANCE.—

9 “(i) IN GENERAL.—The Administrator
10 shall—

11 “(I) provide all applicants for a
12 loan under this subsection or an ad-
13 vance under section 1110(e) of the
14 CARES Act (15 U.S.C. 9009(e)) for
15 which the loan or advance application
16 was fully or partially denied with a
17 complete written application of the
18 reason for the denial at the time the
19 decision is made;

20 “(II) establish a dedicated tele-
21 phonic information line and e-mail ad-
22 dress to respond to further inquiries
23 about denied applications described in
24 subclause (I); and

1 “(III) before fully or partially de-
2 nying an application for a loan under
3 this subsection or an advance under
4 such section 1110(e) because the ap-
5 plicant submitted incomplete informa-
6 tion—

7 “(aa) contact the applicant
8 and give the applicant the oppor-
9 tunity to provide that informa-
10 tion; and

11 “(bb) reconsider the applica-
12 tion with any additional informa-
13 tion provided.

14 “(ii) SUBMISSION OF ADDITIONAL IN-
15 FORMATION.—An applicant for a loan
16 under this subsection or an advance under
17 section 1110(e) of the CARES Act (15
18 U.S.C. 9008(e)) that can remedy the
19 grounds for denial of the application by
20 submitting additional information under
21 clause (i)(III)—

22 “(I) shall have the opportunity to
23 do so directly with a loan officer; and

1 “(II) shall not be required to
2 seek a remedy through the appeals
3 process of the Administration.”.

4 **SEC. 403. MODIFICATIONS TO EMERGENCY EIDL AD-**
5 **VANCES.**

6 Section 1110(e)(1) of the CARES Act (15 U.S.C.
7 9009(e)(1)) is amended to read as follows:

8 “(1) IN GENERAL.—During the covered period,
9 an entity included for eligibility in subsection (b), in-
10 cluding small business concerns, private nonprofit
11 organizations, and small agricultural cooperatives,
12 that applies for a loan under section 7(b)(2) of the
13 Small Business Act (15 U.S.C. 636(b)(2)) in re-
14 sponse to COVID–19 shall be provided an advance
15 that is, subject to paragraph (3), disbursed within 3
16 days after the Administrator receives an application
17 from the entity, unless the advance is specifically de-
18 clined by the entity.”.

19 **SEC. 404. DATA TRANSPARENCY, VERIFICATION, AND NO-**
20 **TICES FOR ECONOMIC INJURY DISASTER**
21 **LOANS.**

22 (a) IN GENERAL.—Section 1110 of the CARES Act
23 (15 U.S.C. 9009) is amended—

24 (1) by redesignating subsection (f) as sub-
25 section (j); and

1 (2) by inserting after subsection (e) the fol-
2 lowing:

3 “(f) DATA TRANSPARENCY.—

4 “(1) IN GENERAL.—In this subsection, the term
5 ‘covered application’ means an application submitted
6 to the Administrator for a loan under section
7 7(b)(2) of the Small Business Act (15 U.S.C.
8 636(b)(2)), including an application for such a loan
9 submitted by an eligible entity.

10 “(2) WEEKLY REPORTS.—Not later than 1
11 week after the date of enactment of the Heroes
12 Small Business Lifeline Act, and weekly thereafter
13 until the end of the covered period, the Adminis-
14 trator shall publish on the website of the Adminis-
15 tration a report that contains the following informa-
16 tion:

17 “(A) For the week covered by the report,
18 the number of covered applications that the Ad-
19 ministrator—

20 “(i) received;

21 “(ii) processed; and

22 “(iii) approved and rejected, including
23 the percentage of covered applications that
24 the Administrator approved.

1 plicant or loan recipient, which the in-
2 dividual may decline to provide;

3 “**(III)** the annual revenue of the
4 applicant or loan recipient;

5 “**(IV)** the number of employees
6 employed by the applicant or loan re-
7 cipient;

8 “**(V)** whether the applicant or
9 loan recipient is a for-profit or non-
10 profit entity; and

11 “**(VI)** the industry in which the
12 applicant or loan recipient operates;

13 “**(ii)** the number of such loans made
14 to agricultural enterprises (as defined in
15 section 18(b) of the Small Business Act
16 (15 U.S.C. 647)(b)); and

17 “**(iii)** the average economic injury suf-
18 fered by—

19 “**(I)** applicants, the covered appli-
20 cations of which the Administrator
21 approved; and

22 “**(II)** applicants, the covered ap-
23 plications of which the Administrator
24 rejected.

25 “**(g)** VERIFICATION OF BUSINESS ELIGIBILITY.—

1 committee on Financial Services and Gen-
2 eral Government of the Committee on Ap-
3 propriations of the Senate; and

4 “(ii) the Committee on Small Busi-
5 ness and the Subcommittee on Financial
6 Services and General Government of the
7 Committee on Appropriations of the House
8 of Representatives; and

9 “(B) the term ‘covered program, project,
10 or activity’ means—

11 “(i) the program under this section;

12 “(ii) the loan program under section
13 7(b)(2) of the Small Business Act (15
14 U.S.C. 636(b)(2));

15 “(iii) the authorized activities for
16 amounts were appropriated in response to
17 the COVID–19 pandemic under the head-
18 ing ‘Small Business Administration—Sala-
19 ries and Expenses’; or

20 “(iv) any other program, project, or
21 activity for which funds are made available
22 to the Administration to respond to the
23 COVID–19 pandemic.

24 “(2) NOTICE OF APPROACHING FUNDING
25 LAPSE.—The Administrator shall submit to the ap-

1 appropriate committees of Congress a notification not
2 later than 2 days after the date on which unobli-
3 gated balances of amounts appropriated for a fiscal
4 year for any covered program, project, or activity
5 are less than 25 percent of the total amount appro-
6 priated for the covered program, project, or activity
7 for such fiscal year.

8 “(3) MONTHLY REPORT.—The Administrator
9 shall submit to the appropriate committees of Con-
10 gress a monthly report detailing the current and fu-
11 ture planned uses of amounts appropriated in re-
12 sponse to the COVID–19 pandemic under the head-
13 ing ‘Small Business Administration—Salaries and
14 Expenses’, which shall include—

15 “(A) the number of employees hired and
16 contractors retained using such amounts;

17 “(B) the number of contracts with a total
18 cost of more than \$5,000,000 entered into
19 using such amounts;

20 “(C) a list of all sole source contracts en-
21 tered into using such amounts; and

22 “(D) any program changes, regulatory ac-
23 tions, guidance issuances, or other initiatives
24 relating to the response to the COVID–19 pan-
25 demic.”.

1 (b) **RETROACTIVE COLLECTION.**—As soon as is prac-
2 ticable after the date of enactment of this Act, the Admin-
3 istrator shall collect the information required under sec-
4 tion 1110(f) of the CARES Act (15 U.S.C. 9009(f)), as
5 amended by subsection (a), from applicants that sub-
6 mitted covered applications (as defined in such section
7 1110(f)) during the period beginning on the date of enact-
8 ment of the CARES Act (Public Law 116–136) and end-
9 ing on the date of enactment of this Act.

10 **SEC. 405. LIFELINE FUNDING FOR SMALL BUSINESS CON-**
11 **TINUITY, ADAPTATION, AND RESILIENCY.**

12 Section 1110 of the CARES Act (15 U.S.C. 9009),
13 is amended by inserting after subsection (h), as added by
14 section 404, the following:

15 “(i) **LIFELINE FUNDING FOR SMALL BUSINESS CON-**
16 **TINUITY, ADAPTATION, AND RESILIENCY.**—

17 “(1) **DEFINITIONS.**—In this subsection:

18 “(A) **AGRICULTURAL ENTERPRISE.**—The
19 term ‘agricultural enterprise’ has the meaning
20 given the term in section 18(b) of the Small
21 Business Act (15 U.S.C. 647(b)).

22 “(B) **COVERED ENTITY.**—The term ‘cov-
23 ered entity’—

1 “(i) means an eligible entity described
2 in subsection (b) of this section, if such eli-
3 gible entity—

4 “(I) has not more than 50 em-
5 ployees; and

6 “(II) has suffered an economic
7 loss of not less than 30 percent; and

8 “(ii) except with respect to an entity
9 included under section 123.300(c) of title
10 13, Code of Federal Regulations, or any
11 successor regulation, does not include an
12 agricultural enterprise.

13 “(C) ECONOMIC LOSS.—The term ‘eco-
14 nomic loss’ means, with respect to a covered en-
15 tity, the amount by which the gross receipts of
16 the covered entity declined during an 8-week
17 period between March 2, 2020, and December
18 31, 2020 (as determined by the covered entity),
19 relative to a comparable 8-week period imme-
20 diately preceding March 2, 2020, or during
21 2019 (as determined by the covered entity).

22 “(D) ECONOMICALLY DISADVANTAGED IN-
23 DIVIDUAL.—The term ‘economically disadvan-
24 taged individual’ means an economically dis-
25 advantaged individual under section 124.104 of

1 title 13, Code of Federal Regulations, or any
2 successor regulation.

3 “(E) LOW-INCOME COMMUNITY.—The
4 term ‘low-income community’ has the meaning
5 given the term in section 45D(e) of the Internal
6 Revenue Code of 1986.

7 “(F) REMOTE RECREATIONS ENTER-
8 PRISE.—The term ‘remote recreational enter-
9 prise’ means a covered entity that was in oper-
10 ation on or before March 1, 2020, that can doc-
11 ument an economic loss caused by the closure
12 of the United States and Canadian border that
13 restricted the ability of American customers to
14 access the location of the covered entity.

15 “(G) SOCIALLY DISADVANTAGED INDI-
16 VIDUAL.—The term ‘socially disadvantaged in-
17 dividual’ means a socially disadvantaged indi-
18 vidual under section 124.103 of title 13, Code
19 of Federal Regulations, or any successor regula-
20 tion.

21 “(H) VETERAN.—The term ‘veteran’ has
22 the meaning given the term in section 3(q) of
23 the Small Business Act (15 U.S.C. 632(q)).

24 “(2) PROCEDURE.—During the covered period,
25 a covered entity that applies for a loan under section

1 7(b)(2) of the Small Business Act (15 U.S.C.
2 636(b)(2)) may request that the Administrator pro-
3 vide funding for the purposes described in paragraph
4 (6).

5 “(3) VERIFICATION.—With respect to each re-
6 quest submitted by an entity under paragraph (2),
7 the Administrator shall—

8 “(A) not later than 14 days after the date
9 on which the Administrator receives the re-
10 quest, verify whether the entity is a covered en-
11 tity; and

12 “(B) if the Administrator verifies that the
13 entity is a covered entity under subparagraph
14 (A), and subject to paragraph (8), disburse the
15 funding requested by the covered entity not
16 later than 7 days after the date on which the
17 Administrator completes the verification.

18 “(4) ORDER OF PROCESSING.—Subject to para-
19 graph (8), the Administrator shall process and ap-
20 prove requests submitted under paragraph (2) in the
21 order the Administrator receives the requests.

22 “(5) AMOUNT OF FUNDING.—

23 “(A) IN GENERAL.—The amount of fund-
24 ing provided to a covered entity that submits a

1 request under paragraph (2) shall be in an
2 amount that is the lesser of—

3 “(i) the amount of working capital
4 needed by the covered entity for the 180-
5 day period beginning on the date on which
6 the covered entity would receive the fund-
7 ing, as determined by the Administrator
8 using a methodology that is identical to the
9 methodology used by the Administrator to
10 determine working capital needs with re-
11 spect to an application for a loan sub-
12 mitted under section 7(b)(2) of the Small
13 Business Act (15 U.S.C. 636(b)(2)); or

14 “(ii) \$50,000.

15 “(B) ENTITLEMENT TO FULL AMOUNT.—
16 A covered entity that receives funding pursuant
17 to a request submitted under paragraph (2)
18 shall be entitled to receive the full amount of
19 that funding, as determined under subpara-
20 graph (A), without regard to—

21 “(i) if the applicable loan for which
22 the covered entity has applied under sec-
23 tion 7(b)(2) of the Small Business Act (15
24 U.S.C. 636(b)(2)) is approved, the amount
25 of the loan;

1 “(ii) whether the covered entity ac-
2 cepts the offer of the Administrator with
3 respect to an approved loan described in
4 clause (i); or

5 “(iii) whether the covered entity has
6 previously received any amounts under
7 subsection (e).

8 “(6) USE OF FUNDS.—A covered entity that re-
9 ceives funding under this subsection—

10 “(A) may use the funding—

11 “(i) for any purpose for which a loan
12 received under section 7(b)(2) of the Small
13 Business Act (15 U.S.C. 636(b)(2)) may
14 be used;

15 “(ii) for working capital needs, includ-
16 ing investments to implement adaptive
17 changes or resiliency strategies to help the
18 eligible entity maintain business continuity
19 during the COVID–19 pandemic; or

20 “(iii) to repay any unpaid amount
21 of—

22 “(I) a loan received under sub-
23 section (a)(36) or (b)(2) of section 7
24 of the Small Business Act (15 U.S.C.
25 636); or

1 “(II) mortgage interest; and

2 “(B) may not use the funding to pay any
3 loan debt, except as provided in subparagraph
4 (A)(iii).

5 “(7) APPLICABILITY.—In addition to any other
6 restriction imposed under this subsection, any eligi-
7 bility restriction applicable to a loan made under
8 section 7(b)(2) of the Small Business Act (15 U.S.C.
9 636(b)(2)), including any restriction under section
10 123.300 or 123.301 of title 13, Code of Federal
11 Regulations, or any successor regulation, shall apply
12 with respect to funding provided under this sub-
13 section.

14 “(8) PRIORITY.—During the 56-day period be-
15 ginning on the date of enactment of this subsection,
16 the Administrator may approve a request for fund-
17 ing under this subsection only if the request is sub-
18 mitted by—

19 “(A) a covered entity located in a low-in-
20 come community;

21 “(B) a covered entity owned or controlled
22 by a veteran or a member of the Armed Forces;

23 “(C) a covered entity owned or controlled
24 by an economically disadvantaged individual or
25 a socially disadvantaged individual; or

1 “(D) a remote recreational enterprise.

2 “(9) ADMINISTRATION.—In carrying out this
3 subsection, the Administrator may rely on loan offi-
4 cers and other personnel of the Office of Disaster
5 Assistance of the Administration and other resources
6 of the Administration, including contractors of the
7 Administration.

8 “(10) RETROACTIVE EFFECT.—Any covered en-
9 tity that, during the period beginning on January 1,
10 2020, and ending on the day before the date of en-
11 actment of this subsection, applied for a loan under
12 section 7(b)(2) of the Small Business Act (15 U.S.C.
13 636(b)(2)) may submit to the Administrator a re-
14 quest under paragraph (2) with respect to that loan.

15 “(11) AUTHORIZATION OF APPROPRIATIONS.—
16 There are authorized to be appropriated to the Ad-
17 ministrator \$40,000,000,000 to carry out this sub-
18 section, which shall remain available through De-
19 cember 31, 2021, of which—

20 “(A) \$20,000,000,000 is authorized to be
21 appropriated to provide funding to covered enti-
22 ties described in paragraph (8); and

23 “(B) \$20,000,000 is authorized to be ap-
24 propriated to the Inspector General of the Ad-
25 ministration to prevent waste, fraud, and abuse

1 with respect to funding provided under this
2 subsection.”.

3 **SEC. 406. MODIFICATIONS TO ECONOMIC INJURY DISASTER**
4 **LOANS.**

5 (a) LOANS FOR NEW BORROWERS.—With respect to
6 a loan made under section 7(b)(2) of the Small Business
7 Act (15 U.S.C. 636(b)(2)) to a borrower adversely im-
8 pacted by COVID–19 during the period beginning on the
9 date of enactment of this Act and ending on December
10 31, 2020—

11 (1) the borrower shall be eligible for a loan in
12 an amount equal to 6 months of working capital if
13 the borrower otherwise meets the underwriting
14 standards established by the Administration; and

15 (2) the Administrator—

16 (A) shall not impose a maximum loan
17 amount limit that is lower than \$2,000,000;
18 and

19 (B) shall not disqualify any applicant for
20 such a loan due to the criminal history or arrest
21 record of the applicant, except in the case of an
22 applicant that, during the 5-year period pre-
23 ceding the date on which the applicant submits
24 an application, has been convicted—

1 (i) of a felony offense involving fraud,
2 bribery, or embezzlement in any State or
3 Federal court; or

4 (ii) in connection with a false state-
5 ment made in—

6 (I) a loan application; or

7 (II) an application for Federal fi-
8 nancial assistance.

9 (b) ADDITIONAL LOAN FOR EXISTING BOR-
10 ROWERS.—

11 (1) IN GENERAL.—A recipient of a loan made
12 under section 7(b)(2) of the Small Business Act (15
13 U.S.C. 636(b)(2)) to a borrower adversely impacted
14 by COVID–19 during the period beginning on Janu-
15 ary 31, 2020, and ending on the date of enactment
16 of this Act may submit to the Administrator a re-
17 quest for an additional amount to increase in the
18 amount of that loan, provided that the aggregate
19 amount received under such section by the recipient
20 during that period shall be not more than the lesser
21 of—

22 (A) an amount equal to 6 months of work-
23 ing capital for the recipient; and

24 (B) \$2,000,000; and

1 (2) CONSIDERATION.—In considering a request
2 submitted under paragraph (1), the Administrator—

3 (A) may not recalculate the economic in-
4 jury or creditworthiness of the borrower; and

5 (B) shall issue a determination based on
6 the documentation submitted by the borrower
7 for the initial loan under section 7(b)(2) of the
8 Small Business Act (15 U.S.C. 636(b)(2)), any
9 other new information voluntarily provided by
10 the borrower, and any information obtained to
11 prevent fraud or abuse.

12 (3) ADDITIONAL DOCUMENTATION.—If the Ad-
13 ministrator requires a borrower making a request
14 under paragraph (1) to provide additional docu-
15 mentation, the Administrator shall—

16 (A) publish those documentation require-
17 ments on the website of the Administration not
18 later than 7 days after the date of enactment
19 of this Act; and

20 (B) proactively provide those requirements
21 to any such borrower that received a loan de-
22 scribed in paragraph (1).

23 **SEC. 407. PRINCIPAL AND INTEREST PAYMENTS FOR CER-**
24 **TAIN DISASTER LOANS.**

25 (a) DEFINITIONS.—In this section:

1 (1) COVERED EIDL LOAN.—The term “covered
2 EIDL loan” means a loan made under section
3 7(b)(2) of the Small Business Act (15 U.S.C.
4 636(b)(2)) that—

5 (A) was approved by the Administrator be-
6 fore February 15, 2020; and

7 (B) is in a regular servicing status.

8 (2) PHYSICAL DISASTER LOAN.—The term
9 “physical disaster loan” means a loan made under
10 section 7(b)(1) of the Small Business Act (15 U.S.C.
11 636(b)(1)) in a regular servicing status.

12 (b) PAYMENT BY ADMINISTRATOR.—The Adminis-
13 trator shall pay the principal, interest, and any associated
14 fees that are owed on a physical disaster loan or a covered
15 EIDL loan as follows:

16 (1) With respect to a physical disaster loan—

17 (A) not in deferment, for the 12-month pe-
18 riod beginning with the next payment due on
19 such loan;

20 (B) in deferment, for the 12-month period
21 beginning with the next payment due on such
22 loan after the deferment period; and

23 (C) made on or after the date of enact-
24 ment of this Act, for the 12-month period be-

1 ginning with the first payment due on such
2 loan.

3 (2) With respect to a covered EIDL loan—

4 (A) not in deferment, for the 12-month pe-
5 riod beginning with the next payment due on
6 such loan; and

7 (B) in deferment, for the 12-month period
8 beginning with the next payment due on such
9 loan after the deferment period.

10 (c) **TIMING OF PAYMENT.**—The Administrator shall
11 begin making payments under subsection (b) not later
12 than 30 days after the date on which the first such pay-
13 ment is due.

14 (d) **APPLICATION OF PAYMENT.**—Any payment made
15 by the Administrator under subsection (b) shall be applied
16 to the physical disaster loan or a covered EIDL loan (as
17 applicable) such that the borrower is relieved of the obliga-
18 tion to pay that amount.

19 **SEC. 408. TRAINING.**

20 The Administrator shall—

21 (1) develop and implement a plan to train any
22 staff responsible for implementing or administering
23 the loan program established under section 7(b)(2)
24 of the Small Business Act (15 U.S.C. 636(b)(2)) on

1 specific responsibilities with respect to such pro-
2 gram; and

3 (2) submit the plan to the Committee on Small
4 Business and Entrepreneurship of the Senate and
5 the Committee on Small Business of the House of
6 Representatives.

7 **SEC. 409. OUTREACH PLAN.**

8 Not later than 30 days after the date of enactment
9 of this Act, the Administrator shall submit to the Com-
10 mittee on Small Business and Entrepreneurship of the
11 Senate and the Committee on Small Business of the
12 House of Representatives an outreach plan to clearly com-
13 municate program and policy changes to all offices of the
14 Administration, small business development centers (as
15 defined in section 3 of the Small Business Act (15 U.S.C.
16 632)), women's business centers (described in section 29
17 of such Act (15 U.S.C. 656)), chapters of the Service
18 Corps of Retired Executives (established under section
19 8(b)(1)(B) of such Act (15 U.S.C. 637(b)(1)(B))), Vet-
20 eran Business Outreach Centers (described in section 32
21 of such Act (15 U.S.C. 657b)), Members of Congress, con-
22 gressional committees, small business concerns (as defined
23 in section 3 of such Act (15 U.S.C. 632)), and the public.

1 **SEC. 410. REPORT ON BEST PRACTICES.**

2 Not later than 60 days after the date of enactment
3 of this Act, the Administrator shall submit to the Com-
4 mittee on Small Business and Entrepreneurship of the
5 Senate and the Committee on Small Business of the
6 House of Representatives a report on outlining the best
7 practices to administer the loan program established
8 under section 7(b)(2) of the Small Business Act (15
9 U.S.C. 636(b)(2)) during a pandemic.

10 **SEC. 411. EXTENSION OF PERIOD OF AVAILABILITY FOR AD-**
11 **MINISTRATIVE FUNDS.**

12 Section 1107(a) of the CARES Act (15 U.S.C.
13 9006(a)) is amended, in the matter preceding paragraph
14 (1), by striking “until September 30, 2021” and inserting
15 “until December 31, 2021, for amounts appropriated
16 under paragraph (2), and until September 30, 2021, for
17 all other amounts appropriated under this subsection”.

18 **TITLE V—MICRO-SBIC AND EQ-**
19 **UITY INVESTMENT ENHANCE-**
20 **MENT**

21 **SEC. 501. MICRO-SBIC PROGRAM.**

22 Title III of the Small Business Investment Act of
23 1958 (15 U.S.C. 681 et seq.) is amended by adding at
24 the end the following:

1 **“PART D—MICRO-SBIC PROGRAM**

2 **“SEC. 399A. MICRO-SBIC PROGRAM.**

3 “(a) **ESTABLISHMENT.**—There is established in the
4 Administration a program to be known as the ‘Micro-
5 SBIC Program’ under which the Administrator shall issue
6 a license to an applicant for the purpose of making loans
7 to and investments in small business concerns. An appli-
8 cant licensed under this section shall have the same bene-
9 fits as an applicant licensed under section 301.

10 “(b) **ELIGIBILITY.**—An applicant desiring to receive
11 a license to operate as a micro-SBIC shall submit an appli-
12 cation to the Administrator at such time, in such manner,
13 and containing such information as the Administrator may
14 require, including—

15 “(1) evidence that the applicant holds private
16 capital of not less than \$5,000,000;

17 “(2) evidence that the management of the ap-
18 plicant is qualified and has significant business ex-
19 pertise relevant to the applicant’s strategy; and

20 “(3) an election to receive a seed investment
21 under section 399C or leverage from the Adminis-
22 trator.

23 “(c) **ISSUANCE OF LICENSE.**—

24 “(1) **PROCEDURES.**—

25 “(A) **STATUS.**—Not later than 90 days
26 after the initial receipt by the Administrator of

1 an application under this section, the Adminis-
2 trator shall provide the applicant with a written
3 report detailing the status of the application
4 and any requirements remaining for completion
5 of the application.

6 “(B) APPROVAL OR DISAPPROVAL.—Ex-
7 cept as provided in subparagraph (C) and with-
8 in a reasonable time after providing the report
9 under subparagraph (A), and in accordance
10 with such requirements as the Administrator
11 may prescribe by regulation, the Administrator
12 shall—

13 “(i) approve the application and issue
14 to the applicant a license to operate as a
15 micro-SBIC; or

16 “(ii) disapprove the application and
17 notify the applicant in writing of the dis-
18 approval.

19 “(C) PROVISIONAL APPROVAL.—The Ad-
20 ministrator may provide provisional approval
21 for an applicant for a period of not more than
22 12 months before making a final determination
23 of approval or disapproval under subparagraph
24 (B).

1 “(D) EXPLANATION OF DISAPPROVAL.—

2 An applicant may submit to the Administrator
3 a request for a written explanation regarding
4 the disapproval of an application under sub-
5 paragraph (B)(ii).

6 “(2) APPEALS.—

7 “(A) DISAPPROVED APPLICATIONS.—With
8 respect to an application that is disapproved
9 under paragraph (1)(B)(ii)—

10 “(i) not later than 30 days after the
11 date on which the application is dis-
12 approved, the applicant may submit an ap-
13 peal to the Chair of the Investment Divi-
14 sion Licensing Committee of the Adminis-
15 tration (referred to in this paragraph as
16 the ‘Chair’); and

17 “(ii) not later than 30 days after the
18 date on which the applicant submits an ap-
19 peal under clause (i), the Chair shall issue
20 a ruling with respect to the appeal and no-
21 tify the applicant regarding such ruling.

22 “(B) DENIAL OF APPEAL.—With respect
23 to an application that the Chair denies in an
24 appeal submitted under subparagraph (A)—

1 “(i) not later than 30 days after the
2 date on which the Chair submits the notifi-
3 cation required under subparagraph
4 (A)(ii), the applicant may submit to the
5 Administrator an appeal of the ruling
6 made by the Chair; and

7 “(ii) not later than 30 days after the
8 date on which the applicant submits an ap-
9 peal under clause (i), the Administrator
10 shall issue a final ruling with respect to
11 the appeal and notify the applicant regard-
12 ing such ruling.

13 “(3) PRIORITY.—In reviewing applications and
14 issuing licenses under this section, the Administrator
15 shall give priority to an applicant the management
16 of which consists of not fewer than 2 socially dis-
17 advantaged individuals or economically disadvan-
18 taged individuals and not fewer than 1 track record
19 investment committee member.

20 “(4) EXPEDITED PROCEDURES.—The Adminis-
21 trator shall establish expedited procedures for the
22 consideration of an application submitted under sub-
23 section (b), including a written report under para-
24 graph (1)(A) not later than 45 days after the initial
25 receipt of an application, for—

1 “(A) a small business investment company
2 licensed under section 301;

3 “(B) a rural business investment company;
4 or

5 “(C) a bank-owned applicant.

6 “(d) MAXIMUM LEVERAGE.—

7 “(1) IN GENERAL.—For a micro-SBIC that
8 elects to receive leverage under subsection (b)(3),
9 the maximum amount of outstanding leverage made
10 available to any one micro-SBIC may not exceed—

11 “(A) 50 percent of the private capital of
12 the micro-SBIC, not to exceed \$25,000,000; or

13 “(B) in the case of a micro-SBIC owned
14 by persons who also own a small business in-
15 vestment company licensed under section 301,
16 100 percent of the private capital of the micro-
17 SBIC, not to exceed \$50,000,000.

18 “(2) INVESTMENTS IN CERTAIN BUSINESSES.—

19 In calculating the outstanding leverage of a micro-
20 SBIC for purposes of paragraph (1), the Adminis-
21 trator shall exclude the amount of the cost basis of
22 any investments made in an early-stage small busi-
23 ness, growth-stage small business, scale-up small
24 business, or covered small business in an amount not
25 to exceed—

1 “(A) \$25,000,000; or

2 “(B) in the case of a micro-SBIC owned
3 by persons who also own a small business in-
4 vestment company licensed under section 301,
5 \$50,000,000.

6 **“SEC. 399B. MICRO-SBIC PROGRAM REQUIREMENTS.**

7 “(a) SURRENDER OF LICENSE.—A micro-SBIC that
8 voluntarily surrenders a license issued under this part
9 shall enter into an agreement with Administrator for the
10 repayment of leverage received. Such agreement may not
11 require the micro-SBIC to immediately repay all leverage
12 received.

13 “(b) ADMINISTRATION.—To the extent practicable,
14 for a micro-SBIC that elects to receive leverage under sec-
15 tion 399A(b)(3), the Administrator shall administer the
16 Micro-SBIC Program in a similar manner to the program
17 under section 301.

18 **“SEC. 399C. SEED INVESTMENT PROGRAM.**

19 “(a) ESTABLISHMENT.—The Administrator shall es-
20 tablish and carry out an equity investment program (in
21 this part referred to as the ‘Seed Investment Program’)
22 to provide seed investments to a micro-SBIC to invest in
23 small business concerns.

24 “(b) APPLICATION.—A micro-SBIC that elects to re-
25 ceive a seed investment under section 399A(b)(3) shall

1 submit to the Administrator an application that includes
2 the following:

3 “(1) A business plan describing how the appli-
4 cant intends to make successful investments in
5 early-stage small businesses, growth-stage small
6 businesses, scale-up small businesses, or covered
7 small businesses, as applicable.

8 “(2) A description of the extent to which the
9 applicant meets the selection criteria under sub-
10 section (c).

11 “(c) SELECTION.—

12 “(1) IN GENERAL.—Not later than 90 days
13 after the date of receipt of an application under sub-
14 section (b), the Administrator shall make a final de-
15 termination to approve or disapprove the applicant
16 as a participant in the Seed Investment Program
17 and shall submit such determination to the applicant
18 in writing.

19 “(2) CRITERIA.—In making a determination
20 under paragraph (1), the Administrator shall con-
21 sider each of the following criteria:

22 “(A) The likelihood that the applicant will
23 meet the goals specified in the business plan of
24 the applicant.

1 “(B) The likelihood that the investments of
2 the applicant will directly and indirectly create
3 or preserve jobs.

4 “(C) The character and fitness of the man-
5 agement of the applicant.

6 “(D) The experience and background of
7 the management of the applicant.

8 “(E) The extent to which the applicant will
9 concentrate investment activities on early-stage
10 small businesses, growth-stage small businesses,
11 scale-up small businesses, or covered small busi-
12 nesses, as applicable.

13 “(F) The likelihood that the applicant will
14 achieve profitability.

15 “(G) The experience of the management of
16 the applicant with respect to establishing a
17 profitable investment track record.

18 **“SEC. 399D. REQUIREMENTS FOR SEED INVESTMENTS.**

19 “(a) IN GENERAL.—The Administrator may make 1
20 seed investment to a Program participant, which shall be
21 held in an account from which the Program participant
22 may make withdrawals.

23 “(b) AMOUNTS.—

24 “(1) NON-FEDERAL CAPITAL.—A seed invest-
25 ment made to a Program participant may not exceed

1 the amount of capital of the Program participant
2 that—

3 “(A) is not from a Federal source; and

4 “(B) is available for investment, including
5 through legally binding commitments, on or be-
6 fore the date on which the seed investment is
7 approved.

8 “(2) LIMITATION ON AMOUNT.—The amount of
9 a seed investment made to a Program participant
10 may not exceed the lesser of—

11 “(A) \$25,000,000; or

12 “(B) 100 percent of the private capital
13 committed to the Program participant.

14 “(c) PROCESS.—

15 “(1) IN GENERAL.—Amounts held in an ac-
16 count under this section shall remain available to a
17 Program participant—

18 “(A) for initial seed investments, during
19 the 5-year period beginning on the date on
20 which the Program participant first accesses
21 amounts from the account; and

22 “(B) for follow-on investments and man-
23 agement fees, during the 10-year period begin-
24 ning on the date on which the Program partici-
25 pant first accesses amounts from the account.

1 “(2) EXTENSION.—Upon request by a Program
2 participant, the Administrator may grant a 1-year
3 extension of the period described in paragraph
4 (1)(B) not more than 2 times.

5 “(3) USE OF AMOUNTS.—A Program partici-
6 pant shall invest all amounts held in an account
7 under this section during the 10-year period begin-
8 ning on the date on which the Program participant
9 first accesses amounts from the account.

10 “(d) PRIORITY.—The Administrator shall prioritize
11 making seed investments under this section to Program
12 participants in underlicensed States.

13 “(e) INVESTMENTS IN CERTAIN BUSINESSES.—

14 “(1) IN GENERAL.—A Program participant that
15 receives a seed investment under this part shall
16 make all of the investments of the Program partici-
17 pant in small business concerns, of which not less
18 than 50 percent shall be in covered small businesses.

19 “(2) MINORITY POSITIONS.—

20 “(A) IN GENERAL.—On the date on which
21 a Program participant first accesses amounts
22 from a seed investment received under this
23 Part, the Program participant may not own or
24 control not more than 50 percent of the shares

1 of any small business concern in which the Pro-
2 gram participant invests.

3 “(B) FOLLOW-ON INVESTMENTS.—A Pro-
4 gram participant described in subparagraph (A)
5 shall not pursue a buyout strategy as a primary
6 purpose of an investment in a small business
7 concern, but may take control in follow-on in-
8 vestments if necessary for the success of any
9 such small business concern.

10 “(3) EVALUATION OF COMPLIANCE.—The Ad-
11 ministrators shall evaluate the compliance of a Pro-
12 gram participant with the requirements under this
13 section once the Program participant has expended
14 75 percent of the amount of a seed investment made
15 under this part.

16 “(f) SEED INVESTMENT INTEREST.—

17 “(1) IN GENERAL.—

18 “(A) IN GENERAL.—Subject to paragraph
19 (4), a Program participant that receives a seed
20 investment under this part shall convey a seed
21 investment interest to the Administrator in ac-
22 cordance with subparagraph (B).

23 “(B) EFFECT OF CONVEYANCE.—

1 “(i) IN GENERAL.—The seed invest-
2 ment interest conveyed under paragraph
3 (1) shall—

4 “(I) have all the rights and at-
5 tributes of other investors with re-
6 spect to the Program participant, but
7 shall not assign control or voting
8 rights to the Administrator; and

9 “(II) entitle the Administrator to
10 a pro rata portion of any distributions
11 made by the Program participant
12 equal to the percentage of capital in
13 the Program participant that the seed
14 investment comprises.

15 “(ii) DISTRIBUTIONS.—The Adminis-
16 trator shall receive distributions from a
17 Program participant under this paragraph
18 at the same times and in the same
19 amounts as any other investor in the Pro-
20 gram participant with a similar interest.

21 “(iii) ALLOCATIONS.—A Program par-
22 ticipant shall make allocations of income,
23 gain, loss, deduction, and credit to the Ad-
24 ministrator with respect to a seed invest-

1 ment interest received under this part as if
2 the Administrator were an investor.

3 “(2) MANAGER PROFITS.—

4 “(A) IN GENERAL.—The manager profits
5 interest payable to the managers of a Program
6 participant shall not exceed 20 percent of prof-
7 its, exclusive of any profits that may accrue as
8 a result of the capital contributions of any such
9 managers with respect to the Program partici-
10 pant.

11 “(B) RETURN OF EXCESS.—Any excess of
12 the amount described in subparagraph (A), less
13 taxes payable thereon, shall be returned by the
14 managers and paid to the investors and the Ad-
15 ministrator in proportion to the capital con-
16 tributions and seed investments paid in.

17 “(C) TIMING.—No manager profits inter-
18 est (other than a tax distribution) shall be paid
19 prior to the repayment to the investors and the
20 Administrator of all contributed capital and
21 seed investments made.

22 “(D) FEES.—A manager of a Program
23 participant may charge reasonable and cus-
24 tomary management and organizational fees.

1 “(3) DISTRIBUTION REQUIREMENTS.—A Pro-
2 gram participant that receives a seed investment
3 under this part shall make all distributions to all in-
4 vestors in cash and shall make distributions within
5 a reasonable time after exiting investments, includ-
6 ing following a public offering or market sale of un-
7 derlying investments.

8 “(4) LIMITATION ON GRANT PROFITS.—Once
9 the Administrator has received an amount equal to
10 110 percent of the amount of the seed investment
11 made to a Program participant, the requirement to
12 convey seed investment interest under this sub-
13 section shall be terminated and no further distribu-
14 tions of profits shall be made to the Administrator.

15 **“SEC. 399E. ADMINISTRATION.**

16 “(a) ELECTRONIC SUBMISSIONS.—The Adminis-
17 trator shall permit the electronic submission of any docu-
18 ment submitted under this part or pursuant to a regula-
19 tion carrying out this part, including by permitting an
20 electronic signature for any signature that is required on
21 such a document.

22 “(b) APPLICATION OF PENALTIES.—To the extent
23 not inconsistent with requirements under this part, the
24 Administrator may take such action as set forth in sec-
25 tions 309, 311, 312, 313, and 314 to activities under this

1 part and an officer, director, employee, agent, or other
2 participant in a micro-SBIC shall be subject to the re-
3 quirements under such sections.

4 **“SEC. 399F. REPORT.**

5 “The Administrator shall include in the annual report
6 required under section 10(a) of the Small Business Act
7 a description of—

8 “(1) the number of applications received under
9 this part, including the number of applications re-
10 ceived from applicants for which the management
11 consists of at least two socially disadvantaged indi-
12 viduals or economically disadvantaged individuals;
13 and

14 “(2) the number of licenses issued under sec-
15 tion 399A, including the number of such licenses
16 issued to applicants for which the management con-
17 sists of at least two socially disadvantaged individ-
18 uals or economically disadvantaged individuals.

19 **“SEC. 399G. DEFINITIONS.**

20 “In this part:

21 “(1) **APPLICANT.**—The term ‘applicant’
22 means—

23 “(A) an incorporated body, a limited liabil-
24 ity corporation, or a limited partnership orga-
25 nized and chartered or otherwise existing under

1 State law solely for the purpose of performing
2 the functions and conducting the activities con-
3 templated under this section; or

4 “(B) a bank-owned applicant, rural busi-
5 ness investment company, or small business in-
6 vestment company licensed under section 301
7 that submits an application to operate as a
8 micro-SBIC under section 399A.

9 “(2) BANK-OWNED APPLICANT.—the term
10 ‘bank-owned applicant’ means an applicant for a li-
11 cense to operate as a small business investment com-
12 pany under this part that—

13 “(A) is a national bank or any member
14 bank of the Federal Reserve System or non-
15 member insured bank that bears the same
16 name as the small business investment company
17 that is the subject of the application;

18 “(B) is domestically domiciled within the
19 United States; and

20 “(C) has not had a license issued under
21 this Act revoked or involuntarily surrendered
22 during the 10-year period preceding the date on
23 which the application is submitted.

1 “(3) COVERED SMALL BUSINESS.—The term
2 ‘covered small business’ means a small business con-
3 cern that—

4 “(A) is a small business concern owned
5 and controlled by women (as defined in section
6 3(n) of the Small Business Act (15 U.S.C.
7 632(n)), small business concern owned and con-
8 trolled by socially and economically disadvan-
9 taged individuals (as defined in section
10 8(d)(3)(C) of such Act (15 U.S.C.
11 637(d)(3)(C))), a small business concern owned
12 and controlled by veterans (as defined in section
13 3(q) of such Act (15 U.S.C. 632(q)) or a Tribal
14 business concern (as described in section
15 31(b)(2)(C) of such Act (15 U.S.C.
16 657a(b)(2)(C));

17 “(B) has its principal place of business lo-
18 cated in a rural census tract (as determined
19 under the most recent rural urban commuting
20 area code as set forth by the Office of Manage-
21 ment and Budget);

22 “(C) is a domestic manufacturing business
23 that is assigned a North American Industry
24 Classification System code beginning with 31,
25 32, or 33 at the time at which the small busi-

1 ness concern receives an investment from a
2 micro-SBIC under this section; or

3 “(D) either—

4 “(i) had gross receipts during the first
5 or second quarter in 2020 that are not less
6 than 50 percent less than the gross re-
7 ceipts of the concern during the same
8 quarter in 2019;

9 “(ii) if the concern was not in busi-
10 ness during the first or second quarter of
11 2019, but was in business during the third
12 and fourth quarter of 2019, had gross re-
13 ceipts during the first or second quarter of
14 2020 that are less than 50 percent of the
15 amount of the gross receipts of the concern
16 during the third or fourth quarter of 2019;

17 “(iii) if the concern was not in busi-
18 ness during the first, second, or third
19 quarter of 2019, but was in business dur-
20 ing the fourth quarter of 2019, had gross
21 receipts during the first or second quarter
22 of 2020 that are less than 50 percent of
23 the amount of the gross receipts of the
24 concern during the fourth quarter of 2019;

25 or

1 “(iv) if the concern was not in busi-
2 ness during 2019, but was in operation on
3 February 15, 2020, had gross receipts dur-
4 ing the second quarter of 2020 that are
5 less than 50 percent of the amount of the
6 gross receipts of the concern during the
7 first quarter of 2020.

8 “(4) EARLY-STAGE SMALL BUSINESS.—The
9 term ‘early-stage small business’ means a small busi-
10 ness concern that—

11 “(A) is domestically domiciled within the
12 United States;

13 “(B) during the 3-year period preceding
14 the date of application, has not generated gross
15 annual sales revenues exceeding \$15,000,000;

16 “(C) produces a majority of its goods or
17 provides a majority of its services in the United
18 States; and

19 “(D) does not move production or employ-
20 ment outside the United States.

21 “(5) ECONOMICALLY DISADVANTAGED INDI-
22 VIDUAL; SOCIALLY DISADVANTAGED INDIVIDUAL.—
23 The terms ‘economically disadvantaged individual’
24 and ‘socially disadvantaged individual’ have the

1 meanings given those terms in section 8(a) of the
2 Small Business Act (15 U.S.C. 637(a)).

3 “(6) GROWTH-STAGE SMALL BUSINESS.—The
4 term ‘growth-stage small business’ means a small
5 business concern that—

6 “(A) is domestically domiciled within the
7 United States;

8 “(B) during the 3-year period preceding
9 the date of application, has not generated gross
10 annual sales revenues exceeding \$30,000,000;

11 “(C) produces a majority of its good or
12 provides a majority of its services in the United
13 States; and

14 “(D) does not move production or employ-
15 ment outside the United States.

16 “(7) MANAGEMENT.—The term ‘management’
17 means a general partner of an applicant or member
18 of the investment committee of an applicant.

19 “(8) MICRO-SBIC.—The term ‘micro-SBIC’
20 means an applicant licensed under section 399A.

21 “(9) PROGRAM PARTICIPANT.—The term ‘Pro-
22 gram participant’ means a micro-SBIC that received
23 a seed investment under the Seed Investment Pro-
24 gram established by section 399C.

1 “(10) SCALE-UP SMALL BUSINESS.—The term
2 ‘scale-up small business’ means a small business
3 concern that—

4 “(A) is domestically domiciled within the
5 United States;

6 “(B) during the 3-year period preceding
7 the date of application, has not generated earn-
8 ings before interest, tax, depreciation, and am-
9 ortization in excess of \$3,000,000;

10 “(C) produces a majority of its goods or
11 provides a majority of its services in the United
12 States; and

13 “(D) does not move production or employ-
14 ment outside the United States.

15 “(11) SMALL BUSINESS CONCERN.—The term
16 ‘small business concern’ has the meaning given the
17 term in section 3(a) of the Small Business Act (15
18 U.S.C. 632(a)).

19 “(12) TRACK RECORD INVESTMENT COMMITTEE
20 MEMBER.—The term ‘track record investment com-
21 mittee member’ means a current or former small
22 business investment company licensed under section
23 301, a private small- and lower-middle-market ven-
24 ture capital firm, or a private equity fund manager

1 with the knowledge, experience, and capability nec-
2 essary to serve as management for an applicant.

3 “(13) UNITED STATES.—The term ‘United
4 States’ means each of the several States, the Dis-
5 trict of Columbia, each territory or possession of the
6 United States, and each federally recognized Indian
7 Tribe.

8 **“SEC. 399H. FUNDING.**

9 “(a) AUTHORIZATION OF APPROPRIATIONS.—There
10 is authorized to be appropriated to the revolving fund es-
11 tablished under subsection (b) \$1,000,000,000 for the
12 first full fiscal year beginning after the date of enactment
13 of this part to carry out the requirements of this part.

14 “(b) REVOLVING FUND.—

15 “(1) IN GENERAL.—There is created within the
16 Administration a separate revolving fund for the
17 Seed Investment Program established under section
18 399C, which shall be available to the Administrator
19 subject to annual appropriations.

20 “(2) DEPOSITS.—All amounts received by the
21 Administrator, including any money, property, or as-
22 sets derived by the Administrator from operations in
23 connection with the Seed Investment Program, in-
24 cluding repayments of seed investments, shall be de-

1 “(A) with respect to a covered loan ap-
2 proved by the Administration before the date of
3 enactment of this Act and not on deferment—

4 “(i) except as provided in clauses (ii)
5 and (iii), for the 6-month period beginning
6 with the next payment due on the covered
7 loan after the covered loan is fully dis-
8 bursed;

9 “(ii) for the 11-month period begin-
10 ning with the next payment due on the
11 covered loan after the covered loan is fully
12 disbursed, with respect to a covered loan
13 that—

14 “(I) is described in subsection
15 (a)(1)(B) or is a loan guaranteed by
16 the Administration under section 7(a)
17 of the Small Business Act (15 U.S.C.
18 636(a)) other than a loan described in
19 clause (i) or (ii) of subsection
20 (a)(1)(A); and

21 “(II) is made to a borrower oper-
22 ating primarily in an industry other
23 than an industry that is assigned a
24 North American Industry Classifica-

1 tion System code described in item
2 (aa) or (bb) of clause (iii)(II); and

3 “(iii) for the 18-month period begin-
4 ning with the next payment due on the
5 covered loan after the covered loan is fully
6 disbursed, with respect to—

7 “(I) a covered loan described in
8 paragraph (1)(A)(i) or paragraph (2)
9 of subsection (a); or

10 “(II) any covered loan made to a
11 borrower operating primarily in an in-
12 dustry that is assigned—

13 “(aa) a North American In-
14 dustry Classification System code
15 beginning with 61, 71, 72, or
16 487; or

17 “(bb) the North American
18 Industry Classification System
19 Code 485510, 511110, 515112,
20 or 515120;

21 “(B) with respect to a covered loan ap-
22 proved by the Administration before the date of
23 enactment of this Act and on deferment—

24 “(i) except as provided in clauses (ii)
25 and (iii), for the 6-month period beginning

1 with the next payment due on the covered
2 loan after the deferment period and after
3 the covered loan is fully disbursed;

4 “(ii) for the 11-month period begin-
5 ning with the next payment due on the
6 covered loan after the deferment period
7 and after the covered loan is fully dis-
8 bursed, with respect to a covered loan de-
9 scribed in subclause (I) or (II) of subpara-
10 graph (A)(ii); and

11 “(iii) for the 18-month period begin-
12 ning with the next payment due on the
13 covered loan after the deferment period
14 and after the covered loan is fully dis-
15 bursed, with respect to a covered loan de-
16 scribed in subclause (I) or (II) of subpara-
17 graph (A)(iii); and”;

18 (iii) in subparagraph (C)—

19 (I) by striking “covered loan
20 made” and inserting “covered loan
21 approved by the Administration”;

22 (II) by striking “6 months after”
23 and inserting “18 months after”;

24 (III) by inserting “(or, for a cov-
25 ered loan made by an intermediary to

1 a small business concern using loans
2 or grants received under section 7(m)
3 of the Small Business Act (15 U.S.C.
4 636(m)) or guaranteed by the Admin-
5 istration under the Community Ad-
6 vantage Pilot Program of the Admin-
7 istration, for the 12-month period)”
8 after “6-month period”; and

9 (IV) by inserting “after the cov-
10 ered loan is fully disbursed” after
11 “due on the covered loan”; and

12 (B) by adding at the end the following:

13 “(4) ADDITIONAL PROVISIONS FOR NEW
14 LOANS.—With respect to a loan described in para-
15 graph (1)(C)—

16 “(A) the Administrator may further extend
17 the 18-month period described in paragraph
18 (1)(C) if there are sufficient funds to continue
19 those payments; and

20 “(B) during the underwriting process, a
21 lender of such a loan may consider the pay-
22 ments under this section as part of a com-
23 prehensive review to determine the ability to
24 repay over the entire period of maturity of the
25 loan.

1 “(5) ELIGIBILITY.—Eligibility for a covered
2 loan to receive such payments of principal, interest,
3 and any associated fees under this subsection shall
4 be based on the date on which the covered loan is
5 approved by the Administration.

6 “(6) AUTHORITY TO REVISE EXTENSIONS.—

7 “(A) IN GENERAL.—As part of preparing
8 the reports under subsection (i)(5) that are re-
9 quired to be submitted not later than January
10 15, 2021 and not later than June 15, 2021, the
11 Administrator conduct an evaluation of whether
12 amounts made available to make payments
13 under this subsection are sufficient to make the
14 payments for the period described in paragraph
15 (1).

16 “(B) PLAN.—If the Administrator deter-
17 mines under subparagraph (A) that the
18 amounts made available to make payments
19 under this subsection are insufficient, the Ad-
20 ministrator shall—

21 “(i) develop a plan to proportionally
22 reduce the number of months provided for
23 each period described in paragraph (1),
24 while ensuring all amounts made available

1 to make payments under this subsection
2 are fully expended; and

3 “(ii) before taking action under the
4 plan developed under clause (i), include in
5 the applicable report under subsection
6 (i)(5) the plan and the data that informs
7 the plan.

8 “(7) RULE OF CONSTRUCTION.—Nothing in
9 this subsection shall preclude a borrower from re-
10 ceiving full payments of principal, interest, and any
11 associated fees as authorized by subsection.”;

12 (2) by redesignating subsection (f) as sub-
13 section (k); and

14 (3) by inserting after subsection (e) the fol-
15 lowing:

16 “(f) ELIGIBILITY FOR NEW LOANS.—For each indi-
17 vidual lending program under this section, the Adminis-
18 trator may establish a minimum loan maturity period, tak-
19 ing into consideration the normal underwriting require-
20 ments for each such program, with the goal of preventing
21 abuse under the program.

22 “(g) LIMITATION ON ASSISTANCE.—A borrower may
23 not receive assistance under subsection (c) for more than
24 1 covered loan of the borrower described in paragraph
25 (1)(C) of that subsection.

1 “(h) TAXABILITY.—For purposes of the Internal
2 Revenue Code of 1986—

3 “(1) any payment made under subsection (c)
4 shall be treated as paid by the person on whose be-
5 half such payment is made,

6 “(2) no amount shall be included in the gross
7 income of the borrower by reason of a payment
8 made under subsection (c), and

9 “(3) no deduction shall be denied or reduced,
10 no tax attribute shall be reduced, and no basis in-
11 crease shall be denied, by reason of the exclusion
12 from gross income provided by paragraph (2).

13 “(i) REPORTING AND OUTREACH.—

14 “(1) UPDATED INFORMATION.—

15 “(A) IN GENERAL.—Not later than 7 days
16 after the date of enactment of the Heroes Small
17 Business Lifeline Act, the Administrator shall
18 make publicly available information regarding
19 the modifications to the assistance provided
20 under this section under the amendments made
21 by such Act.

22 “(B) GUIDANCE.—Not later than 14 days
23 after the date of enactment of the Heroes Small
24 Business Lifeline Act the Administrator shall
25 issue guidance on implementing the modifica-

1 tions to the assistance provided under this sec-
2 tion under the amendments made by such Act.

3 “(2) PUBLICATION OF LIST.—Not later than 14
4 days after the date of enactment of the Heroes
5 Small Business Lifeline Act, the Administrator shall
6 transmit to each lender of a covered loan a list of
7 each borrower of a covered loan that includes the
8 North American Industry Classification System code
9 assigned to the borrower, based on the records of
10 the Administration, to assist the lenders in identi-
11 fying which borrowers qualify for an extension of
12 payments under subsection (c).

13 “(3) EDUCATION AND OUTREACH.—The Ad-
14 ministrator shall provide education, outreach, and
15 communication to lenders, borrowers, district offices,
16 and resource partners of the Administration in order
17 to ensure full and proper compliance with this sec-
18 tion, encourage broad participation with respect to
19 covered loans that have not yet been approved by the
20 Administrator, and help lenders transition borrowers
21 from subsidy payments under this section directly to
22 a deferral when suitable for the borrower.

23 “(4) NOTIFICATION.—Not later than 30 days
24 after the date of enactment of the Heroes Small
25 Business Lifeline Act, the Administrator shall mail

1 a letter to each borrower of a covered loan that in-
2 cludes—

3 “(A) an overview of assistance provided
4 under this section;

5 “(B) the rights of the borrower to receive
6 that assistance;

7 “(C) how to seek recourse with the Admin-
8 istrator or the lender of the covered loan if the
9 borrower has not received that assistance; and

10 “(D) the rights of the borrower to request
11 a loan deferral from a lender, and guidance on
12 how to do successfully transition directly to a
13 loan deferral once subsidy payments under this
14 section are concluded.

15 “(5) MONTHLY REPORTING.—Not later than
16 the 15th of each month beginning after the date of
17 enactment of the Heroes Small Business Lifeline
18 Act, the Administrator shall submit to Congress a
19 report on assistance provided under this section,
20 which shall include—

21 “(A) monthly and cumulative data on pay-
22 ments made under this section as of the date of
23 the report, including a breakdown by—

24 “(i) the number of participating bor-
25 rowers;

1 “(ii) the volume of payments made for
2 each type of covered loan; and

3 “(iii) the volume of payments made
4 for covered loans made before the date of
5 enactment of this Act and loans made
6 after such date of enactment;

7 “(B) the names of any lenders of covered
8 loans that have not submitted information on
9 the covered loans to the Administrator during
10 the preceding month; and

11 “(C) an update on the education and out-
12 reach activities of the Administration carried
13 out under paragraph (3).”.

14 (b) **EFFECTIVE DATE.**—The amendments made by
15 this section shall apply as if included in the enactment
16 of section 1112 of the CARES Act (15 U.S.C. 9011).

17 **SEC. 603. MODIFICATIONS TO 7(a) LOAN PROGRAMS.**

18 (a) **7(a) LOAN GUARANTEES.**—

19 (1) **IN GENERAL.**—Section 7(a)(2)(A) of the
20 Small Business Act (15 U.S.C. 636(a)(2)(A)) is
21 amended by striking “), such participation by the
22 Administration shall be equal to” and all that fol-
23 lows through the period at the end and inserting “or
24 the Community Advantage Pilot Program of the Ad-
25 ministration), such participation by the Administra-

1 tion shall be equal to 90 percent of the balance of
2 the financing outstanding at the time of disburse-
3 ment of the loan.”.

4 (2) PROSPECTIVE REPEAL.—Effective October
5 1, 2021, section 7(a)(2)(A) of the Small Business
6 Act (15 U.S.C. 636(a)(2)(A)), as amended by para-
7 graph (1), is amended to read as follows:

8 “(A) IN GENERAL.—Except as provided in
9 subparagraphs (B), (D), (E), and (F), in an
10 agreement to participate in a loan on a deferred
11 basis under this subsection (including a loan
12 made under the Preferred Lenders Program),
13 such participation by the Administration shall
14 be equal to—

15 “(i) 75 percent of the balance of the
16 financing outstanding at the time of dis-
17 bursement of the loan, if such balance ex-
18 ceeds \$150,000; or

19 “(ii) 85 percent of the balance of the
20 financing outstanding at the time of dis-
21 bursement of the loan, if such balance is
22 less than or equal to \$150,000.”.

23 (b) EXPRESS LOANS.—

1 (1) LOAN AMOUNT.—Section 1102(c)(2) of the
2 CARES Act (Public Law 116–36; 15 U.S.C. 636
3 note) is amended to read as follows:

4 “(2) PROSPECTIVE REPEAL.—Section
5 7(a)(31)(D) of the Small Business Act (15 U.S.C.
6 636(a)(31)(D)) is amended—

7 “(A) by striking ‘\$1,000,000’ and inserting
8 ‘\$500,000’, effective during the period begin-
9 ning on January 1, 2021, and ending on Sep-
10 tember 30, 2021; and

11 “(B) by striking ‘\$500,000’ and inserting
12 ‘\$350,000’, effective October 1, 2021.”.

13 (2) GUARANTEE RATES.—

14 (A) TEMPORARY MODIFICATION.—Section
15 7(a)(31)(A)(iv) of the Small Business Act (15
16 U.S.C. 636(a)(31)(A)(iv)) is amended by strik-
17 ing “with a guaranty rate of not more than 50
18 percent.” and inserting the following: “with a
19 guarantee rate—

20 “(I) for a loan in an amount less
21 than or equal to \$350,000, of not
22 more than 75 percent; and

23 “(II) for a loan in an amount
24 greater than \$350,000, of not more
25 than 50 percent.”.

1 (B) PROSPECTIVE REPEAL.—Effective Oc-
2 tober 1, 2021, section 7(a)(31)(A)(iv) of the
3 Small Business Act (15 U.S.C. 636(a)(31)(iv)),
4 as amended by subparagraph (A), is amended
5 by striking “guarantee rate” and all that fol-
6 lows through the period at the end and insert-
7 ing “guarantee rate of not more than 50 per-
8 cent.”.

9 **SEC. 604. FLEXIBILITY IN DEFERRAL OF PAYMENTS OF 7(A)**
10 **LOANS.**

11 Section 7(a)(7) of the Small Business Act (15 U.S.C.
12 636(a)(7)) is amended—

13 (1) by striking “The Administration” and in-
14 serting “(A) IN GENERAL.—The Administrator”;

15 (2) by inserting “and interest” after “prin-
16 cipal”; and

17 (3) by adding at the end the following new sub-
18 paragraphs:

19 “(B) DEFERRAL REQUIREMENTS.—With re-
20 spect to a deferral provided under this paragraph,
21 the Administrator may allow lenders under this sub-
22 section—

23 “(i) to provide full payment deferment re-
24 lief (including payment of principal and inter-
25 est) for a period of not more than 1 year; and

1 “(ii) to provide an additional deferment pe-
2 riod if the borrower provides documentation
3 justifying such additional deferment.

4 “(C) SECONDARY MARKET.—If an investor de-
5 clines to approve a deferral or additional deferment
6 requested by a lender under subparagraph (B), the
7 Administrator shall exercise the authority to pur-
8 chase the loan so that the borrower may receive full
9 payment deferment relief (including payment of
10 principal and interest) or an additional deferment as
11 described in subparagraph (B).”.

12 **SEC. 605. RECOVERY ASSISTANCE UNDER THE MICROLOAN**
13 **PROGRAM.**

14 (a) LOANS TO INTERMEDIARIES.—

15 (1) IN GENERAL.—Section 7(m) of the Small
16 Business Act (15 U.S.C. 636(m)) is amended—

17 (A) in paragraph (3)(C)—

18 (i) by striking “and \$6,000,000” and
19 inserting “\$10,000,000 (in the aggre-
20 gate)”; and

21 (ii) by inserting before the period at
22 the end the following: “, and \$4,500,000 in
23 any of those remaining years”;

24 (B) in paragraph (4)—

1 (i) in subparagraph (A), by striking
2 “subparagraph (C)” each place that term
3 appears and inserting “subparagraphs (C)
4 and (G)”;

5 (ii) in subparagraph (C), by amending
6 clause (i) to read as follows:

7 “(i) IN GENERAL.—In addition to
8 grants made under subparagraph (A) or
9 (G), each intermediary shall be eligible to
10 receive a grant equal to 5 percent of the
11 total outstanding balance of loans made to
12 the intermediary under this subsection if—

13 “(I) the intermediary provides
14 not less than 25 percent of its loans
15 to small business concerns located in
16 or owned by 1 or more residents of an
17 economically distressed area; or

18 “(II) the intermediary has a
19 portfolio of loans made under this
20 subsection—

21 “(aa) that averages not
22 more than \$10,000 during the
23 period of the intermediary’s par-
24 ticipation in the program; or

1 “(bb) of which not less than
2 25 percent is serving rural areas
3 during the period of the
4 intermediary’s participation in
5 the program.”; and

6 (iii) by adding at the end the fol-
7 lowing:

8 “(G) GRANT AMOUNTS BASED ON APPRO-
9 PRIATIONS.—In any fiscal year in which the
10 amount appropriated to make grants under
11 subparagraph (A) is sufficient to provide to
12 each intermediary that receives a loan under
13 paragraph (1)(B)(i) a grant of not less than 25
14 percent of the total outstanding balance of
15 loans made to the intermediary under this sub-
16 section, the Administration shall make a grant
17 under subparagraph (A) to each intermediary
18 of not less than 25 percent and not more than
19 30 percent of that total outstanding balance for
20 the intermediary.”;

21 (C) by striking paragraph (7) and insert-
22 ing the following:

23 “(7) PROGRAM FUNDING FOR MICROLOANS.—
24 Under the program authorized by this subsection,

1 the Administration may fund, on a competitive basis,
2 not more than 300 intermediaries.”; and

3 (D) in paragraph (11)—

4 (i) in subparagraph (C)(ii), by strik-
5 ing all after the semicolon and inserting
6 “and”; and

7 (ii) by striking all after subparagraph
8 (C), and inserting the following:

9 “(D) the term ‘economically distressed
10 area’, as used in paragraph (4), means a county
11 or equivalent division of local government of a
12 State in which the small business concern is lo-
13 cated, in which, according to the most recent
14 data available from the Bureau of the Census,
15 Department of Commerce, not less than 40 per-
16 cent of residents have an annual income that is
17 at or below the poverty level.”.

18 (2) PROSPECTIVE AMENDMENT.—Effective on
19 October 1, 2021, section 7(m)(3)(C) of the Small
20 Business Act (15 U.S.C. 636(m)(3)(C)), as amended
21 by paragraph (1)(A), is amended—

22 (A) by striking “\$10,000,000” and by in-
23 serting “\$7,000,000”; and

24 (B) by striking “\$4,500,000” and insert-
25 ing “\$3,000,000”.

1 (b) TEMPORARY WAIVER OF TECHNICAL ASSIST-
2 ANCE GRANTS MATCHING REQUIREMENTS AND FLEXI-
3 BILITY ON PRE- AND POST-LOAN ASSISTANCE.—During
4 the period beginning on the date of enactment of this Act
5 and ending on September 30, 2021, the Administration
6 shall waive—

7 (1) the requirement to contribute non-Federal
8 funds under section 7(m)(4)(B) of the Small Busi-
9 ness Act (15 U.S.C. 636(m)(4)(B)); and

10 (2) the limitation on amounts allowed to be ex-
11 pended to provide information and technical assist-
12 ance under clause (i) of section 7(m)(4)(E) of the
13 Small Business Act (15 U.S.C. 636(m)(4)(E)) and
14 enter into third-party contracts to provide technical
15 assistance under clause (ii) of such section
16 7(m)(4)(E).

17 (c) TEMPORARY DURATION OF LOANS TO BOR-
18 ROWERS.—

19 (1) IN GENERAL.—During the period beginning
20 on the date of enactment of this Act and ending on
21 September 30, 2021, the duration of a loan made by
22 an eligible intermediary under section 7(m) of the
23 Small Business Act (15 U.S.C. 636(m))—

24 (A) to an existing borrower may be ex-
25 tended to not more than 8 years; and

1 (B) to a new borrower may be not more
2 than 8 years.

3 (2) REVERSION.—On and after October 1,
4 2021, the duration of a loan made by an eligible
5 intermediary to a borrower under section 7(m) of
6 the Small Business Act (15 U.S.C. 636(m)) shall be
7 7 years or such other amount established by the Ad-
8 ministrators.

9 (d) FUNDING.—Section 20 of the Small Business Act
10 (15 U.S.C. 631 note) is amended by adding at the end
11 the following:

12 “(h) MICROLOAN PROGRAM.—For each of fiscal
13 years 2021 through 2025, the Administration is author-
14 ized to make—

15 “(1) \$80,000,000 in technical assistance grants,
16 as provided in section 7(m); and

17 “(2) \$110,000,000 in direct loans, as provided
18 in section 7(m).”.

19 (e) AUTHORIZATION OF APPROPRIATIONS.—In addi-
20 tion to amounts provided under the Consolidated Appro-
21 priations Act, 2020 (Public Law 116–93) for the program
22 established under section 7(m) of the Small Business Act
23 (15 U.S.C. 636(m)) and amounts provided for fiscal year
24 2021 for that program, there is authorized to be appro-

1 priated for fiscal year 2021, to remain available until ex-
2 pended—

3 (1) \$50,000,000 to provide technical assistance
4 grants under such section 7(m); and

5 (2) \$7,000,000 to provide direct loans under
6 such section 7(m).

7 **SEC. 606. MAXIMUM LOAN AMOUNT FOR 504 LOANS.**

8 (a) PERMANENT INCREASE FOR SMALL MANUFAC-
9 TURERS.—Section 502(2)(A)(iii) of the Small Business
10 Investment Act of 1958 (15 U.S.C. 696(2)(A)(iii)) is
11 amended by striking “\$5,500,000” and inserting
12 “\$6,500,000”.

13 (b) LOW-INTEREST REFINANCING UNDER THE
14 LOCAL DEVELOPMENT BUSINESS LOAN PROGRAM.—

15 (1) REPEAL.—Section 521(a) of title V of divi-
16 sion E of the Consolidated Appropriations Act, 2016
17 (Public Law 114–113; 129 Stat. 2463; 15 U.S.C.
18 696 note) is repealed.

19 (2) REFINANCING.—Section 502(7) of the
20 Small Business Investment Act of 1958 (15 U.S.C.
21 696) is amended—

22 (A) in subparagraph (B), in the matter
23 preceding clause (i), by striking “50” and in-
24 serting “100”; and

25 (B) by adding at the end the following:

1 “(C) REFINANCING NOT INVOLVING EX-
2 PANSIONS.—

3 “(i) DEFINITIONS.—In this subpara-
4 graph—

5 “(I) the term ‘borrower’ means a
6 small business concern that submits
7 an application to a development com-
8 pany for financing under this sub-
9 paragraph;

10 “(II) the term ‘eligible fixed
11 asset’ means tangible property relat-
12 ing to which the Administrator may
13 provide financing under this section;
14 and

15 “(III) the term ‘qualified debt’
16 means indebtedness that—

17 “(aa) was incurred not less
18 than 6 months before the date of
19 the application for assistance
20 under this subparagraph;

21 “(bb) is a commercial loan;

22 “(cc) the proceeds of which
23 were used to acquire an eligible
24 fixed asset;

1 “(dd) was incurred for the
2 benefit of the small business con-
3 cern; and

4 “(ee) is collateralized by eli-
5 gible fixed assets.

6 “(ii) AUTHORITY.—A project that
7 does not involve the expansion of a small
8 business concern may include the refi-
9 nancing of qualified debt if—

10 “(I) the amount of the financing
11 is not more than 90 percent of the
12 value of the collateral for the financ-
13 ing, except that, if the appraised value
14 of the eligible fixed assets serving as
15 collateral for the financing is less than
16 the amount equal to 125 percent of
17 the amount of the financing, the bor-
18 rower may provide additional cash or
19 other collateral to eliminate any defi-
20 ciency;

21 “(II) the borrower has been in
22 operation for all of the 2-year period
23 ending on the date the loan applica-
24 tion is submitted; and

1 “(III) for a financing for which
2 the Administrator determines there
3 will be an additional cost attributable
4 to the refinancing of the qualified
5 debt, the borrower agrees to pay a fee
6 in an amount equal to the anticipated
7 additional cost.

8 “(iii) FINANCING FOR BUSINESS EX-
9 PENSES.—

10 “(I) FINANCING FOR BUSINESS
11 EXPENSES.—The Administrator may
12 provide financing to a borrower that
13 receives financing that includes a refi-
14 nancing of qualified debt under clause
15 (ii), in addition to the refinancing
16 under clause (ii), to be used solely for
17 the payment of business expenses.

18 “(II) APPLICATION FOR FINANC-
19 ING.—An application for financing
20 under subclause (I) shall include—

21 “(aa) a specific description
22 of the expenses for which the ad-
23 ditional financing is requested;
24 and

1 “(bb) an itemization of the
2 amount of each expense.

3 “(III) CONDITION ON ADDI-
4 TIONAL FINANCING.—A borrower may
5 not use any part of the financing
6 under this clause for non-business
7 purposes.

8 “(iv) LOANS BASED ON JOBS.—

9 “(I) JOB CREATION AND RETEN-
10 TION GOALS.—

11 “(aa) IN GENERAL.—The
12 Administrator may provide fi-
13 nancing under this subparagraph
14 for a borrower that meets the job
15 creation goals under subsection
16 (d) or (e) of section 501.

17 “(bb) ALTERNATE JOB RE-
18 TENTION GOAL.—The Adminis-
19 trator may provide financing
20 under this subparagraph to a
21 borrower that does not meet the
22 goals described in item (aa) in an
23 amount that is not more than the
24 product obtained by multiplying

1 the number of employees of the
2 borrower by \$75,000.

3 “(II) NUMBER OF EMPLOYEES.—

4 For purposes of subclause (I), the
5 number of employees of a borrower is
6 equal to the sum of—

7 “(aa) the number of full-
8 time employees of the borrower
9 on the date on which the bor-
10 rower applies for a loan under
11 this subparagraph; and

12 “(bb) the product obtained
13 by multiplying—

14 “(AA) the number of
15 part-time employees of the
16 borrower on the date on
17 which the borrower applies
18 for a loan under this sub-
19 paragraph, by

20 “(BB) the quotient ob-
21 tained by dividing the aver-
22 age number of hours each
23 part time employee of the
24 borrower works each week
25 by 40.

1 “(v) TOTAL AMOUNT OF LOANS.—The
2 Administrator may provide not more than
3 a total of \$7,500,000,000 of financing
4 under this subparagraph for each fiscal
5 year.”.

6 (c) EXPRESS LOAN AUTHORITY FOR ACCREDITED
7 LENDERS.—

8 (1) IN GENERAL.—Section 507 of the Small
9 Business Investment Act of 1958 (15 U.S.C. 697d)
10 is amended by striking subsection (e) and inserting
11 the following:

12 “(e) EXPRESS LOAN AUTHORITY.—A local develop-
13 ment company designated as an accredited lender in ac-
14 cordance with subsection (b)—

15 “(1) may—

16 “(A) approve, authorize, close, and service
17 covered loans that are funded with proceeds of
18 a debenture issued by the company; and

19 “(B) authorize the guarantee of a deben-
20 ture described in subparagraph (A); and

21 “(2) with respect to a covered loan, shall be
22 subject to final approval as to eligibility of any guar-
23 antee by the Administration pursuant to section
24 503(a), but such final approval shall not include re-
25 view of decisions by the lender involving credit-

1 worthiness, loan closing, or compliance with legal re-
2 quirements imposed by law or regulation.

3 “(f) DEFINITIONS.—In this section—

4 “(1) the term ‘accredited lender certified com-
5 pany’ means a certified development company that
6 meets the requirements under section 507(b), includ-
7 ing a certified development company that the Ad-
8 ministration has designated as an accredited lender
9 under such section 507(b);

10 “(2) the term ‘covered loan’—

11 “(A) means a loan made under subsection
12 (a) in an amount that is not more than
13 \$500,000; and

14 “(B) does not include a loan made to a
15 borrower that is a franchise that, or is in an in-
16 dustry that, has a high rate of default, as annu-
17 ally determined by the Administrator; and

18 “(3) the term ‘qualified State or local develop-
19 ment company’ has the meaning given the term in
20 section 503(e).”.

21 (2) PROSPECTIVE REPEAL.—Effective on Sep-
22 tember 30, 2023, section 507 of the Small Business
23 Investment Act of 1958 (15 U.S.C. 697d), as
24 amended by paragraph (1), is amended by striking
25 subsections (e) and (f) and inserting the following:

1 “(e) DEFINITION.—In this section, the term ‘quali-
2 fied State or local development company’ has the meaning
3 given the term in section 503(e).”.

4 (d) REFINANCING SENIOR PROJECT DEBT.—During
5 the 1-year period beginning on the date of enactment of
6 this Act, a development company described in title V of
7 the Small Business Investment Act of 1958 (15 U.S.C.
8 695 et seq.) is authorized to allow the refinancing of a
9 senior loan on an existing project in an amount that, when
10 combined with the outstanding balance on the develop-
11 ment company loan, is not more than 90 percent of the
12 total loan to value. Proceeds of such refinancing can be
13 used to support business operating expenses.

14 **SEC. 607. TEMPORARY FEE REDUCTIONS.**

15 (a) ADMINISTRATIVE FEE WAIVER.—

16 (1) IN GENERAL.—During the period beginning
17 on the date of enactment of this Act and ending on
18 September 30, 2021, and to the extent that the cost
19 of such elimination or reduction of fees is offset by
20 appropriations, with respect to each loan guaranteed
21 under section 7(a) of the Small Business Act (15
22 U.S.C. 636(a)) (including a recipient of assistance
23 under the Community Advantage Pilot Program of
24 the Administration) for which an application is ap-

1 proved or pending approval on or after the date of
2 enactment of this Act, the Administrator shall—

3 (A) in lieu of the fee otherwise applicable
4 under section 7(a)(23)(A) of the Small Busi-
5 ness Act (15 U.S.C. 636(a)(23)(A)), collect no
6 fee or reduce fees to the maximum extent pos-
7 sible; and

8 (B) in lieu of the fee otherwise applicable
9 under section 7(a)(18)(A) of the Small Busi-
10 ness Act (15 U.S.C. 636(a)(18)(A)), collect no
11 fee or reduce fees to the maximum extent pos-
12 sible.

13 (2) APPLICATION OF FEE ELIMINATIONS OR RE-
14 Ductions.—To the extent that amounts are made
15 available to the Administrator for the purpose of fee
16 eliminations or reductions under paragraph (1), the
17 Administrator shall—

18 (A) first use any amounts provided to
19 eliminate or reduce fees paid by small business
20 borrowers under clauses (i) through (iii) of sec-
21 tion 7(a)(18)(A) of the Small Business Act (15
22 U.S.C. 636(a)(18)(A)), to the maximum extent
23 possible; and

24 (B) then use any amounts provided to
25 eliminate or reduce fees under 7(a)(23)(A) of

1 the Small Business Act (15 U.S.C.
2 636(a)(23)(A)).

3 (b) TEMPORARY FEE ELIMINATION FOR THE 504
4 LOAN PROGRAM.—

5 (1) IN GENERAL.—During the period beginning
6 on the date of enactment of this Act and ending on
7 September 30, 2021, and to the extent the cost of
8 such elimination in fees is offset by appropriations,
9 with respect to each project or loan guaranteed by
10 the Administrator pursuant to title V of the Small
11 Business Investment Act of 1958 (15 U.S.C. 695 et
12 seq.) for which an application is approved or pending
13 approval on or after the date of enactment of this
14 Act—

15 (A) the Administrator shall, in lieu of the
16 fee otherwise applicable under section 503(d)(2)
17 of the Small Business Investment Act of 1958
18 (15 U.S.C. 697(d)(2)), collect no fee; and

19 (B) a development company shall, in lieu
20 of the processing fee under section
21 120.971(a)(1) of title 13, Code of Federal Reg-
22 ulations (relating to fees paid by borrowers), or
23 any successor regulation, collect no fee.

24 (2) REIMBURSEMENT FOR WAIVED FEES.—

1 (A) IN GENERAL.—To the extent that the
2 cost of such payments is offset by appropria-
3 tions, the Administrator shall reimburse each
4 development company that does not collect a
5 processing fee pursuant to paragraph (1)(B).

6 (B) AMOUNT.—The payment to a develop-
7 ment company under subparagraph (A) shall be
8 in an amount equal to 1.5 percent of the net
9 debenture proceeds for which the development
10 company does not collect a processing fee pur-
11 suant to paragraph (1)(B).

12 **SEC. 608. EXTENSION OF PARTICIPATION IN 8(A) PROGRAM.**

13 (a) IN GENERAL.—The Administrator shall ensure
14 that a small business concern (as defined in section 3 of
15 the Small Business Act (15 U.S.C. 632) participating in
16 the program established under section 8(a) of the Small
17 Business Act (15 U.S.C. 637(a)) on or before September
18 9, 2020 may elect to extend such participation by a period
19 of 1 year, regardless of whether the small business concern
20 previously elected to suspend participation in the program
21 pursuant to guidance of the Administrator.

22 (b) EMERGENCY RULEMAKING AUTHORITY.—Not
23 later than 15 days after the date of enactment of this sec-
24 tion, the Administrator shall issue regulations to carry out

1 this section without regard to the notice requirements
2 under section 553(b) of title 5, United States Code.

3 **SEC. 609. REPORT ON MINORITY, WOMEN, AND RURAL**
4 **LENDING.**

5 Not later than 90 days after the date of the enact-
6 ment of this Act, the Administrator shall submit to the
7 Committee on Small Business and Entrepreneurship of
8 the Senate and the Committee on Small Business of the
9 House of Representatives a report to determine and quan-
10 tify the extent to which the programs established under
11 subsections (a) and (m) of section 7 of the Small Business
12 Act (15 U.S.C. 636), titles III and V of the Small Busi-
13 ness Investment Act of 1958 (15 U.S.C. 681 et seq., 695
14 et seq.), and the Community Advantage Pilot Program of
15 the Small Business Administration have assisted in the
16 establishment, development, and performance of small
17 business concerns owned and controlled by socially and
18 economically disadvantaged individuals (as defined in sec-
19 tion 8(d)(3)(C) of the Small Business Act (15 U.S.C.
20 637(d)(3)(C))), small business concerns owned and con-
21 trolled by women (as defined in section 3 of such Act (15
22 U.S.C. 632)), and rural small businesses, including rec-
23 ommendations to improve such access to capital programs.

1 **SEC. 610. COMPREHENSIVE PROGRAM GUIDANCE.**

2 Not later than 7 days after the date of enactment
3 of this Act, the Administrator shall—

4 (1) establish a process for accepting applica-
5 tions for loan forgiveness under section 1106 of the
6 CARES Act (15 U.S.C. 9005);

7 (2) issue a comprehensive compilation of rules
8 and guidance issued related to loans made under
9 section 7(a)(36) of the Small Business Act (15
10 U.S.C. 636(a)(36)); and

11 (3) to the maximum extent practicable, before
12 accepting applications for supplemental covered
13 loans under clause (ii) of section 7(a)(36)(B) of the
14 Small Business Act (15 U.S.C. 636(a)(36)(B)), as
15 added by section 202 of this Act, the Administrator
16 shall issue comprehensive rules and guidance to en-
17 sure that borrowers and lenders are aware of eligi-
18 bility and terms of receiving a supplemental covered
19 loan and the process for forgiveness of a supple-
20 mental covered loan.

21 **SEC. 611. REPORTS ON PAYCHECK PROTECTION PROGRAM.**

22 (a) **REPORT TO CONGRESS.**—Not later than 30 days
23 after the date of enactment of this Act, and every 30 days
24 thereafter until the end of the covered period described
25 in section 7(a)(36)(A) of the Small Business Act (15
26 U.S.C. 636(a)(36)(A)), the Secretary of the Treasury and

1 the Administrator shall submit to the Committee on Small
2 Business and Entrepreneurship of the Senate and the
3 Committee on Small Business of the House of Representa-
4 tives a report, in a searchable digital format, that includes,
5 with respect to each loan made under such section
6 7(a)(36)—

7 (1) the business name, address, and ZIP Code
8 of each recipient of the loan;

9 (2) the North American Industry Classification
10 System code and the type of entity of each such re-
11 cipient;

12 (3) demographic data of each such recipient;

13 (4) the number of jobs supported by the loan;

14 (5) loan forgiveness data; and

15 (6) the amount and origination date of the loan.

16 (b) PUBLICLY AVAILABLE REPORT.—

17 (1) LARGER COVERED LOANS.—Not later than
18 30 days after the date of enactment of this Act, and
19 every 30 days thereafter until the end of the covered
20 period described in section 7(a)(36)(A) of the Small
21 Business Act (15 U.S.C. 636(a)(36)(A)), for each
22 loan made under such section 7(a)(36) in an amount
23 greater than or equal to \$150,000, the Secretary of
24 the Treasury and the Administrator shall make pub-
25 licly available the following:

1 (A) The information described in para-
2 graphs (1) through (4) of subsection (a).

3 (B) The loan size range, of those listed
4 below, to which the loan belongs:

5 (i) Not less than \$150,000 and less
6 than \$350,000.

7 (ii) Not less than \$350,000 and less
8 than \$1,000,000.

9 (iii) Not less than \$1,000,000 and
10 less than \$2,000,000.

11 (iv) Not less than \$2,000,000 and less
12 than \$5,000,000.

13 (v) Not less than \$5,000,000 and less
14 than \$10,000,000.

15 (2) SMALLER COVERED LOANS.—Not later than
16 30 days after the date of enactment of this Act, and
17 every 30 days thereafter until the end of the covered
18 period described in section 7(a)(36) of the Small
19 Business Act (15 U.S.C. 636(a)(36)), for loans
20 made under such section 7(a)(36) in an amount less
21 than \$150,000, the Secretary of the Treasury and
22 the Administrator shall make publicly available the
23 total number of loans made and the amount of each
24 loan, disaggregated by ZIP Code of each recipient,
25 industry of each recipient, business type of each re-

1 recipient, and demographic categories of each recipi-
2 ent.

3 (3) PUBLICATION.—Information provided under
4 paragraphs (1) and (2) shall be made publicly avail-
5 able in a searchable digital format on websites of the
6 Department of the Treasury and the Administration.

7 **SEC. 612. PROHIBITING CONFLICTS OF INTEREST FOR**
8 **SMALL BUSINESS PROGRAMS UNDER THE**
9 **CARES ACT.**

10 Section 4019 of the CARES Act (15 U.S.C. 9054)
11 is amended—

12 (1) in subsection (a), by adding at the end the
13 following:

14 “(7) SMALL BUSINESS ASSISTANCE.—The term
15 ‘small business assistance’ means assistance pro-
16 vided under—

17 “(A) section 7(a)(36) of the Small Busi-
18 ness Act (15 U.S.C. 636(a)(36));

19 “(B) subsection (b) or (c) of section 1103
20 of this Act;

21 “(C) section 1110 of this Act; or

22 “(D) section 1112 of this Act.”;

23 (2) in subsection (b)—

1 (A) by inserting “or provisions relating to
2 small business assistance” after “this subtitle”;
3 and

4 (B) by inserting “or for any small business
5 assistance” before the period at the end; and

6 (3) in subsection (c)—

7 (A) by inserting “or seeking any small
8 business assistance” after “section 4003”;

9 (B) by inserting “or small business assist-
10 ance” after “that transaction”;

11 (C) by inserting “or the Administrator of
12 the Small Business Administration, as applica-
13 ble,” after “Federal Reserve System”; and

14 (D) by inserting “or to receive the small
15 business assistance” after “in that trans-
16 action”.

17 **SEC. 613. INCLUSION OF SCORE AND VETERAN BUSINESS**

18 **OUTREACH CENTERS IN ENTREPRENEURIAL**

19 **DEVELOPMENT PROGRAMS.**

20 (a) IN GENERAL.—Section 1103(a)(2) of the CARES
21 Act (15 U.S.C. 9002(a)(2)) is amended—

22 (1) in subparagraph (A), by striking “and” at
23 the end; and

24 (2) by adding at the end the following:

1 “(C) a Veteran Business Outreach Center
2 (as described in section 32(d) of the Small
3 Business Act (15 U.S.C. 657b(d))); and

4 “(D) the Service Corps of Retired Execu-
5 tives Association, or any successor or other or-
6 ganization, that receives a grant from the Ad-
7 ministrator to operate the SCORE program es-
8 tablished under section 8(b)(1)(B)) of the Small
9 Business Act (15 U.S.C. 637(b)(1)(B));”.

10 (b) FUNDING.—Section 1107(a)(4) of the CARES
11 Act (15 U.S.C. 9006(a)(4)) is amended—

12 (1) in subparagraph (A)—

13 (A) by striking “\$240,000,000” and in-
14 serting “\$220,000,000”;

15 (B) by striking “and” at the end; and

16 (2) by adding at the end the following:

17 “(C) \$10,000,000 shall be for a Veteran
18 Business Outreach Center described in section
19 1103(a)(2)(C) of this Act to carry out activities
20 under such section; and

21 “(D) \$10,000,000 shall be for the Service
22 Corps of Retired Executives Association de-
23 scribed in section 1103(a)(2)(D) of this Act to
24 carry out activities under such section;”.

1 **SEC. 614. CLARIFICATION OF USE OF CARES ACT FUNDS**
2 **FOR SMALL BUSINESS DEVELOPMENT CEN-**
3 **TERS.**

4 Section 1103(b)(3)(A) of the CARES Act (15 U.S.C.
5 9002(b)(3)(A)) is amended by adding at the end the fol-
6 lowing: “Funds awarded under this paragraph shall be in
7 addition to any amounts appropriated for grants under
8 section 21(a) of the Small Business Act (15 U.S.C.
9 648(a)), and may be used to complement and support
10 those appropriated program grants to assist covered small
11 business concerns, with prioritization of such concerns af-
12 fected directly or indirectly by COVID–19 as described in
13 paragraph (2).”.

14 **SEC. 615. FUNDING FOR THE OFFICE OF INSPECTOR GEN-**
15 **ERAL OF THE SMALL BUSINESS ADMINISTRA-**
16 **TION.**

17 Section 1107(a)(3) of the CARES Act (15 U.S.C.
18 9006(a)(3)) is amended by striking “September 30, 2024”
19 and inserting “expended”.

20 **SEC. 616. EXTENSION OF WAIVER OF MATCHING FUNDS RE-**
21 **QUIREMENT UNDER THE WOMEN’S BUSINESS**
22 **CENTER PROGRAM.**

23 Section 1105 of the CARES Act (15 U.S.C. 9004)
24 is amended by striking “During the 3-month period begin-
25 ning on the date of enactment of this Act,” and inserting
26 “Until December 31, 2020,”.

1 **SEC. 617. ACCESS TO SMALL BUSINESS ADMINISTRATION**
2 **INFORMATION AND DATABASES.**

3 Section 19010 of division B of the CARES Act (Pub-
4 lic Law 116–136) is amended—

5 (1) by redesignating subsection (e) as sub-
6 section (f); and

7 (2) by inserting after subsection (d) the fol-
8 lowing:

9 “(e) SMALL BUSINESS ADMINISTRATION DATA-
10 BASES.—

11 “(1) IN GENERAL.—In conducting monitoring
12 and oversight under this section, the Comptroller
13 General, upon notice to the Administrator of the
14 Small Business Administration, shall have direct ac-
15 cess to all information collected or produced in con-
16 nection with the administration of programs or pro-
17 vision of assistance carried out by the Administrator,
18 including direct access to any information technology
19 systems maintained or utilized by the Administrator
20 to collect, process, or analyze documents or informa-
21 tion submitted by borrowers, lenders, or others in
22 connection with any such program or provision of
23 assistance.

24 “(2) INFORMATION TECHNOLOGY SYSTEMS.—
25 The Administrator of the Small Business Adminis-
26 tration shall appropriately identify and classify any

1 sensitive information contained in an information
2 technology system accessed by the Comptroller Gen-
3 eral.

4 “(3) DEFINITION OF DIRECT ACCESS.—In this
5 subsection, the term ‘direct access’ means secured
6 access to the information technology systems main-
7 tained by the Administrator that would enable the
8 Comptroller General to independently access, view,
9 download, and retrieve data from such systems.”.

10 **SEC. 618. SMALL BUSINESS LOCAL RELIEF PROGRAM.**

11 (a) ESTABLISHMENT.—There is established in the
12 Department of the Treasury a Small Business Local Relief
13 Program to allocate resources to States, units of general
14 local government, and Indian Tribes to provide assistance
15 to eligible entities and organizations that assist eligible en-
16 tities.

17 (b) FUNDING.—

18 (1) FUNDING TO STATES, LOCALITIES, AND IN-
19 DIAN TRIBES.—

20 (A) IN GENERAL.—The Secretary shall al-
21 locate—

22 (i) \$10,250,000,000 to States and
23 units of general local government in ac-
24 cordance with subparagraph (B)(i);

1 (ii) \$4,250,000,000 to States in ac-
2 cordance with subparagraph (B)(ii); and

3 (iii) \$500,000,000 to the Secretary of
4 Housing and Urban Development for allo-
5 cations to Indian Tribes in accordance with
6 subparagraph (B)(iii).

7 (B) ALLOCATIONS.—

8 (i) FORMULA FOR STATES AND UNITS
9 OF GENERAL LOCAL GOVERNMENT.—Of
10 the amount described in subparagraph
11 (A)(i)—

12 (I) 70 percent shall be allocated
13 to entitlement communities in accord-
14 ance with the formula under section
15 106(b) of the Housing and Commu-
16 nity Development Act of 1974 (42
17 U.S.C. 5306(b)); and

18 (II) 30 percent shall be allocated
19 to States, for use in nonentitlement
20 areas, in accordance with the formula
21 under section 106(d)(1) of such Act
22 (42 U.S.C. 5306(d)(1)).

23 (ii) RURAL BONUS FORMULA FOR
24 STATES.—The Secretary shall allocate the
25 amount described in subparagraph (A)(ii)

1 to States, for use in nonentitlement areas,
2 in accordance with the formula under sec-
3 tion 106(d)(1) of such Act (42 U.S.C.
4 5306(d)(1)).

5 (iii) COMPETITIVE AWARDS TO INDIAN
6 TRIBES.—

7 (I) IN GENERAL.—The Secretary
8 of Housing and Urban Development
9 shall allocate to Indian Tribes on a
10 competitive basis the amount de-
11 scribed in subparagraph (A)(iii).

12 (II) REQUIREMENTS.—In making
13 allocations under subclause (I), the
14 Secretary of Housing and Urban De-
15 velopment shall, to the greatest extent
16 practicable, ensure that each Indian
17 Tribe that satisfies requirements es-
18 tablished by the Secretary of Housing
19 and Urban Development receives such
20 an allocation.

21 (C) STATE ALLOCATIONS FOR NON-
22 ENTITLEMENT AREAS.—

23 (i) EQUITABLE ALLOCATION.—To the
24 greatest extent practicable, a State shall
25 allocate amounts for nonentitlement areas

1 under clauses (i)(II) and (ii) of subpara-
2 graph (B) on an equitable basis.

3 (ii) DISTRIBUTION OF AMOUNTS.—

4 (I) DISCRETION.—Not later than
5 14 days after the date on which a
6 State receives amounts for use in a
7 nonentitlement area under clause
8 (i)(II) or (ii) of subparagraph (B), the
9 State shall—

10 (aa) distribute the amounts,
11 or a portion thereof, to a unit of
12 general local government located
13 in the nonentitlement area or an
14 entity designated thereby, that
15 has established or will establish a
16 small business emergency fund,
17 for use under paragraph (2); or

18 (bb) elect to reserve the
19 amounts, or a portion thereof, for
20 use by the State under paragraph
21 (2) for the benefit of eligible enti-
22 ties located in the nonentitlement
23 area.

24 (II) SENSE OF CONGRESS.—It is
25 the sense of Congress that, in distrib-

1 uting amounts under subclause (I), in
2 the case of amounts allocated for a
3 nonentitlement area in which a unit of
4 general local government or an entity
5 designated thereby has established a
6 small business emergency fund, a
7 State should, as quickly as is prac-
8 ticable, distribute amounts to that
9 unit of general local government or
10 entity, respectively, as described in
11 item (aa) of such subclause.

12 (iii) TREATMENT OF STATES NOT
13 ACTING AS PASS-THROUGH AGENTS UNDER
14 CDBG.—The Secretary shall allocate
15 amounts to a State under this paragraph
16 without regard to whether the State has
17 elected to distribute amounts allocated
18 under section 106(d)(1) of the Housing
19 and Community Development Act of 1974
20 (42 U.S.C. 5306(d)(1)).

21 (2) USE OF FUNDS.—

22 (A) IN GENERAL.—A State, unit of general
23 local government, or Indian Tribe that receives
24 an allocation under paragraph (1), or an entity
25 designated by a unit of general local govern-

1 ment under paragraph (1)(C)(ii)(I)(aa), wheth-
2 er directly or indirectly, may use such alloca-
3 tion, not later than 60 days after receipt of the
4 allocation—

5 (i) to provide funding to a small busi-
6 ness emergency fund established by that
7 State (or entity designated thereby), that
8 unit of general local government (or entity
9 designated thereby), that entity designated
10 by a unit of general local government, or
11 that Indian Tribe (or entity designated
12 thereby), respectively;

13 (ii) to provide funding to support or-
14 ganizations that provide technical assist-
15 ance to eligible entities; or

16 (iii) subject to subparagraph (B), to
17 pay for administrative costs incurred by
18 that State (or entity designated thereby),
19 that unit of general local government (or
20 entity designated thereby), that entity des-
21 ignated by a unit of general local govern-
22 ment, or that Indian Tribe (or entity des-
23 ignated thereby), respectively, in estab-
24 lishing and administering a small business
25 emergency fund.

1 (B) LIMITATION.—A State, unit of general
2 local government, or Indian Tribe, or an entity
3 designated by a unit of general local govern-
4 ment under paragraph (1)(C)(ii)(I)(aa), may
5 not use more than 3 percent of an allocation re-
6 ceived under paragraph (1) for a purpose de-
7 scribed in subparagraph (A)(iii) of this para-
8 graph.

9 (C) OBLIGATION DEADLINES.—

10 (i) STATES.—Of the amounts that a
11 State elects under paragraph
12 (1)(C)(ii)(I)(bb) to reserve for use by the
13 State under this paragraph—

14 (I) any amounts that the State
15 provides to a small business emer-
16 gency fund under subparagraph (A)(i)
17 of this paragraph shall be obligated by
18 the small business emergency fund for
19 expenditure not later than 74 days
20 after the date on which the State re-
21 ceived the amounts from the Sec-
22 retary under clause (i) or (ii) of para-
23 graph (1)(A); and

24 (II) any amounts that the State
25 chooses to provide to an organization

1 under subparagraph (A)(ii) of this
2 paragraph, or to use to pay for ad-
3 ministrative costs under subparagraph
4 (A)(iii) of this paragraph, shall be ob-
5 ligated by the State for expenditure
6 not later than 74 days after the date
7 on which the State received the
8 amounts from the Secretary under
9 clause (i) or (ii) of paragraph (1)(A).

10 (ii) ENTITLEMENT COMMUNITIES.—

11 Of the amounts that an entitlement com-
12 munity receives from the Secretary under
13 paragraph (1)(B)(i)(I)—

14 (I) any amounts that the entitle-
15 ment community provides to a small
16 business emergency fund under sub-
17 subparagraph (A)(i) of this paragraph
18 shall be obligated by the small busi-
19 ness emergency fund for expenditure
20 not later than 74 days after the date
21 on which the entitlement community
22 received the amounts; and

23 (II) any amounts that the entitle-
24 ment community chooses to provide to
25 an organization under subparagraph

1 (A)(ii) of this paragraph, or to use to
2 pay for administrative costs under
3 subparagraph (A)(iii) of this para-
4 graph, shall be obligated by the enti-
5 tlement community for expenditure
6 not later than 74 days after the date
7 on which the entitlement community
8 received the amounts.

9 (iii) NONENTITLEMENT COMMU-
10 NITIES.—Of the amounts that a unit of
11 general local government, or an entity des-
12 ignated thereby, located in a nonentitle-
13 ment area receives from a State under
14 paragraph (1)(C)(ii)(I)(aa)—

15 (I) any amounts that the unit of
16 general local government or entity
17 provides to a small business emer-
18 gency fund under subparagraph (A)(i)
19 of this paragraph shall be obligated by
20 the small business emergency fund for
21 expenditure not later than 60 days
22 after the date on which the unit of
23 general local government or entity re-
24 ceived the amounts; and

1 (II) any amounts that the unit of
2 general local government or entity
3 chooses to provide to a support orga-
4 nization under subparagraph (A)(ii) of
5 this paragraph or to use to pay for
6 administrative costs under subpara-
7 graph (A)(iii) of this paragraph shall
8 be obligated by the unit of general
9 local government or entity for expend-
10 iture not later than 60 days after the
11 date on which the unit of general local
12 government or entity received the
13 amounts.

14 (D) RECOVERY OF UNOBLIGATED
15 FUNDS.—If a State, entitlement community,
16 other unit of general local government, entity
17 designated by a unit of general local govern-
18 ment under paragraph (1)(C)(ii)(I)(aa), or
19 small business emergency fund fails to obligate
20 amounts by the applicable deadline under sub-
21 paragraph (C), the Secretary shall recover the
22 amount of those amounts that remain unobli-
23 gated, as of that deadline.

24 (E) COLLABORATION.—It is the sense of
25 Congress that—

1 (i) an entitlement community that re-
2 ceives amounts allocated under paragraph
3 (1)(B)(i)(I) should collaborate with the ap-
4 plicable local entity responsible for eco-
5 nomic development and small business de-
6 velopment in establishing and admin-
7 istering a small business emergency fund;
8 and

9 (ii) States, units of general local gov-
10 ernment, and Indian Tribes that receive
11 amounts under paragraph (1) and are lo-
12 cated in the same region should collaborate
13 in establishing and administering one or
14 more small business emergency funds.

15 (c) SMALL BUSINESS EMERGENCY FUNDS.—With
16 respect to a small business emergency fund that receives
17 funds from an allocation made under subsection (b)—

18 (1) if the small business emergency fund makes
19 a loan to an eligible entity with those funds, the
20 small business emergency fund may use amounts re-
21 turned to the small business emergency fund from
22 the repayment of the loan to provide further assist-
23 ance to eligible entities without regard to the termi-
24 nation date described in subsection (g); and

1 (2) the small business emergency fund shall
2 conduct outreach to eligible entities that are less
3 likely to participate in programs established under
4 the CARES Act (Public Law 116–136) and the
5 amendments made by that Act, including minority-
6 owned entities, businesses in low-income commu-
7 nities, businesses in rural and Tribal areas, and
8 other businesses that are underserved by the tradi-
9 tional banking system.

10 (d) INFORMATION GATHERING.—

11 (1) IN GENERAL.—When providing assistance
12 to an eligible entity with funds received from an allo-
13 cation made under subsection (b), the State, unit of
14 general local government, or Indian Tribe, or the en-
15 tity designated by a State, unit of general local gov-
16 ernment, or Indian Tribe, that provides assistance
17 through a small business emergency fund shall—

18 (A) inquire whether the eligible entity is—

19 (i) in the case of an eligible entity
20 that is a business entity or a nonprofit or-
21 ganization, a women-owned entity or a mi-
22 nority-owned entity; and

23 (ii) in the case of an eligible entity
24 who is an individual, a woman or a minor-
25 ity; and

1 (B) maintain a record of the responses to
2 each inquiry conducted under subparagraph
3 (A), which the entity shall promptly submit to
4 the applicable State, unit of general local gov-
5 ernment, or Indian Tribe.

6 (2) RIGHT TO REFUSE.—An eligible entity may
7 refuse to provide any information requested under
8 paragraph (1)(A).

9 (e) REPORTING.—

10 (1) IN GENERAL.—Not later than 30 days after
11 the date on which a State, unit of general local gov-
12 ernment, or Indian Tribe initially receives an alloca-
13 tion made under subsection (b), and not later than
14 14 days after the date on which that State, unit of
15 local government, or Indian Tribe completes the full
16 expenditure of that allocation, that State, unit of
17 general local government, or Indian Tribe shall sub-
18 mit to the Secretary a report that includes—

19 (A) the number of recipients of assistance
20 made available from the allocation;

21 (B) the total amount, and type, of assist-
22 ance made available from the allocation;

23 (C) to the extent applicable, with respect
24 to each recipient described in subparagraph
25 (A), information regarding the industry of the

1 recipient, the amount of assistance received by
2 the recipient, the annual sales of the recipient,
3 and the number of employees of the recipient;

4 (D) to the extent available from informa-
5 tion collected under subsection (d), information
6 regarding the number of recipients described in
7 subparagraph (A) that are minority-owned enti-
8 ties, minorities, women, and women-owned enti-
9 ties;

10 (E) the ZIP Code of each recipient de-
11 scribed in subparagraph (A); and

12 (F) any other information that the Sec-
13 retary, in the sole discretion of the Secretary,
14 determines to be necessary to carry out the
15 Program.

16 (2) PUBLIC AVAILABILITY.—As soon as is prac-
17 ticable after receiving each report submitted under
18 paragraph (1), the Secretary shall make all informa-
19 tion contained in the report publicly available.

20 (f) RULES AND GUIDANCE.—The Secretary, in con-
21 sultation with the Administrator, shall issue any rules and
22 guidance that are necessary to carry out the Program, in-
23 cluding by establishing appropriate compliance and report-
24 ing requirements in addition to the reporting requirements
25 under subsection (e).

1 (g) TERMINATION.—The Program, and any rules and
2 guidance issued under subsection (f) with respect to the
3 Program, shall terminate on the date that is 1 year after
4 the date of enactment of this Act.

5 (h) DEFINITIONS.—In this section:

6 (1) ELIGIBLE ENTITY.—The term “eligible enti-
7 ty”—

8 (A) means a business concern or a covered
9 nonprofit organization (as defined in section
10 7(a)(36)(A)(vii) of the Small Business Act (15
11 U.S.C. 636(a)(36)(A)(vii)) that—

12 (i) employs—

13 (I) not more than 20 full-time
14 equivalent employees; or

15 (II) if the entity or organization
16 is located in a low-income community,
17 not more than 50 full-time equivalent
18 employees;

19 (ii) has experienced a loss of revenue
20 as a result of the COVID–19 pandemic,
21 according to criteria established by the
22 Secretary; and

23 (iii) with respect to such an entity or
24 organization that receives assistance from
25 a small business emergency fund, satisfies

1 additional requirements, as determined by
2 the State, unit of general local government,
3 Indian Tribe, or other entity that has es-
4 tablished the small business emergency
5 fund; and

6 (B) includes an individual who operates
7 under a sole proprietorship, an individual who
8 operates as an independent contractor, and an
9 eligible self-employed individual if such an indi-
10 vidual has experienced a loss of revenue as a re-
11 sult of the COVID-19 pandemic, according to
12 criteria established by the Secretary.

13 (2) ELIGIBLE SELF-EMPLOYED INDIVIDUAL.—
14 The term “eligible self-employed individual” has the
15 meaning given the term in section 7(a)(36)(A) of the
16 Small Business Act (15 U.S.C. 636(a)(36)(A)).

17 (3) ENTITLEMENT COMMUNITY.—The term
18 “entitlement community” means a metropolitan city
19 or urban county, as those terms are defined in sec-
20 tion 102 of the Housing and Community Develop-
21 ment Act of 1974 (42 U.S.C. 5302).

22 (4) FULL-TIME EQUIVALENT EMPLOYEES.—

23 (A) IN GENERAL.—The term “full-time
24 equivalent employees” means a number of em-

1 employees equal to the number determined by di-
2 viding—

3 (i) the total number of hours of serv-
4 ice for which wages were paid by the em-
5 ployer to employees during the taxable
6 year; by

7 (ii) 2,080.

8 (B) ROUNDING.—The number determined
9 under subparagraph (A) shall be rounded to the
10 next lowest whole number if not otherwise a
11 whole number.

12 (C) EXCESS HOURS NOT COUNTED.—If an
13 employee works in excess of 2,080 hours of
14 service during any taxable year, such excess
15 shall not be taken into account under subpara-
16 graph (A).

17 (D) HOURS OF SERVICE.—The Secretary,
18 in consultation with the Secretary of Labor,
19 shall prescribe such regulations, rules, and
20 guidance as may be necessary to determine the
21 hours of service of an employee, including rules
22 for the application of this paragraph to employ-
23 ees who are not compensated on an hourly
24 basis.

1 (5) INDIAN TRIBE.—The term “Indian Tribe”
2 has the meaning given the term “Indian tribe” in
3 section 102 of the Housing and Community Devel-
4 opment Act of 1974 (42 U.S.C. 5302).

5 (6) LOW-INCOME COMMUNITY.—The term “low-
6 income community” has the meaning given the term
7 in section 45D(e) of the Internal Revenue Code of
8 1986.

9 (7) MINORITY.—The term “minority” has the
10 meaning given the term in section 1204(c)(3) of the
11 Financial Institutions Reform, Recovery, and En-
12 forcement Act of 1989 (12 U.S.C. 1811 note).

13 (8) MINORITY-OWNED ENTITY.—The term “mi-
14 nority-owned entity” means an entity—

15 (A) more than 50 percent of the ownership
16 or control of which is held by not less than 1
17 minority; and

18 (B) more than 50 percent of the net profit
19 or loss of which accrues to not less than 1 mi-
20 nority.

21 (9) NONENTITLEMENT AREA; STATE; UNIT OF
22 GENERAL LOCAL GOVERNMENT.—

23 (A) IN GENERAL.—Except as provided in
24 subparagraph (B), the terms “nonentitlement
25 area”, “State”, and “unit of general local gov-

1 ernment” have the meanings given those terms
2 in section 102 of the Housing and Community
3 Development Act of 1974 (42 U.S.C. 5302).

4 (B) STATE.—For purposes of subpara-
5 graphs (A)(ii) and (B)(ii) of subsection (b)(1),
6 the term “State” means any State of the
7 United States.

8 (10) PROGRAM.—The term “Program” means
9 the Small Business Local Relief Program established
10 under this section.

11 (11) SECRETARY.—The term “Secretary”
12 means the Secretary of the Treasury.

13 (12) SMALL BUSINESS EMERGENCY FUND.—
14 The term “small business emergency fund” means a
15 fund or program—

16 (A) established by a State, a unit of gen-
17 eral local government, an Indian Tribe, or an
18 entity designated by a State, unit of general
19 local government, or Indian Tribe; and

20 (B) that provides or administers financing
21 to eligible entities in the form of grants, loans,
22 or other means in accordance with the needs of
23 eligible entities and the capacity of the fund or
24 program.

1 (13) WOMEN-OWNED ENTITY.—The term
2 “women-owned entity” means an entity—

3 (A) more than 50 percent of the ownership
4 or control of which is held by not less than 1
5 woman; and

6 (B) more than 50 percent of the net profit
7 or loss of which accrues to not less than 1
8 woman.

9 **SEC. 619. GRANTS FOR SHUTTERED VENUE OPERATORS.**

10 (a) DEFINITIONS.—In this section:

11 (1) ELIGIBLE LIVE VENUE OPERATOR OR PRO-
12 MOTER, THEATRICAL PRODUCER, MOTION PICTURE
13 THEATRE OPERATOR, OR TALENT REPRESENTA-
14 TIVE.—

15 (A) IN GENERAL.—The term “eligible live
16 venue operator or promoter, theatrical pro-
17 ducer, motion picture theatre operator, or talent
18 representative” means a live venue operator or
19 promoter or theatrical producer, a motion pic-
20 ture theatre operator, or a talent representative
21 that meets the following requirements:

22 (i) The live venue operator or pro-
23 moter or theatrical producer, the motion
24 picture theatre operator, or the talent rep-
25 resentative was fully operational as a live

1 venue operator or promoter or theatrical
2 producer, motion picture theatre operator,
3 or talent representative on February 29,
4 2020.

5 (ii) As of the date of the grant under
6 this section—

7 (I) the live venue operator or
8 promoter or theatrical producer is or-
9 ganizing, promoting, producing, man-
10 aging, or hosting future live events de-
11 scribed in paragraph (3)(A)(i);

12 (II) the motion picture theatre
13 operator is open or intends to reopen
14 for the primary purpose of public ex-
15 hibition of motion pictures; or

16 (III) the talent representative is
17 representing or managing artists and
18 entertainers.

19 (iii) The venues at which the live
20 venue operator or promoter or theatrical
21 producer promotes, produces, manages, or
22 hosts events described in paragraph
23 (3)(A)(i) or the artists and entertainers
24 represented or managed by the talent rep-

1 representative perform have the following
2 characteristics:

3 (I) A defined performance and
4 audience space.

5 (II) Mixing equipment, a public
6 address system, and a lighting rig.

7 (III) Engages 1 or more individ-
8 uals to carry out not less than 2 of
9 the following roles:

10 (aa) A sound engineer.

11 (bb) A booker.

12 (cc) A promoter.

13 (dd) A stage manager.

14 (ee) Security personnel.

15 (ff) A box office manager.

16 (IV) There is a paid ticket or
17 cover charge to attend most perform-
18 ances and artists are paid fairly and
19 do not play for free or solely for tips,
20 except for fundraisers or similar char-
21 itable events.

22 (V) For a venue owned or oper-
23 ated by a nonprofit entity that pro-
24 duces free events, the events are pro-

1 picture theatre operator, or the talent rep-
2 resentative does not have, or is not major-
3 ity owned or controlled by an entity with,
4 more than 1 of the following characteris-
5 ties:

6 (I) Being an issuer, the securities
7 of which are listed on a national secu-
8 rities exchange.

9 (II) Owning or operating venues,
10 motion picture theatres, or talent
11 agencies or talent management com-
12 panies with offices in more than 1
13 country.

14 (III) Owning or operating venues
15 or motion picture theatres in more
16 than 10 States.

17 (IV) Employing more than 500
18 employees, determined on a full-time
19 equivalent basis in accordance with
20 subparagraph (B).

21 (V) Receiving more than 10 per-
22 cent of gross revenue from Federal
23 funding.

24 (B) CALCULATION OF FULL-TIME EMPLOY-
25 EES.—For purposes of determining the number

1 of full-time equivalent employees under sub-
2 paragraph (A)(v)(IV)—

3 (i) any employee working not fewer
4 than 30 hours per week shall be considered
5 a full-time employee; and

6 (ii) any employee working not fewer
7 than 10 hours and fewer than 30 hours
8 per week shall be counted as one-half of a
9 full-time employee.

10 (C) MULTIPLE BUSINESS ENTITIES.—Each
11 business entity of an eligible live venue operator
12 or promoter, theatrical producer, motion picture
13 theatre operator, or talent representative that
14 also meets the requirements under subpara-
15 graph (A) shall be treated by the Administrator
16 as an independent, non-affiliated entity for the
17 purposes of this section.

18 (2) EXCHANGE; ISSUER; SECURITY.—The terms
19 “exchange”, “issuer”, and “security” have the
20 meanings given those terms in section 3(a) of the
21 Securities Exchange Act of 1934 (15 U.S.C. 78c(a)).

22 (3) LIVE VENUE OPERATOR OR PROMOTER OR
23 THEATRICAL PRODUCER.—The term “live venue op-
24 erator or promoter or theatrical producer”—

25 (A) means—

- 1 (i) an individual or entity—
- 2 (I) that, as a principal business
- 3 activity, organizes, promotes, pro-
- 4 duces, manages, or hosts live concerts,
- 5 comedy shows, theatrical productions,
- 6 or other events by performing artists
- 7 for which—
- 8 (aa) a cover charge through
- 9 ticketing or front door entrance
- 10 fee is applied; and
- 11 (bb) performers are paid in
- 12 an amount that is based on a
- 13 percentage of sales, a guarantee
- 14 (in writing or standard contract),
- 15 or another mutually beneficial
- 16 formal agreement; and
- 17 (II) for which not less than 70
- 18 percent of the earned revenue of the
- 19 individual or entity is generated
- 20 through, to the extent related to a live
- 21 event described in subclause (I), cover
- 22 charges or ticket sales, production
- 23 fees or production reimbursements,
- 24 nonprofit educational initiatives, or

1 the sale of event beverages, food, or
2 merchandise; or

3 (ii) an individual or entity that, as a
4 principal business activity, makes available
5 for purchase by the public an average of
6 not less than 60 days before the date of
7 the event tickets to events—

8 (I) described in clause (i)(I); and

9 (II) for which performers are
10 paid in an amount that is based on a
11 percentage of sales, a guarantee (in
12 writing or standard contract), or an-
13 other mutually beneficial formal
14 agreement; and

15 (B) includes an individual or entity de-
16 scribed in subparagraph (A) that—

17 (i) operates for profit or as a non-
18 profit;

19 (ii) is government-owned; or

20 (iii) is a corporation, limited liability
21 company, or partnership or operated as a
22 sole proprietorship.

23 (4) MOTION PICTURE THEATRE OPERATOR.—

24 The term “motion picture theatre operator” means
25 an individual or entity that—

1 (A) as the principal business activity of the
2 individual or entity, owns or operates at least 1
3 place of public accommodation for the purpose
4 of motion picture exhibition for a fee; and

5 (B) includes an individual or entity de-
6 scribed in subparagraph (A) that—

7 (i) operates for profit or as a non-
8 profit;

9 (ii) is government-owned; or

10 (iii) is a corporation, limited liability
11 company, or partnership or operated as a
12 sole proprietorship.

13 (5) NATIONAL SECURITIES EXCHANGE.—The
14 term “national securities exchange” means an ex-
15 change registered as a national securities exchange
16 under section 6 of the Securities Exchange Act of
17 1934 (15 U.S.C. 78f).

18 (6) STATE.—The term “State” means—

19 (A) a State;

20 (B) the District of Columbia;

21 (C) the Commonwealth of Puerto Rico;

22 and

23 (D) any other territory or possession of the
24 United States.

1 (7) TALENT REPRESENTATIVE.—The term “tal-
2 ent representative”—

3 (A) means an agent or manager that—

4 (i) as not less than 70 percent of the
5 operations of the agent or manager, is en-
6 gaged in representing or managing artists
7 and entertainers;

8 (ii) books or represents musicians, co-
9 medians, actors, or similar performing art-
10 ists primarily at live events in venues or at
11 festivals; and

12 (iii) represents performers described
13 in clause (ii) that are paid in an amount
14 that is based on the number of tickets sold,
15 or a similar basis; and

16 (B) includes an agent or manager de-
17 scribed in subparagraph (A) that—

18 (i) operates for profit or as a non-
19 profit;

20 (ii) is government-owned; or

21 (iii) is a corporation, limited liability
22 company, or partnership or operated as a
23 sole proprietorship.

24 (b) AUTHORITY.—

25 (1) INITIAL GRANTS.—

1 (A) IN GENERAL.—The Administrator may
2 make initial grants to eligible live venue opera-
3 tors or promoters, theatrical producers, motion
4 picture theatre operators, or talent representa-
5 tives in accordance with this section.

6 (B) FIRST PRIORITY IN AWARDING
7 GRANTS.—During the initial 14-day period dur-
8 ing which the Administrator awards grants
9 under this section, the Administrator shall only
10 award grants to an eligible live venue operator
11 or promoter, theatrical producer, motion picture
12 theatre operator, or talent representative with
13 revenue, during the calendar quarter during
14 which the Administrator begins awarding such
15 grants, that is not more than 10 percent of the
16 revenue of the eligible live venue operator or
17 promoter, theatrical producer, motion picture
18 theatre operator, or talent representative during
19 the corresponding calendar quarter during 2019
20 due to the COVID–19 pandemic.

21 (C) SECOND PRIORITY IN AWARDING
22 GRANTS.—During the 14-day period imme-
23 diately following the 14-day period described in
24 subparagraph (B), the Administrator shall only
25 award grants to an eligible live venue operator

1 or promoter, theatrical producer, motion picture
2 theatre operator, or talent representative with
3 revenue, during the calendar quarter during
4 which the Administrator begins awarding such
5 grants, that is not more than 30 percent of the
6 revenue of the eligible live venue operator or
7 promoter, theatrical producer, motion picture
8 theatre operator, or talent representative during
9 the corresponding calendar quarter during 2019
10 due to the COVID–19 pandemic.

11 (2) SUPPLEMENTAL GRANTS.—The Adminis-
12 trator may make a supplemental grant in accordance
13 with this section to an eligible live venue operator or
14 promoter, theatrical producer, motion picture the-
15 atre operator, or talent representative that receives
16 a grant under paragraph (1) if, as of December 1,
17 2020, the revenues of the eligible live venue operator
18 or promoter, theatrical producer, motion picture the-
19 atre operator, or talent representative for the most
20 recent calendar quarter are not more than 20 per-
21 cent of the revenues of the eligible live venue oper-
22 ator or promoter, theatrical producer, motion picture
23 theatre operator, or talent representative for the cor-
24 responding calendar quarter during 2019 due to the
25 COVID–19 pandemic.

1 (3) CERTIFICATION.—An eligible live venue op-
2 erator or promoter, theatrical producer, motion pic-
3 ture theatre operator, or talent representative apply-
4 ing for a grant under this section that is an eligible
5 business described in the matter preceding subclause
6 (I) of section 4003(c)(3)(D)(i) of the CARES Act
7 (15 U.S.C. 9042(c)(3)(D)(i)), shall make a good-
8 faith certification described in subclauses (IX) and
9 (X) of such section.

10 (c) AMOUNT.—

11 (1) INITIAL GRANTS.—A grant under sub-
12 section (b)(1) shall be in the amount equal to the
13 lesser of—

14 (A) the amount equal to 45 percent of the
15 gross earned revenue of the eligible live venue
16 operator or promoter, theatrical producer, mo-
17 tion picture theatre operator, or talent rep-
18 resentative during 2019;

19 (B) for an eligible live venue operator or
20 promoter, theatrical producer, motion picture
21 theatre operator, or talent representative that
22 began operations after January 1, 2019, the
23 amount equal to the product obtained by multi-
24 plying—

- 1 (i) the average monthly gross earned
2 revenue for each full month during which
3 the entity was in operation during 2019;
4 by
5 (ii) 6; or
6 (C) \$12,000,000.

7 (2) SUPPLEMENTAL GRANTS.—A grant under
8 subsection (b)(2) shall be in the amount equal to 50
9 percent of the grant received by the eligible live
10 venue operator or promoter, theatrical producer, mo-
11 tion picture theatre operator, or talent representa-
12 tive under subsection (b)(1).

13 (d) USE OF FUNDS.—

14 (1) TIMING.—

15 (A) EXPENSES INCURRED.—

16 (i) IN GENERAL.—Except as provided
17 in clause (ii), amounts received under a
18 grant under this section may be used for
19 costs incurred during the period beginning
20 on March 1, 2020, and ending on Decem-
21 ber 31, 2021.

22 (ii) EXTENSION FOR SUPPLEMENTAL
23 GRANTS.—If an eligible live venue operator
24 or promoter, theatrical producer, motion
25 picture theatre operator, or talent rep-

1 representative receives a grant under sub-
2 section (b)(2), amounts received under ei-
3 ther grant under this section may be used
4 for costs incurred during the period begin-
5 ning on March 1, 2020, and ending on
6 June 30, 2022.

7 (B) EXPENDITURE.—

8 (i) IN GENERAL.—Except as provided
9 in clause (ii), an eligible live venue oper-
10 ator or promoter, theatrical producer, mo-
11 tion picture theatre operator, or talent rep-
12 resentative shall return to the Adminis-
13 trator any amounts received under a grant
14 under this section that are not expended
15 on or before the date that is 1 year after
16 the date of disbursement of the grant.

17 (ii) EXTENSION FOR SUPPLEMENTAL
18 GRANTS.—If an eligible live venue operator
19 or promoter, theatrical producer, motion
20 picture theatre operator, or talent rep-
21 resentative receives a grant under sub-
22 section (b)(2), the eligible live venue oper-
23 ator or promoter, theatrical producer, mo-
24 tion picture theatre operator, or talent rep-
25 resentative shall return to the Adminis-

1 trator any amounts received under either
2 grant under this section that are not ex-
3 pended on or before the date that is 18
4 months after the date of disbursement to
5 the eligible live venue operator or pro-
6 moter, theatrical producer, motion picture
7 theatre operator, or talent representative
8 of the grant under subsection (b)(1).

9 (2) ALLOWABLE EXPENSES.—An eligible live
10 venue operator or promoter, theatrical producer, mo-
11 tion picture theatre operator, or talent representa-
12 tive may use amounts received under a grant under
13 this section for—

14 (A) payroll costs for employees and fur-
15 loughed employees, including—

16 (i) costs for continuation coverage
17 provided pursuant to part 6 of subtitle B
18 of title I of the Employee Retirement In-
19 come Security Act of 1974 (29 U.S.C.
20 1161 et seq.) (other than under section
21 609 of such Act (29 U.S.C. 1169), title
22 XXII of the Public Health Service Act (42
23 U.S.C. 300bb–1 et seq.), section 4980B of
24 the Internal Revenue Code of 1986 (other
25 than subsection (f)(1) of such section inso-

1 far as it relates to pediatric vaccines), or
2 section 8905a of title 5, United States
3 Code, or under a State program that pro-
4 vides comparable continuation coverage,
5 other than coverage under a health flexible
6 spending arrangement under a cafeteria
7 plan within the meaning of section 125 of
8 the Internal Revenue Code of 1986; or
9 (ii) any other non-cash benefit;

10 (B) rent;

11 (C) utilities;

12 (D) mortgage interest payments on exist-
13 ing mortgages as of February 15, 2020;

14 (E) scheduled interest payments on other
15 scheduled debt as of February 15, 2020;

16 (F) costs related to personal protective
17 equipment;

18 (G) payments of principal on outstanding
19 loans;

20 (H) payments made to independent con-
21 tractors, as reported on Form-1099 MISC; and

22 (I) other ordinary and necessary business
23 expenses, including—

24 (i) settling existing debts owed to ven-
25 dors;

- 1 (ii) maintenance expenses;
- 2 (iii) administrative costs;
- 3 (iv) taxes;
- 4 (v) operating leases;
- 5 (vi) insurance;
- 6 (vii) advertising, production transpor-
- 7 tation, and capital expenditures related to
- 8 producing a theatrical production, concert,
- 9 or comedy show; and
- 10 (viii) any other capital expenditure or
- 11 expense required under any State, local, or
- 12 Federal law or guideline related to social
- 13 distancing.

14 (3) PROHIBITED EXPENSES.—An eligible live

15 venue operator or promoter, theatrical producer, mo-

16 tion picture theatre operator, or talent representa-

17 tive may not use amounts received under a grant

18 under this section—

- 19 (A) to purchase real estate;
- 20 (B) for payments of interest or principal
- 21 on loans originated after February 15, 2020;
- 22 (C) to invest or re-lend funds;
- 23 (D) for contributions or expenditures to, or
- 24 on behalf of, any political party, party com-
- 25 mittee, or candidate for elective office; or

1 (E) for any other use as may be prohibited
2 by the Administrator.

3 **SEC. 620. SUPPORT FOR RESTAURANTS.**

4 (a) **SHORT TITLE.**—This section may be cited as the
5 “Real Economic Support That Acknowledges Unique Res-
6 taurant Assistance Needed To Survive Act of 2020” or
7 the “RESTAURANTS Act of 2020”.

8 (b) **DEFINITIONS.**—In this section:

9 (1) **AFFILIATED BUSINESS.**—The term “affili-
10 ated business” means a business in which an eligible
11 entity has an equity or right to profit distributions
12 of not less than 50 percent, or in which an eligible
13 entity has the contractual authority to control the
14 direction of the business, provided that such affili-
15 ation shall be determined as of any arrangements or
16 agreements in existence, as of March 13, 2020.

17 (2) **COVERED PERIOD.**—The term “covered pe-
18 riod” means the period beginning on February 15,
19 2020, and ending on June 30, 2021.

20 (3) **ELIGIBLE ENTITY.**—The term “eligible enti-
21 ty”—

22 (A) means a restaurant, food stand, food
23 truck, food cart, caterer, saloon, inn, tavern,
24 bar, lounge, brewpub, tasting room, taproom, li-
25 censed facility, or premise of a beverage alcohol

1 producer where the public may taste, sample, or
2 purchase products, or other similar place of
3 business—

4 (i) in which the public or patrons as-
5 semble for the primary purpose of being
6 served food or drink; and

7 (ii) that, as of March 13, 2020, owns
8 or operates (together with any affiliated
9 business) not more than 20 locations, re-
10 gardless of whether those locations do
11 business under the same or multiple
12 names;

13 (B) means an entity that is located in an
14 airport terminal and that, as of March 13,
15 2020, sold any food and beverage, if, as of
16 March 13, 2020, the entity owns or operates
17 (together with any affiliated business) not more
18 than 20 locations, regardless of whether those
19 locations do business under the same or mul-
20 tiple names; and

21 (C) does not include an entity described in
22 subparagraph (A) or (B) that is part of a State
23 or local government facility, not including an
24 airport.

1 (4) FUND.—The term “Fund” means the Res-
2 taurant Revitalization Fund established under sub-
3 section (c).

4 (5) IMMEDIATE FAMILY MEMBER.—With re-
5 spect to an individual, the term “immediate family
6 member” means any parent or child of the indi-
7 vidual.

8 (6) PAYROLL COSTS.—The term “payroll costs”
9 has the meaning given the term in section
10 7(a)(36)(A) of the Small Business Act (15 U.S.C.
11 636(a)(36)(A)).

12 (7) SECRETARY.—The term “Secretary” means
13 the Secretary of the Treasury.

14 (c) ESTABLISHMENT OF A RESTAURANT REVITAL-
15 IZATION FUND.—

16 (1) IN GENERAL.—There is established in the
17 Treasury of the United States a fund to be known
18 as the Restaurant Revitalization Fund.

19 (2) APPROPRIATIONS.—

20 (A) IN GENERAL.—There is appropriated
21 to the Fund, out of amounts in the Treasury
22 not otherwise appropriated, \$120,000,000,000,
23 to remain available until June 30, 2021.

24 (B) REMAINDER TO TREASURY.—Any
25 amounts remaining in the Fund after June 30,

1 2021 shall be deposited in the general fund of
2 the Treasury.

3 (3) USE OF FUNDS.—The Secretary shall use
4 amounts in the Fund to make grants described in
5 section subsection (d).

6 (d) RESTAURANT REVITALIZATION GRANTS.—

7 (1) IN GENERAL.—The Secretary shall award
8 grants to eligible entities in the order in which the
9 application is received by the Secretary.

10 (2) REGISTRATION.—The Secretary shall reg-
11 ister each grant awarded under this subsection using
12 the employer identification number of the eligible en-
13 tity.

14 (3) APPLICATION.—

15 (A) IN GENERAL.—An eligible entity desir-
16 ing a grant under this subsection shall submit
17 to the Secretary an application at such time, in
18 such manner, and containing such information
19 as the Secretary may require.

20 (B) CERTIFICATION.—An eligible entity
21 applying for a grant under this subsection shall
22 make a good faith certification—

23 (i) that the uncertainty of current eco-
24 nomic conditions makes necessary the

1 grant request to support the ongoing oper-
2 ations of the eligible entity;

3 (ii) acknowledging that funds will be
4 used to retain workers, for payroll costs,
5 and for other allowable expenses described
6 in paragraph (6) and not for any other
7 purposes;

8 (iii) that the eligible entity does not
9 have an application pending for a grant
10 under subsection (a)(36) or (b)(2) of sec-
11 tion 7 of the Small Business Act (15
12 U.S.C. 636) for the same purpose and that
13 is duplicative of amounts applied for or re-
14 ceived under this section; and

15 (iv) during the covered period, that
16 the eligible entity has not received amounts
17 under subsection (a)(36) or (b)(2) of sec-
18 tion 7 of the Small Business Act (15
19 U.S.C. 636) for the same purpose and that
20 is duplicative of amounts applied for or re-
21 ceived under this section.

22 (C) HOLD HARMLESS.—An eligible entity
23 applying for a grant under this subsection shall
24 not be ineligible for a grant if the eligible entity
25 is able to document—

1 (i) an inability to rehire individuals
2 who were employees of the eligible entity
3 on February 15, 2020; and

4 (ii) an inability to hire similarly quali-
5 fied employees for unfilled positions on or
6 before June 30, 2021.

7 (4) PRIORITY IN AWARDING GRANTS.—During
8 the initial 14-day period in which the Secretary
9 awards grants under this subsection, the Secretary
10 shall—

11 (A) prioritize awarding grants to
12 marginalized and underrepresented commu-
13 nities, with a focus on women-, veteran-, and
14 minority-owned, and women-, veteran-, and mi-
15 nority-operated eligible entities; and

16 (B) only award grants to eligible entities
17 with annual revenues of less than \$1,500,000.

18 (5) GRANT AMOUNT.—

19 (A) DETERMINATION OF GRANT
20 AMOUNT.—

21 (i) IN GENERAL.—The amount of a
22 grant made to an eligible entity under this
23 subsection shall be equal to—

24 (I) the sum of the revenues or es-
25 timated revenues of the eligible entity

1 during each calendar quarter in 2020
2 subtracted from the sum of such reve-
3 nues during the same calendar quar-
4 ter in 2019, if such sum is greater
5 than zero; and

6 (II) if applicable, the additional
7 amount required to pay for sick leave
8 described under clause (ii).

9 (ii) SICK LEAVE.—An eligible entity
10 applying for a grant under this section—

11 (I) may request an additional
12 grant amount based on the amount
13 required to provide 10 days of paid
14 sick leave to each employee of the en-
15 tity to—

16 (aa) care for themselves or
17 an immediate family member who
18 is ill; or

19 (bb) provide care for chil-
20 dren when schools or childcare
21 providers are shut down due to
22 COVID-19; and

23 (II) shall, if provided a grant
24 under this section that includes an ad-
25 ditional amount for sick leave de-

1 scribed under subclause (I), provide
2 each employee of the entity with such
3 10 days of paid sick leave.

4 (iii) VERIFICATION.—An eligible enti-
5 ty shall submit to the Secretary such rev-
6 enue verification documentation as the
7 Secretary may require to determine the
8 amount of a grant under clause (i).

9 (iv) REPAYMENT.—Any amount of a
10 grant made under this subsection to an eli-
11 gible entity based on estimated revenues in
12 a calendar quarter in 2020 that is greater
13 than the actual revenues of the eligible en-
14 tity during that calendar quarter shall be
15 converted to a loan that has—

16 (I) an interest rate of 1 percent;

17 and

18 (II) a maturity date of 10 years
19 beginning on January 1, 2021.

20 (B) REDUCTION BASED ON PPP FORGIVE-
21 NESS OR EIDL EMERGENCY GRANT.—If an eligi-
22 ble entity has, at the time of application for a
23 grant under this subsection, received an ad-
24 vance under section 1110(e) of the CARES Act
25 (15 U.S.C. 9009(e)) or loan forgiveness under

1 section 1106 of such Act (15 U.S.C. 9005) re-
2 lated to expenses incurred during the covered
3 period, the maximum amount of a grant award-
4 ed to the eligible entity under this subsection
5 shall be reduced by the amount of funds ex-
6 pended by or forgiven for the eligible entity for
7 those expenses using amounts received under
8 such section 1110(e) or forgiven under such
9 section 1106.

10 (C) LIMITATION.—An eligible entity may
11 not receive more than 1 grant under this sub-
12 section.

13 (D) AGGREGATE MAXIMUM AMOUNT.—The
14 aggregate amount of grants made to an eligible
15 entity and any affiliate businesses of the eligible
16 entity under this section shall not exceed
17 \$10,000,000.

18 (6) USE OF FUNDS.—

19 (A) IN GENERAL.—During the covered pe-
20 riod, an eligible entity that receives a grant
21 under this subsection may use the grant funds
22 for—

23 (i) payroll costs;

24 (ii) payments of principal or interest
25 on any mortgage obligation;

- 1 (iii) rent payments, including rent
2 under a lease agreement;
- 3 (iv) utilities;
- 4 (v) maintenance expenses, including—
5 (I) construction to accommodate
6 outdoor seating; and
7 (II) walls, floors, deck surfaces,
8 furniture, fixtures, and equipment;
- 9 (vi) supplies, including protective
10 equipment and cleaning materials;
- 11 (vii) food, beverage, and operational
12 expenses that are within the scope of the
13 normal business practice of the eligible en-
14 tity before the covered period;
- 15 (viii) debt obligations to suppliers that
16 were incurred before the covered period;
- 17 (ix) costs associated with providing
18 employees with 10 days of sick leave, as
19 described in paragraph (5)(A)(ii); and
20 (x) any other expenses that the Sec-
21 retary determines to be essential to main-
22 taining the eligible entity.
- 23 (B) RETURNING FUNDS.—If an eligible en-
24 tity that receives a grant under this subsection
25 permanently ceases operations on or before

1 June 30, 2021, the eligible entity shall return
2 to the Treasury any funds that the eligible enti-
3 ty did not use for the allowable expenses under
4 subparagraph (A).

5 (C) CONVERSION TO LOAN.—Any grant
6 amounts received by an eligible entity under
7 this subsection that are unused after June 30,
8 2021, shall be immediately converted to a loan
9 with—

10 (i) an interest rate of 1 percent; and

11 (ii) a maturity date of 10 years.

12 (7) REGULATIONS.—Not later than 15 days
13 after the date of enactment of this Act, the Sec-
14 retary shall issue regulations to carry out this sub-
15 section without regard to the notice and comment
16 requirements under section 553 of title 5, United
17 States Code.

18 (8) APPROPRIATIONS FOR STAFFING AND AD-
19 MINISTRATIVE EXPENSES.—

20 (A) IN GENERAL.—Of the amounts pro-
21 vided by subsection (c)(2)(A), \$300,000,000
22 shall be for staffing and administrative ex-
23 penses related to administering grants awarded
24 under this subsection.

1 (B) SET ASIDE.—Of amounts provided
2 under subparagraph (A), \$60,000,000 shall be
3 allocated for outreach to traditionally
4 marginalized and underrepresented commu-
5 nities, with a focus on women, veteran, and mi-
6 nority-owned and operated eligible entities, in-
7 cluding the creation of a resource center tar-
8 getted toward these communities.

9 (e) LIMITATION WITH RESPECT TO PRIVATE
10 FUNDS.—

11 (1) IN GENERAL.—No amounts received under
12 this section may be directly or indirectly used to pay
13 distributions, dividends, consulting fees, advisory
14 fees, interest payments, or any other fees, expenses,
15 or charges to—

16 (A) a person registered as an investment
17 adviser under the Investment Advisers Act of
18 1940 (15 U.S.C. 80b–1 et seq.) who advises a
19 private fund;

20 (B) any affiliate of such adviser;

21 (C) any executive of such adviser or affil-
22 iate; or

23 (D) any employee, consultant, or other per-
24 son with a contractual relationship to provide

1 services for or on behalf of such adviser or affil-
2 iate.

3 (2) ANTI-EVASION.—No company in which a
4 private fund holds an ownership interest that has,
5 directly or indirectly, received amounts under this
6 title may pay any distributions, dividends, consulting
7 fees, advisory fees, interest payments, or any other
8 fees, expenses, or charges in excess of 10 percent of
9 such company's net operating profits for the cal-
10 endar year ending December 31, 2020 (and for each
11 successive year until the covered period has ended
12 and all loans created under this section have been
13 repaid) to—

14 (A) a person registered as an investment
15 adviser under the Investment Advisers Act of
16 1940 (15 U.S.C. 80b–1 et seq.)who advises a
17 private fund;

18 (B) any affiliate of such adviser;

19 (C) any executive of such adviser or affil-
20 iate; or

21 (D) any employee, consultant, or other per-
22 son with a contractual relationship to provide
23 services for or on behalf of such adviser or affil-
24 iate.

25 (3) DEFINITIONS.—In this section:

1 (A) AFFILIATE.—

2 (i) IN GENERAL.—The term “affil-
3 iate” means, with respect to a person, any
4 other person directly or indirectly control-
5 ling, controlled by, or under direct or indi-
6 rect common control with such person.

7 (ii) CONTROL.—For purposes of
8 clause (i), a person shall be deemed to con-
9 trol another person if such person pos-
10 sesses, directly or indirectly, the power to
11 direct or cause the direction of the man-
12 agement and policies of such other person,
13 whether through the ownership of voting
14 securities, by contract, or otherwise.

15 (B) EXECUTIVE.—The term “executive”
16 means—

17 (i) any individual who serves an exec-
18 utive or director of a person, including the
19 principal executive officer, principal finan-
20 cial officer, comptroller or principal ac-
21 counting officer; and

22 (ii) an executive officer, as defined in
23 section 230.405 of title 17, Code of Fed-
24 eral Regulations, or any successor regula-
25 tion.

1 (C) PRIVATE FUND.—The term “private
2 fund” means an issuer that would be an invest-
3 ment company, as defined in section 3 of the
4 Investment Company Act of 1940 (15 U.S.C.
5 80a–3), but for paragraph (1) or (7) of section
6 3(c) of that Act.

7 (f) DEMOGRAPHIC DATA AND TRANSPARENCY.—

8 (1) DEMOGRAPHIC DATA.—In establishing an
9 application process for carrying out this section, the
10 Secretary shall include a voluntary request for cer-
11 tain demographic data with respect to the majority
12 ownership of eligible entities, including race, eth-
13 nicity, gender, and veteran-status.

14 (2) MONTHLY REPORTS.—Not later than the
15 end of the first month in which initial grants are
16 disbursed under this section, and every month there-
17 after until the date on which the last grant has been
18 disbursed under this section, the Secretary shall sub-
19 mit to the Committee on Banking, Housing, and
20 Urban Affairs of the Senate and the Committee on
21 Financial Services of the House of Representatives
22 a report providing—

23 (A) the number and dollar amount of
24 grants approved for or disbursed to all eligible
25 entities, including a list of eligible entities with

1 the grant amount received by the eligible entity;
2 and

3 (B) a breakout of the number and dollar
4 of grants by State, congressional district, demo-
5 graphics (including race, ethnicity, gender, and
6 veteran-status), and business type.

7 (3) QUARTERLY REPORTS.—Beginning on Jan-
8 uary 1, 2021, and every subsequent quarter until
9 the last grant that was converted to a loan under
10 this section is repaid, the Secretary shall submit to
11 the Committee on Banking, Housing, and Urban Af-
12 fairs of the Senate and the Committee on Financial
13 Services of the House of Representatives a report
14 on—

15 (A) the number and dollar amount of
16 grants approved for or disbursed to all eligible
17 entities, including a breakout of grants by
18 State, congressional district, demographics (in-
19 cluding race, ethnicity, gender, and veteran-sta-
20 tus), and business type; and

21 (B) the number and dollar amount of
22 grants that converted to loans under this sec-
23 tion, including a breakout of outstanding loans
24 by State, congressional district, demographics

1 (including race, ethnicity, gender, and veteran-
2 status), and business type.

3 (4) DATA TRANSPARENCY.—Not later than 30
4 days after the date of enactment of this Act, the
5 Secretary shall make available on a publicly available
6 website in a standardized and downloadable format,
7 and update on a monthly basis, any data contained
8 in a report submitted under this section.

9 **TITLE VII—MINORITY BUSINESS**
10 **DEVELOPMENT AGENCY AND**
11 **COMMUNITY DEVELOPMENT**
12 **FINANCIAL INSTITUTIONS**
13 **FUND**

14 **SEC. 701. DEFINITIONS.**

15 In this title:

16 (1) AGENCY.—The term “Agency” means the
17 Minority Business Development Agency of the De-
18 partment of Commerce.

19 (2) ASSISTANT SECRETARY.—The term “Assist-
20 ant Secretary” means the Assistant Secretary of
21 Commerce for Minority Business Development who
22 is appointed as described in section 714(b) to ad-
23 minister this subtitle.

1 (3) FEDERAL AGENCY.—The term “Federal
2 agency” has the meaning given the term “agency”
3 in section 551 of title 5, United States Code.

4 (4) FEDERALLY RECOGNIZED AREA OF ECO-
5 NOMIC DISTRESS.—The term “federally recognized
6 area of economic distress” means—

7 (A) a HUBZone, as that term is defined in
8 section 31(b) of the Small Business Act (15
9 U.S.C. 657a(b));

10 (B) an area that—

11 (i) has been designated as—

12 (I) an empowerment zone under
13 section 1391 of the Internal Revenue
14 Code of 1986; or

15 (II) a Promise Zone by the Sec-
16 retary of Housing and Urban Devel-
17 opment; or

18 (ii) is a low or moderate income area,
19 as determined by the Bureau of the Cen-
20 sus;

21 (C) a qualified opportunity zone, as that
22 term is defined in section 1400Z–1 of the Inter-
23 nal Revenue Code of 1986; or

24 (D) any other political subdivision or unin-
25 corporated area of a State determined by the

1 Assistant Secretary to be an area of economic
2 distress.

3 (5) INDIAN TRIBE.—

4 (A) IN GENERAL.—Subject to subpara-
5 graph (B), the term “Indian Tribe” has the
6 meaning given the term “Indian tribe” in sec-
7 tion 4 of the Indian Self-Determination and
8 Education Assistance Act (25 U.S.C. 5304).

9 (B) NATIVE HAWAIIAN ORGANIZATION.—
10 The term “Indian Tribe” includes a Native Ha-
11 waiian organization.

12 (6) INSTITUTION OF HIGHER EDUCATION.—The
13 term “institution of higher education” has the
14 meaning given the term in section 101 of the Higher
15 Education Act of 1965 (20 U.S.C. 1001).

16 (7) MINORITY BUSINESS ENTERPRISE.—The
17 term “minority business enterprise” means a for-
18 profit business enterprise—

19 (A) that is not less than 51 percent-owned
20 by 1 or more socially disadvantaged individuals;
21 and

22 (B) the management and daily business
23 operations of which are controlled by 1 or more
24 socially disadvantaged individuals.

1 (8) PRIVATE SECTOR ENTITY.—The term “pri-
2 vate sector entity”—

3 (A) means an entity that is not a public
4 sector entity; and

5 (B) does not include—

6 (i) the Federal Government;

7 (ii) any Federal agency; or

8 (iii) any instrumentality of the Fed-
9 eral Government.

10 (9) PUBLIC SECTOR ENTITY.—The term “public
11 sector entity” means—

12 (A) a State;

13 (B) an agency of a State;

14 (C) a political subdivision of a State; or

15 (D) an agency of a political subdivision of
16 a State.

17 (10) SECRETARY.—The term “Secretary”
18 means the Secretary of Commerce.

19 (11) SOCIALLY DISADVANTAGED INDIVIDUAL.—

20 (A) IN GENERAL.—The term “socially dis-
21 advantaged individual” means an individual
22 who has been subjected to racial or ethnic prej-
23 udice or cultural bias because of the identity of
24 the individual as a member of a group, without

1 regard to any individual quality of the indi-
2 vidual that is unrelated to that identity.

3 (B) PRESUMPTION.—In carrying out this
4 subtitle, the Assistant Secretary shall presume
5 that the term “socially disadvantaged indi-
6 vidual” includes any individual who is—

7 (i) Black or African American;

8 (ii) Hispanic or Latino;

9 (iii) American Indian or Alaska Na-
10 tive;

11 (iv) Asian;

12 (v) Native Hawaiian or other Pacific
13 Islander; or

14 (vi) a member of a group that the Mi-
15 nority Business Development Agency de-
16 termines under part 1400 of title 15, Code
17 of Federal Regulations, as in effect on No-
18 vember 23, 1984, is a socially disadvan-
19 tagged group eligible to receive assistance.

20 (12) STATE.—The term “State” means—

21 (A) each of the States of the United
22 States;

23 (B) the District of Columbia;

24 (C) the Commonwealth of Puerto Rico;

25 (D) the United States Virgin Islands;

- 1 (E) Guam;
- 2 (F) American Samoa;
- 3 (G) the Commonwealth of the Northern
- 4 Mariana Islands; and
- 5 (H) each Indian Tribe.

6 **Subtitle A—Codification of the Mi-**

7 **nority Business Development**

8 **Agency**

9 **SEC. 711. SHORT TITLE.**

10 This subtitle may be cited as the “Minority Business

11 Resiliency Act of 2020”.

12 **SEC. 712. FINDINGS AND PURPOSES.**

13 (a) FINDINGS.—Congress finds the following:

14 (1) During times of economic downturn or re-

15 cession, communities of color, and businesses within

16 those communities, are generally more adversely af-

17 fected, which requires an expansion of the ability of

18 the Federal Government to infuse resources into

19 those communities.

20 (2) Despite the growth in the number of minor-

21 ity business enterprises, gaps remain with respect to

22 key metrics for those enterprises, such as access to

23 capital, revenue, number of employees, and survival

24 rate. Specifically—

1 (A) according to the Department of Com-
2 merce, minority business enterprises are 2 to 3
3 times more likely to be denied loans than non-
4 minority business enterprises;

5 (B) according to the Bureau of the Cen-
6 sus, the average non-minority business enter-
7 prise reports receipts that are more than 3
8 times higher than receipts reported by the aver-
9 age minority business enterprise; and

10 (C) according to the Kauffman Founda-
11 tion—

12 (i) minority business enterprises are
13 $\frac{1}{2}$ as likely to employ individuals, as com-
14 pared with non-minority business enter-
15 prises; and

16 (ii) if minorities started and owned
17 businesses at the same rate as non-minori-
18 ties, the United States economy would
19 have more than 1,000,000 additional em-
20 ployer businesses and more than 9,500,000
21 additional jobs.

22 (3) Because of the conditions described in para-
23 graph (2), it is in the interest of the United States
24 and the economy of the United States to expedi-

1 tiously ameliorate the disparities that minority busi-
2 ness enterprises experience.

3 (4) Many individuals who own minority busi-
4 ness enterprises are socially disadvantaged because
5 those individuals identify as members of certain
6 groups that have suffered the effects of discrimina-
7 tory practices or similar circumstances over which
8 those individuals have no control, including individ-
9 uals who are—

10 (A) Black or African American;

11 (B) Hispanic or Latino;

12 (C) American Indian or Alaska Native;

13 (D) Asian; and

14 (E) Native Hawaiian or other Pacific Is-
15 lander.

16 (5) Discriminatory practices and similar cir-
17 cumstances described in paragraph (4) are a signifi-
18 cant determinant of overall economic disadvantage
19 in the United States, which is evident in the per-
20 sistent racial wealth gap in the United States.

21 (6) While other Federal agencies focus only on
22 small businesses and businesses that represent a
23 broader demographic than solely minority business
24 enterprises, the Agency focuses exclusively on—

1 (A) the unique needs of minority business
2 enterprises; and

3 (B) enhancing the capacity of minority
4 business enterprises.

5 (b) PURPOSES.—The purposes of this subtitle are
6 to—

7 (1) require the Agency to promote and admin-
8 ister programs in the public and private sectors to
9 assist the development of minority business enter-
10 prises; and

11 (2) achieve the development described in para-
12 graph (1) by authorizing the Assistant Secretary to
13 carry out programs that will result in increased ac-
14 cess to capital, management, and technology for mi-
15 nority business enterprises.

16 **SEC. 713. MINORITY BUSINESS DEVELOPMENT AGENCY.**

17 (a) IN GENERAL.—There is within the Department
18 of Commerce the Minority Business Development Agency.

19 (b) ASSISTANT SECRETARY.—

20 (1) APPOINTMENT AND DUTIES.—The Agency
21 shall be headed by an Assistant Secretary of Com-
22 merce for Minority Business Development, who shall
23 be—

24 (A) appointed by the President, by and
25 with the advice and consent of the Senate; and

1 (B) except as otherwise expressly provided,
2 responsible for the administration of this sub-
3 title.

4 (2) COMPENSATION.—The Assistant Secretary
5 shall be compensated at an annual rate of basic pay
6 prescribed for level IV of the Executive Schedule
7 under section 5315 of title 5, United States Code.

8 (c) REPORT TO CONGRESS.—Not later than 120 days
9 after the date of enactment of this Act, the Secretary shall
10 submit to Congress a report that describes—

11 (1) the organizational structure of the Agency;

12 (2) the organizational position of the Agency
13 within the Department of Commerce; and

14 (3) a description of how the Agency shall func-
15 tion in relation to the operations carried out by each
16 other component of the Department of Commerce.

17 (d) OFFICE OF BUSINESS CENTERS.—

18 (1) ESTABLISHMENT.—There is established
19 within the Agency an Office of Business Centers.

20 (2) DIRECTOR.—The Office of Business Cen-
21 ters shall be administered by a Director, who shall
22 be appointed by the Assistant Secretary.

23 (e) OFFICES OF THE AGENCY.—

1 (1) IN GENERAL.—The Assistant Secretary
2 shall establish such other offices within the Agency
3 as are necessary to carry out this subtitle.

4 (2) REGIONAL OFFICES.—

5 (A) IN GENERAL.—In order to carry out
6 this subtitle, the Assistant Secretary may estab-
7 lish a regional office of the Agency for each of
8 the regions of the United States, as determined
9 by the Assistant Secretary.

10 (B) DUTIES.—Each regional office estab-
11 lished under subparagraph (A) shall expand the
12 reach of the Agency and enable the Federal
13 Government to better serve the needs of minor-
14 ity business enterprises in the region served by
15 the office, including by—

16 (i) understanding and participating in
17 the business environment of that region;

18 (ii) working with—

19 (I) Centers, as that term is de-
20 fined in section 732, that are located
21 in that region; and

22 (II) resource and lending part-
23 ners of the Small Business Adminis-
24 tration that are located in that region;

1 (iii) being aware of business retention
2 or expansion programs specific to that re-
3 gion;

4 (iv) seeking out opportunities to col-
5 laborate with regional public and private
6 programs that focus on minority business
7 enterprises; and

8 (v) promoting business continuity and
9 preparedness.

10 **PART I—EXISTING INITIATIVES**

11 **Subpart A—Market Development, Research, and** 12 **Information**

13 **SEC. 721. PRIVATE SECTOR DEVELOPMENT.**

14 The Assistant Secretary shall, whenever the Assistant
15 Secretary determines such action is necessary or appro-
16 priate—

17 (1) assist minority business enterprises to pene-
18 trate domestic and foreign markets by making avail-
19 able to those business enterprises, either directly or
20 in cooperation with private sector entities, including
21 community-based organizations and national non-
22 profit organizations—

23 (A) resources relating to management;

24 (B) technological assistance;

25 (C) financial and marketing services; and

1 (D) services relating to workforce develop-
2 ment;

3 (2) encourage minority business enterprises to
4 establish joint ventures and projects—

5 (A) with other minority business enter-
6 prises; or

7 (B) in cooperation with public sector enti-
8 ties or private sector entities, including commu-
9 nity-based organizations and national nonprofit
10 organizations, to increase the share of any mar-
11 ket activity being performed by minority busi-
12 ness enterprises; and

13 (3) facilitate the efforts of private sector enti-
14 ties and Federal agencies to advance the growth of
15 minority business enterprises.

16 **SEC. 722. PUBLIC SECTOR DEVELOPMENT.**

17 The Assistant Secretary shall, whenever the Assistant
18 Secretary determines such action is necessary or appro-
19 priate—

20 (1) consult and cooperate with public sector en-
21 tities for the purpose of leveraging resources avail-
22 able in the jurisdictions of those public sector enti-
23 ties to promote the position of minority business en-
24 terprises in the local economies of those public sector

1 entities, including by assisting public sector entities
2 to establish or enhance—

3 (A) programs to procure goods and serv-
4 ices through minority business enterprises and
5 goals for that procurement;

6 (B) programs offering assistance relating
7 to—

8 (i) management;

9 (ii) technology;

10 (iii) financing;

11 (iv) marketing; and

12 (v) workforce development; and

13 (C) informational programs designed to in-
14 form minority business enterprises located in
15 the jurisdictions of those public sector entities
16 about the availability of programs described in
17 this section;

18 (2) meet with leaders and officials of public sec-
19 tor entities for the purpose of recommending and
20 promoting local administrative and legislative initia-
21 tives needed to advance the position of minority
22 business enterprises in the local economies of those
23 public sector entities; and

1 (3) facilitate the efforts of public sector entities
2 and Federal agencies to advance the growth of mi-
3 nority business enterprises.

4 **SEC. 723. RESEARCH AND INFORMATION.**

5 (a) IN GENERAL.—In order to achieve the purposes
6 of this subtitle, the Assistant Secretary—

7 (1) shall—

8 (A) collect and analyze data, including
9 data relating to the causes of the success or
10 failure of minority business enterprises;

11 (B) perform evaluations of programs car-
12 ried out by Federal agencies with an emphasis
13 on increasing coordination between Federal
14 agencies with respect to the development of mi-
15 nority business enterprises; and

16 (C) conduct research, studies, and surveys
17 of—

18 (i) economic conditions generally in
19 the United States; and

20 (ii) how the conditions described in
21 clause (i) particularly affect the develop-
22 ment of minority business enterprises; and

23 (2) may, at the request of a public sector entity
24 or a private sector entity, perform an evaluation of
25 programs carried out by the entity that are designed

1 to assist the development of minority business enter-
2 prises.

3 (b) INFORMATION CLEARINGHOUSE.—The Assistant
4 Secretary shall—

5 (1) establish and maintain an information clear-
6 inghouse for the collection and dissemination of de-
7 mographic, economic, financial, managerial, and
8 technical data relating to minority business enter-
9 prises; and

10 (2) take such steps as the Assistant Secretary
11 may determine to be necessary and desirable to
12 search for, collect, classify, coordinate, integrate,
13 record, and catalog the data described in paragraph
14 (1).

15 **Subpart B—Minority Business Development Center**
16 **Program**

17 **SEC. 731. PURPOSE.**

18 The purpose of the MBDC Program shall be to create
19 a national network of public-private partnerships that—

20 (1) assist minority business enterprises to—

21 (A) access capital and contracts; and

22 (B) create and maintain jobs;

23 (2) provide counseling and mentoring to minor-
24 ity business enterprises; and

1 (3) facilitate the growth of minority business
2 enterprises by promoting trade.

3 **SEC. 732. DEFINITIONS.**

4 In this subpart:

5 (1) CENTER.—The term “Center” means an el-
6 igible entity that enters into an MBDC agreement
7 with the Assistant Secretary.

8 (2) ELIGIBLE ENTITY.—Except as otherwise ex-
9 pressly provided, the term “eligible entity”—

10 (A) means—

11 (i) a private sector entity; or

12 (ii) a public sector entity; and

13 (B) includes an institution of higher edu-
14 cation.

15 (3) MBDC AGREEMENT.—The term “MBDC
16 agreement” means a collaborative agreement entered
17 into between the Assistant Secretary and a Center
18 under the MBDC Program.

19 (4) MBDC PROGRAM.—The term “MBDC Pro-
20 gram” means the program established under section
21 733.

22 **SEC. 733. ESTABLISHMENT.**

23 (a) IN GENERAL.—Subject to subsection (b), there
24 is established in the Agency a program—

1 (1) that shall be known as the Minority Busi-
2 ness Development Centers Program;

3 (2) that shall be separate and distinct from the
4 efforts of the Assistant Secretary under section 721;
5 and

6 (3) under which the Assistant Secretary shall
7 enter into cooperative agreements with eligible enti-
8 ties under which, in accordance with section 734—

9 (A) the eligible entities shall provide tech-
10 nical assistance and business development serv-
11 ices to minority business enterprises; and

12 (B) the Assistant Secretary shall provide
13 financial assistance to the eligible entities to
14 carry out the activities described in subpara-
15 graph (A).

16 (b) **COVERAGE.**—The Assistant Secretary shall take
17 all necessary actions to ensure that the MBDC Program,
18 in accordance with section 734, offers the services de-
19 scribed in subsection (a)(3)(A) in all regions of the United
20 States.

21 (c) **SCOPE OF AUTHORITY.**—The authority of the As-
22 sistant Secretary to enter into MBDC agreements shall
23 be effective each fiscal year only to the extent that
24 amounts are made available to the Assistant Secretary
25 under applicable appropriations Acts.

1 **SEC. 734. COOPERATIVE AGREEMENTS.**

2 (a) **REQUIREMENTS.**—A Center shall, using financial
3 assistance awarded to the Center under an MBDC agree-
4 ment—

5 (1) provide to minority business enterprises
6 programs and services determined to be appropriate
7 by the Assistant Secretary, which—

8 (A) shall include referral services to meet
9 the needs of minority business enterprises; and

10 (B) may include programs and services to
11 accomplish the goals described in section
12 721(1);

13 (2) develop, cultivate, and maintain a network
14 of strategic partnerships with organizations that fos-
15 ter access by minority business enterprises to eco-
16 nomic markets or contracts;

17 (3) continue to upgrade and modify the services
18 provided by the Center, as necessary, in order to
19 meet the changing and evolving needs of the busi-
20 ness community;

21 (4) collaborate with other Centers; and

22 (5) in providing programs and services under
23 the MBDC agreement—

24 (A) operate on a fee-for-service basis; and

25 (B) generate income through the collection
26 of—

- 1 (i) client fees;
- 2 (ii) membership fees;
- 3 (iii) success fees; and
- 4 (iv) any other appropriate fees pro-
- 5 posed by the Center in the application sub-
- 6 mitted by the Center for the MBDC agree-
- 7 ment.

8 (b) TERM.—Subject to subsection (g), the term of an
9 MBDC agreement shall be 3 years.

10 (c) FINANCIAL ASSISTANCE.—

11 (1) MINIMUM AMOUNT.—Subject to paragraph
12 (2), the amount of financial assistance provided by
13 the Assistant Secretary under an MBDC agreement
14 shall be not less than \$250,000 for the term of the
15 MBDC agreement.

16 (2) ADDITIONAL AMOUNTS.—In determining
17 whether to award financial assistance under an
18 MBDC agreement to a Center in an amount greater
19 than \$250,000, the Assistant Secretary shall take
20 into consideration the cost of living and the size of
21 the population in the area in which the Center is lo-
22 cated.

23 (3) MATCHING REQUIREMENT.—

24 (A) IN GENERAL.—A Center shall match
25 not less than $\frac{1}{3}$ of the amount of the financial

1 assistance awarded to the Center under an
2 MBDC agreement.

3 (B) FORM OF FUNDS.—A Center may
4 meet the matching requirement under subpara-
5 graph (A) using cash or in-kind contributions,
6 without regard to whether the contribution is
7 made by a third party.

8 (4) USE OF FINANCIAL ASSISTANCE AND PRO-
9 GRAM INCOME.—A Center shall use—

10 (A) all financial assistance awarded to the
11 Center under an MBDC agreement to carry out
12 the requirements under subsection (a); and

13 (B) all income that the Center generates in
14 carrying out the requirements under subsection
15 (a)—

16 (i) to meet the matching requirement
17 under paragraph (3) of this subsection;
18 and

19 (ii) if the Center meets the matching
20 requirement under paragraph (3) of this
21 subsection, to carry out the requirements
22 under subsection (a).

23 (d) CRITERIA FOR SELECTION.—The Assistant Sec-
24 retary shall—

25 (1) establish—

1 (A) criteria that—

2 (i) the Assistant Secretary shall use in
3 determining whether to enter into an
4 MBDC agreement with an eligible entity;
5 and

6 (ii) may include criteria relating to
7 whether an eligible entity is located in—

8 (I) an area, the population of
9 which is composed of not less than 51
10 percent socially disadvantaged individ-
11 uals;

12 (II) a federally recognized area of
13 economic distress; or

14 (III) a State that is underserved
15 with respect to the MBDC program,
16 as defined by the Assistant Secretary;
17 and

18 (B) standards relating to the consideration
19 given to the criteria established under subpara-
20 graph (A); and

21 (2) make the criteria and standards established
22 under paragraph (1) publicly available, including—

23 (A) on the website of the Agency; and

24 (B) in each solicitation for applications for
25 MBDC agreements.

1 (e) APPLICATIONS.—An eligible entity desiring to
2 enter into an MBDC agreement shall submit to the Assist-
3 ant Secretary an application that includes—

4 (1) a statement of—

5 (A) how the eligible entity will meet the re-
6 quirements under subsection (a); and

7 (B) any experience of the eligible entity
8 in—

9 (i) assisting minority business enter-
10 prises to—

11 (I) obtain—

12 (aa) large-scale contracts or
13 procurements; or

14 (bb) financing;

15 (II) access established supply
16 chains; and

17 (III) engage in—

18 (aa) joint ventures, teaming
19 arrangements, and mergers and
20 acquisitions; or

21 (bb) large-scale transactions
22 in global markets; and

23 (ii) advocating for minority business
24 enterprises; and

1 (2) the budget and corresponding budget nar-
2 rative that the eligible entity will use in carrying out
3 the requirements under subsection (a) during the
4 term of the MBDC agreement.

5 (f) NOTIFICATION.—If the Assistant Secretary
6 grants an application of an eligible entity submitted under
7 subsection (e), the Assistant Secretary shall notify the eli-
8 gible entity that the application has been granted not later
9 than 150 days after the last day on which an application
10 may be submitted under that subsection.

11 (g) PROGRAM EXAMINATION; ACCREDITATION; EX-
12 TENSIONS.—

13 (1) EXAMINATION.—Not later than 180 days
14 after the date of enactment of this Act, and bienni-
15 ally thereafter, the Assistant Secretary shall conduct
16 a programmatic financial examination of each Cen-
17 ter.

18 (2) ACCREDITATION.—The Assistant Secretary
19 may provide financial support, by contract or other-
20 wise, to an association, not less than 51 percent of
21 the members of which are Centers, to—

22 (A) pursue matters of common concern
23 with respect to Centers; and

24 (B) develop an accreditation program with
25 respect to Centers.

1 (3) EXTENSIONS.—

2 (A) IN GENERAL.—The Assistant Sec-
3 retary may extend the term under subsection
4 (b) of an MBDC agreement to which a Center
5 is a party to a term of 5 years, if the Center
6 consents to the extension.

7 (B) FINANCIAL ASSISTANCE.—If the As-
8 sistant Secretary extends the term of an MBDC
9 agreement under paragraph (1), the Assistant
10 Secretary shall, in the same manner and
11 amount in which financial assistance was pro-
12 vided during the initial term of the MBDC
13 agreement, provide financial assistance under
14 the MBDC agreement during the extended term
15 of the MBDC agreement.

16 (h) PRIORITY.—In entering into MBDC agreements
17 under the MBDC Program and extending MBDC agree-
18 ments under subsection (g)(3), the Assistant Secretary
19 shall give priority to extending MBDC agreements under
20 subsection (g)(3).

21 (i) SUSPENSION, TERMINATION, AND REFUSAL TO
22 EXTEND.—

23 (1) IN GENERAL.—

24 (A) IN GENERAL.—The Assistant Sec-
25 retary may suspend, terminate, or refuse to ex-

1 tend the term of an MBDC agreement on the
2 basis of the poor performance by a Center in
3 meeting the performance goals established by
4 the Secretary under subparagraph (B).

5 (B) PERFORMANCE GOALS.—The Assistant
6 Secretary shall establish performance goals by
7 which to evaluate the performance of a Center
8 in meeting the requirements under subsection
9 (a).

10 (2) NOTICE.—Before suspending, terminating,
11 or refusing to extend the term of an MBDC agree-
12 ment under paragraph (1), the Assistant Secretary
13 shall provide to the relevant Center—

14 (A) a written notice of the reasons for the
15 suspension, termination, or refusal; and

16 (B) an opportunity for a hearing, appeal,
17 or other administrative proceeding to contest
18 the suspension, termination, or refusal.

19 (j) MBDA INVOLVEMENT.—The Assistant Secretary
20 shall ensure that the Agency is substantially involved in
21 the activities of Centers in carrying out the requirements
22 under subsection (a), including by—

23 (1) providing to each Center training relating to
24 the MBDC Program;

1 (2) requiring that the operator and staff of
2 each Center—

3 (A) attend—

4 (i) a conference with the Agency to
5 establish the services and programs that
6 the Center will provide in carrying out the
7 requirements before the date on which the
8 Center begins providing those services and
9 programs; and

10 (ii) training provided under paragraph
11 (1);

12 (B) receive necessary advising relating to
13 carrying out the requirements under subsection
14 (a); and

15 (C) work in coordination and collaboration
16 with the Assistant Secretary to carry out the
17 MBDC Program and other programs of the
18 Agency;

19 (3) facilitating connections between Centers
20 and—

21 (A) Federal agencies other than the Agen-
22 cy, including the Small Business Administration
23 and the Economic Development Administration
24 of the Department of Commerce; and

1 (B) other institutions or entities that use
2 Federal resources, including—

3 (i) small business development cen-
4 ters, as that term is defined in section 3(t)
5 of the Small Business Act (15 U.S.C.
6 632(t));

7 (ii) women’s business centers de-
8 scribed in section 29 of the Small Business
9 Act (15 U.S.C. 656);

10 (iii) eligible entities, as that term is
11 defined in section 2411 of title 10, United
12 States Code, that provide services under
13 the program carried out under chapter 142
14 of that title; and

15 (iv) entities participating in the Hol-
16 lings Manufacturing Extension Partnership
17 Program established under section 25 of
18 the National Institute of Standards and
19 Technology Act (15 U.S.C. 278k);

20 (4) monitoring projects carried out by each
21 Center; and

22 (5) establishing and enforcing administrative
23 and reporting requirements for each Center to carry
24 out the requirements under subsection (a).

1 (k) REGULATIONS.—The Assistant Secretary shall
2 issue and publish regulations that establish minimum
3 standards regarding verification of minority business en-
4 terprise status for clients of entities operating under the
5 MBDC Program.

6 **SEC. 735. MINIMIZING DISRUPTIONS TO EXISTING BUSI-**
7 **NESS CENTERS PROGRAM.**

8 The Assistant Secretary shall ensure that each coop-
9 erative agreement entered into under the Business Centers
10 program of the Agency that is in effect on the day before
11 the date of enactment of this Act is carried out in a man-
12 ner that, to the greatest extent practicable, prevents dis-
13 ruption of any activity carried out under the cooperative
14 agreement.

15 **SEC. 736. PUBLICITY.**

16 In carrying out the MBDC Program, the Assistant
17 Secretary shall widely publicize the MBDC Program, in-
18 cluding—

- 19 (1) on the website of the Agency; and
20 (2) via social media outlets.

21 **SEC. 737. EMERGENCY APPROPRIATIONS.**

22 (a) IN GENERAL.—There is appropriated, out of
23 amounts in the Treasury not otherwise appropriated, for
24 an additional amount for “Minority Business Develop-
25 ment”, \$25,000,000, for necessary expenses for the

1 MBDC Program, including the component of the program
2 relating to Specialty Centers, including any cost sharing
3 requirements that may exist, for assisting minority busi-
4 ness enterprises to prevent, prepare for, and respond to
5 coronavirus, including identifying and accessing local,
6 State, and Federal government assistance related to such
7 virus.

8 (b) EMERGENCY DESIGNATION.—

9 (1) IN GENERAL.—The amounts provided under
10 this section are designated as an emergency require-
11 ment pursuant to section 4(g) of the Statutory Pay-
12 As-You-Go Act of 2010 (2 U.S.C. 933(g)).

13 (2) DESIGNATION IN SENATE.—In the Senate,
14 this section is designated as an emergency require-
15 ment pursuant to section 4112(a) of H. Con. Res.
16 71 (115th Congress), the concurrent resolution on
17 the budget for fiscal year 2018.

18 **PART II—NEW INITIATIVES TO PROMOTE ECO-**
19 **NOMIC RESILIENCY FOR MINORITY BUSI-**
20 **NESSES**

21 **SEC. 741. ANNUAL DIVERSE BUSINESS FORUM ON CAPITAL**
22 **FORMATION.**

23 (a) RESPONSIBILITY OF AGENCY.—Not later than 18
24 months after the date of enactment of this Act, and annu-
25 ally thereafter, the Agency shall conduct a Government-

1 business forum to review the current status of problems
2 and programs relating to capital formation by minority
3 business enterprises.

4 (b) PARTICIPATION IN FORUM PLANNING.—The As-
5 sistant Secretary shall invite the heads of other Federal
6 agencies, such as the Chairman of the Securities and Ex-
7 change Commission, the Secretary of the Treasury, and
8 the Chairman of the Board of Governors of the Federal
9 Reserve System, organizations representing State securi-
10 ties commissioners, representatives of leading minority
11 chambers of commerce, business organizations, and pro-
12 fessional organizations concerned with capital formation
13 to participate in the planning of each forum conducted
14 under subsection (a).

15 (c) PREPARATION OF STATEMENTS AND REPORTS.—

16 (1) REQUESTS.—The Assistant Secretary may
17 request that any head of a Federal department,
18 agency, or organization, including those described in
19 subsection (b), or any other group or individual, pre-
20 pare a statement or report to be delivered at any
21 forum conducted under subsection (a).

22 (2) COOPERATION.—Any head of a Federal de-
23 partment, agency, or organization who receives a re-
24 quest under paragraph (1) shall, to the greatest ex-

1 tent practicable, cooperate with the Assistant Sec-
2 retary to fulfill that request.

3 (d) TRANSMITTAL OF PROCEEDINGS AND FIND-
4 INGS.—The Assistant Secretary shall—

5 (1) prepare a summary of the proceedings of
6 each forum conducted under subsection (a), which
7 shall include the findings and recommendations of
8 the forum; and

9 (2) transmit the summary described in para-
10 graph (1) with respect to each forum conducted
11 under subsection (a) to—

12 (A) the participants in the forum;

13 (B) Congress; and

14 (C) the public, through a publicly available
15 website.

16 (e) REVIEW OF FINDINGS AND RECOMMENDATIONS;
17 PUBLIC STATEMENTS.—

18 (1) IN GENERAL.—A Federal agency to which
19 a finding or recommendation described in subsection
20 (d)(1) relates shall—

21 (A) review that finding or recommenda-
22 tion; and

23 (B) promptly after the finding or rec-
24 ommendation is transmitted under paragraph

1 (2)(C) of subsection (d), issue a public state-
2 ment—

3 (i) assessing the finding or rec-
4 ommendation; and

5 (ii) disclosing the action, if any, the
6 Federal agency intends to take with re-
7 spect to the finding or recommendation.

8 (2) JOINT STATEMENT PERMITTED.—If a find-
9 ing or recommendation described in subsection
10 (d)(1) relates to more than 1 Federal agency, the
11 applicable Federal agencies may, for the purposes of
12 the public statement required under paragraph
13 (1)(B), issue a joint statement.

14 **SEC. 742. AGENCY STUDY ON ALTERNATIVE FINANCING SO-**
15 **LUTIONS.**

16 (a) PURPOSE.—The purpose of this section is to pro-
17 vide information relating to alternative financing solutions
18 to minority business enterprises, as those business enter-
19 prises are more likely to struggle in accessing, particularly
20 at affordable rates, traditional sources of capital.

21 (b) STUDY AND REPORT.—Not later than 1 year
22 after the date of enactment of this Act, the Assistant Sec-
23 retary shall—

1 (B) sponsor seminars, conferences, and
2 similar activities relating to business for the
3 benefit of socially disadvantaged individuals;

4 (3) stimulate and accelerate curriculum design
5 and improvement in support of development of mi-
6 nority business enterprises; and

7 (4) encourage and assist private institutions
8 and organizations and public sector entities to un-
9 dertake activities similar to the activities described
10 in paragraphs (1), (2), and (3).

11 (b) PARREN J. MITCHELL ENTREPRENEURSHIP
12 EDUCATION GRANTS.—

13 (1) DEFINITION.—In this subsection, the term
14 “eligible institution” means an institution of higher
15 education described in any of paragraphs (1)
16 through (7) of section 371(a) of the Higher Edu-
17 cation Act of 1965 (20 U.S.C. 1067q(a)).

18 (2) GRANTS.—The Assistant Secretary shall
19 award grants to eligible institutions to develop and
20 implement entrepreneurship curricula.

21 (3) REQUIREMENTS.—An eligible institution
22 that receives a grant awarded under this subsection
23 shall use the grant funds to—

1 (A) develop a curriculum that includes
2 training in various skill sets needed by contem-
3 porary successful entrepreneurs, including—

4 (i) business management and mar-
5 keting;

6 (ii) financial management and ac-
7 counting;

8 (iii) market analysis;

9 (iv) competitive analysis;

10 (v) innovation;

11 (vi) strategic planning; and

12 (vii) any other skill set that the eligi-
13 ble institution determines is necessary for
14 the students served by the eligible institu-
15 tion and the community in which the eligi-
16 ble institution is located; and

17 (B) implement the curriculum developed
18 under subparagraph (A) at the eligible institu-
19 tion.

20 (4) IMPLEMENTATION TIMELINE.—The Assist-
21 ant Secretary shall establish and publish a timeline
22 under which an eligible institution that receives a
23 grant under this section shall carry out the require-
24 ments under paragraph (3).

1 (5) REPORTS.—Each year, the Assistant Sec-
2 retary shall submit to the Committee on Commerce,
3 Science, and Transportation of the Senate and the
4 Committee on Energy and Commerce of the House
5 of Representatives, as part of the annual budget
6 submission of the President under section 1105(a)
7 of title 31, United States Code, a report evaluating
8 the awarding and use of grants under this sub-
9 section during the fiscal year immediately preceding
10 the date on which the report is submitted, which
11 shall include, with respect to that fiscal year—

12 (A) a description of each curriculum devel-
13 oped and implemented under each grant award-
14 ed under this section;

15 (B) the date on which each grant awarded
16 under this section was awarded; and

17 (C) the number of eligible entities that
18 were recipients of grants awarded under this
19 section.

20 **PART III—ADMINISTRATIVE AND OTHER POWERS**
21 **OF THE AGENCY; MISCELLANEOUS PROVISIONS**

22 **SEC. 751. ADMINISTRATIVE POWERS.**

23 (a) IN GENERAL.—In carrying out this subtitle, the
24 Assistant Secretary may—

1 (1) adopt and use a seal for the Agency, which
2 shall be judicially noticed;

3 (2) hold hearings, sit and act, and take testi-
4 mony as the Assistant Secretary may determine to
5 be necessary or appropriate to carry out this sub-
6 title;

7 (3) acquire, in any lawful manner, any property
8 that the Assistant Secretary may determine to be
9 necessary or appropriate to carry out this subtitle;

10 (4) make advance payments under grants, con-
11 tracts, and cooperative agreements awarded under
12 this subtitle;

13 (5) enter into agreements with other Federal
14 agencies;

15 (6) coordinate with the heads of the Offices of
16 Small and Disadvantaged Business Utilization of
17 Federal agencies;

18 (7) require a coordinated review of all training
19 and technical assistance activities that are proposed
20 to be carried out by Federal agencies in direct sup-
21 port of the development of minority business enter-
22 prises to—

23 (A) ensure consistency with the purposes
24 of this subtitle; and

1 (B) avoid duplication of existing efforts;

2 and

3 (8) prescribe such rules, regulations, and proce-
4 dures as the Agency may determine to be necessary
5 or appropriate to carry out this subtitle.

6 (b) EMPLOYMENT OF CERTAIN EXPERTS AND CON-
7 SULTANTS.—

8 (1) IN GENERAL.—In carrying out this subtitle,
9 the Assistant Secretary may procure by contract the
10 temporary or intermittent services of experts or con-
11 sultants or an organization thereof, as authorized
12 under section 3109 of title 5, United States Code.

13 (2) RENEWAL OF CONTRACTS.—The Assistant
14 Secretary may annually renew a contract entered
15 into under paragraph (1).

16 (c) DONATION OF PROPERTY.—

17 (1) IN GENERAL.—Subject to paragraph (2), in
18 carrying out this subtitle, the Assistant Secretary
19 may, without cost (except for costs of care and han-
20 dling), donate for use by any public sector entity, or
21 by any recipient nonprofit organization, for the pur-
22 pose of the development of minority business enter-
23 prises, any real or tangible personal property ac-
24 quired by the Agency in carrying out this subtitle.

1 (2) TERMS, CONDITIONS, RESERVATIONS, AND
2 RESTRICTIONS.—The Assistant Secretary may im-
3 pose reasonable terms, conditions, reservations, and
4 restrictions upon the use of any property donated
5 under paragraph (1).

6 **SEC. 752. FINANCIAL ASSISTANCE.**

7 (a) IN GENERAL.—

8 (1) PROVISION OF FINANCIAL ASSISTANCE.—To
9 carry out sections 721, 722, and 723(a), the Assist-
10 ant Secretary may provide financial assistance to
11 public sector entities and private sector entities in
12 the form of contracts, grants, or cooperative agree-
13 ments.

14 (2) NOTICE.—Not later than 120 days before
15 the first day of each fiscal year, the Assistant Sec-
16 retary shall, in accordance with subsection (b),
17 broadly publish a statement regarding financial as-
18 sistance that will, or may, be made available under
19 paragraph (1) in the first fiscal year that begins
20 after the date on which the statement is published,
21 including—

22 (A) the actual, or anticipated, amount of
23 financial assistance that will, or may, be made
24 available;

1 (B) the types of financial assistance that
2 will, or may, be made available;

3 (C) the manner in which financial assist-
4 ance will be allocated among public sector enti-
5 ties and private sector entities, as applicable;
6 and

7 (D) the methodology used by the Assistant
8 Secretary to make allocations under subpara-
9 graph (C).

10 (3) CONSULTATION.—The Assistant Secretary
11 shall consult with public sector entities and private
12 sector entities, as applicable, in deciding the
13 amounts and types of financial assistance to make
14 available under paragraph (1).

15 (b) PUBLICITY.—In carrying out this section, the As-
16 sistant Secretary shall broadly publicize all opportunities
17 for financial assistance available under this section, in-
18 cluding—

19 (1) on the website of the Agency; and

20 (2) via social media outlets.

21 **SEC. 753. AUDITS.**

22 (a) RECORDKEEPING REQUIREMENT.—Each recipi-
23 ent of assistance under this subtitle shall keep such
24 records as the Assistant Secretary shall prescribe, includ-

1 ing records that fully disclose, with respect to the assist-
2 ance received by the recipient under this subtitle—

3 (1) the amount and nature of that assistance;

4 (2) the disposition by the recipient of the pro-
5 ceeds of that assistance;

6 (3) the total cost of the undertaking for which
7 the assistance is given or used;

8 (4) the amount and nature of the portion of the
9 cost of the undertaking described in paragraph (3)
10 that is supplied by a source other than the Agency;
11 and

12 (5) any other records that will facilitate an ef-
13 fective audit of the assistance.

14 (b) ACCESS BY GOVERNMENT OFFICIALS.—The As-
15 sistant Secretary, the Inspector General of the Depart-
16 ment of Commerce, and the Comptroller General of the
17 United States, or any duly authorized representative of
18 any such individual, shall have access, for the purpose of
19 audit, investigation, and examination, to any book, docu-
20 ment, paper, record, or other material of a recipient of
21 assistance under this subtitle that pertains to the assist-
22 ance received by the recipient under this subtitle.

1 **SEC. 754. REVIEW AND REPORT BY COMPTROLLER GEN-**
2 **ERAL.**

3 Not later than 4 years after the date of enactment
4 of this Act, the Comptroller General of the United States
5 shall—

6 (1) conduct a thorough review of the programs
7 carried out under this subtitle; and

8 (2) submit to Congress a detailed report of the
9 findings of the Comptroller General of the United
10 States under the review carried out under paragraph
11 (1), which shall include—

12 (A) an evaluation of the effectiveness of
13 the programs in achieving the purposes of this
14 subtitle;

15 (B) a description of any failure by any re-
16 cipient of assistance under this subtitle to com-
17 ply with the requirements under this subtitle;
18 and

19 (C) recommendations for any legislative or
20 administrative action that should be taken to
21 improve the achievement of the purposes of this
22 subtitle.

23 **SEC. 755. ANNUAL REPORTS; RECOMMENDATIONS.**

24 (a) ANNUAL REPORT.—Not later than 90 days after
25 the last day of each fiscal year, the Assistant Secretary
26 shall submit to Congress, and publish on the website of

1 the Agency, a report of each activity of the Agency carried
2 out under this subtitle during the fiscal year preceding the
3 date on which the report is submitted.

4 (b) RECOMMENDATIONS.—The Assistant Secretary
5 shall periodically submit to Congress and the President
6 recommendations for legislation or other actions that the
7 Assistant Secretary determines to be necessary or appro-
8 priate to promote the purposes of this subtitle.

9 **SEC. 756. SEPARABILITY.**

10 If a provision of this subtitle, or the application of
11 a provision of this subtitle to any person or circumstance,
12 is held by a court of competent jurisdiction to be invalid,
13 that judgment—

14 (1) shall not affect, impair, or invalidate—

15 (A) any other provision of this subtitle; or

16 (B) the application of this subtitle to any
17 other person or circumstance; and

18 (2) shall be confined in its operation to—

19 (A) the provision of this subtitle with re-
20 spect to which the judgment is rendered; or

21 (B) the application of the provision of this
22 subtitle to each person or circumstance directly
23 involved in the controversy in which the judg-
24 ment is rendered.

1 **SEC. 757. EXECUTIVE ORDER 11625.**

2 The powers and duties of the Agency shall be deter-
3 mined—

4 (1) in accordance with this subtitle and the re-
5 quirements of this subtitle; and

6 (2) without regard to Executive Order 11625
7 (36 Fed Reg. 19967; relating to prescribing addi-
8 tional arrangements for developing and coordinating
9 a national program for minority business enter-
10 prise).

11 **SEC. 758. AMENDMENT TO THE FEDERAL ACQUISITION**
12 **STREAMLINING ACT OF 1994.**

13 Section 7104(e) of the Federal Acquisition Stream-
14 lining Act of 1994 (15 U.S.C. 644a(e)) is amended by
15 striking paragraph (2) and inserting the following:

16 “(2) The Assistant Secretary of Commerce for
17 Minority Business Development.”.

18 **Subtitle B—Other Provisions**

19 **SEC. 761. EMERGENCY GRANTS TO MINORITY BUSINESS EN-**
20 **TERPRISES.**

21 (a) GRANTS DURING THE COVID-19 PANDEMIC.—
22 The Agency shall provide grants to address the needs of
23 minority business enterprises impacted by the COVID-19
24 pandemic.

1 (b) RECIPIENTS.—The Agency may make grants
2 through nonprofit organizations or directly to minority
3 business enterprises.

4 (c) PRIORITY AREAS.—In providing grants pursuant
5 to subsection (a), the Agency shall prioritize providing as-
6 sistance to—

7 (1) minority business enterprises that have been
8 unable to obtain loans from the paycheck protection
9 program under section 7(a)(36) of the Small Busi-
10 ness Act (15 U.S.C. 636(a)(36)) and other programs
11 established under the CARES Act (Public Law 116–
12 136);

13 (2) minority business enterprises located in low-
14 income areas or areas that have been significantly
15 impacted by the COVID–19 pandemic; and

16 (3) minority business enterprises that do not
17 have access to capital and whose business is sub-
18 stantially impaired because of the impact of stay-at-
19 home orders implemented by State and local govern-
20 ments due to the COVID–19 pandemic.

21 (d) TERMS AND CONDITIONS.—

22 (1) IN GENERAL.—The Assistant Secretary
23 shall set such terms and conditions for the grants
24 made under this section as the Assistant Secretary
25 determines appropriate.

1 (2) NOTIFICATION.—No later than 15 days
2 prior to making any grants under this section, the
3 Assistant Secretary shall provide the terms and con-
4 ditions for grants made under this section to the
5 Committee on Banking, Housing, and Urban Affairs
6 of the Senate and the Committee on Financial Serv-
7 ices of the House of Representatives.

8 (e) GAO OVERSIGHT.—Not later than 6 months after
9 the date of enactment of this Act, the Comptroller General
10 of the United States shall provide a report on the effective-
11 ness of the grants made under this section, including the
12 manner in which the Agency implemented the priorities
13 described in subsection (c).

14 (f) AUTHORIZATION OF APPROPRIATIONS.—There
15 are authorized to be appropriated \$3,000,000,000 to carry
16 out this section, to remain available until expended.

17 **TITLE VIII—PROMOTING AND**
18 **ADVANCING COMMUNITIES**
19 **OF COLOR THROUGH INCLU-**
20 **SIVE LENDING**

21 **SEC. 801. SHORT TITLE.**

22 This title may be cited as the “Promoting and Ad-
23 vancing Communities of Color through Inclusive Lending
24 Act”.

1 **SEC. 802. FINDINGS; SENSE OF CONGRESS.**

2 (a) FINDINGS.—The Congress finds the following:

3 (1) The Coronavirus 2019 (COVID–19) pan-
4 demic and the resulting recession have led to—

5 (A) more than 4,800,000 cases and at
6 least 157,000 deaths in the United States as of
7 August 6, 2020;

8 (B) a 7.6 percent increase in the unem-
9 ployment rate from February to June, or ap-
10 proximately 12,000,000 more persons who have
11 lost their job; and

12 (C) an estimated 36 percent of renters and
13 4,100,000 homeowners who are struggling to
14 pay their rent and mortgages.

15 (2) According to the Centers for Disease Con-
16 trol and Prevention, “long-standing systemic health
17 and social inequities have put some members of ra-
18 cial and ethnic minority groups at increased risk of
19 getting COVID–19 or experiencing severe illness”.

20 (3) Minority-owned businesses are also facing
21 more difficult economic circumstances than others as
22 a result of the COVID–19 pandemic. In April 2020,
23 the Federal Reserve Bank of New York reported
24 that minority- and women-owned businesses were
25 not only more likely to show signs of limited finan-
26 cial health, but also twice as likely to be classified

1 as “at risk” or “distressed” than their non-minority
2 counterparts.

3 (4) During the Coronavirus 2019 (COVID–19)
4 pandemic, community development financial institu-
5 tions (in this section referred to as “CDFIs”) and
6 minority depository institutions (in this section re-
7 ferred to as “MDIs”) have delivered needed capital
8 and relief to underserved communities, many of
9 which have borne a disproportionate impact of the
10 COVID–19 pandemic. Through August 8, 2020,
11 CDFIs and MDIs have provided more than
12 \$16,400,000,000 in loans under the Paycheck Pro-
13 tection Program under section 7(a)(36) of the Small
14 Business Act (15 U.S.C. 636(a)(36)) to small busi-
15 nesses with a smaller median loan size of about
16 \$74,000 compared to the overall program median
17 loan size of \$101,000.

18 (5) In addition to establishing relief funds and
19 services for local businesses and individuals experi-
20 encing loss of income, CDFIs and MDIs have pro-
21 vided mortgage forbearances, loan deferments, and
22 modifications to help address the needs of their bor-
23 rowers. CDFIs and MDIs are reaching underserved
24 communities and minority-owned businesses at a
25 critical time.

1 (6) The Community Development Financial In-
2 stitutions Fund (in this section referred to as the
3 “CDFI Fund”) is an agency of the Department of
4 the Treasury and was established by the Community
5 Development Banking and Financial Institutions Act
6 of 1994. The mission of the CDFI Fund is “to ex-
7 pand economic opportunity for underserved people
8 and communities by supporting the growth and ca-
9 pacity of a national network of community develop-
10 ment lenders, investors, and financial service pro-
11 viders”. As of September 15, 2020, there were 1,137
12 certified CDFIs in all 50 States, the District of Co-
13 lumbia, Guam, and the Commonwealth of Puerto
14 Rico.

15 (7) Following the 2008 financial crisis and the
16 disproportionate impact the Great Recession had on
17 minority communities, the number of MDIs that are
18 banks fell more than 30 percent over the following
19 decade, to 143 as of the second quarter of 2020.
20 Meanwhile, MDIs that are credit unions have seen
21 similar declines, with more than one-third of such
22 institutions disappearing since 2013.

23 (b) SENSE OF CONGRESS.—The following is the sense
24 of the Congress:

1 (1) The Department of the Treasury, Board of
2 Governors of the Federal Reserve System, Small
3 Business Administration, Office of the Comptroller
4 of the Currency, Federal Deposit Insurance Cor-
5 poration, National Credit Union Administration, and
6 other Federal agencies should take steps to support,
7 engage with, and utilize MDIs and CDFIs in the
8 near term, especially as they carry out programs to
9 respond to the COVID–19 pandemic, and the long
10 term.

11 (2) The Board of Governors of the Federal Re-
12 serve System should, consistent with its mandates,
13 work to increase lending by MDIs and CDFIs to un-
14 derserved communities, and when appropriate,
15 should work with the Department of the Treasury to
16 increase lending by MDIs and CDFIs to underserved
17 communities.

18 (3) The Department of the Treasury and pru-
19 dential regulators should establish a strategic plan
20 identifying concrete steps that they can take to sup-
21 port existing MDIs, as well as the formation of new
22 MDIs consistent with the goals established in section
23 308 of the Financial Institutions Reform, Recovery,
24 and Enforcement Act of 1989 (12 U.S.C. 1463
25 note) to preserve and promote MDIs.

1 (4) Congress should increase funding and make
2 other enhancements, including those provided by this
3 legislation, to enhance the effectiveness of the CDFI
4 Fund, especially reforms to support minority-owned
5 and minority led CDFIs in times of crisis and be-
6 yond.

7 (5) Congress should conduct robust and ongo-
8 ing oversight of the Department of the Treasury, the
9 CDFI Fund, Federal prudential regulators, the
10 Small Business Administration, and other Federal
11 agencies to ensure they fulfill their obligations under
12 the law as well as implement this title and other
13 laws in a manner that supports and fully utilizes
14 MDIs and community development financial intui-
15 tions, as appropriate.

16 (6) The investments made by the Secretary of
17 the Treasury under this title and the amendments
18 made by this title should be designed to maximize
19 the benefit to low- and moderate-income and minor-
20 ity communities and contemplate losses to capital of
21 the Treasury.

22 **SEC. 803. PURPOSES.**

23 The purposes of this title are to—

24 (1) establish programs to revitalize and provide
25 long-term financial products and service availability

1 for, and provide investments in, low- and moderate-
2 income and minority communities;

3 (2) respond to the unprecedented loss of Black-
4 owned businesses and unemployment; and

5 (3) otherwise enhance the stability, safety and
6 soundness of community development financial insti-
7 tutions that support low- and moderate-income and
8 minority communities.

9 **SEC. 804. CONSIDERATIONS; REQUIREMENTS FOR CREDI-**
10 **TORS.**

11 (a) IN GENERAL.—In exercising the authorities
12 under this title and the amendments made by this title,
13 the Secretary of the Treasury shall take into consider-
14 ation—

15 (1) increasing the availability of affordable
16 credit for consumers, small businesses, and nonprofit
17 organizations, including for projects supporting af-
18 fordable housing, community-serving real estate, and
19 other projects, that provide direct benefits to low-
20 and moderate-income communities, low-income and
21 underserved individuals, and minorities;

22 (2) providing funding to minority-owned or mi-
23 nority-led eligible institutions and other eligible insti-
24 tutions that have a strong track record of serving
25 minority small businesses;

1 (3) protecting and increasing jobs in the United
2 States;

3 (4) increasing the opportunity for small busi-
4 ness, affordable housing and community develop-
5 ment in geographic areas and demographic segments
6 with poverty and high unemployment rates that ex-
7 ceed the average in the United States;

8 (5) ensuring that all low- and moderate-income
9 community financial institutions may apply to par-
10 ticipate in the programs established under this title
11 and the amendments made by this title, without dis-
12 crimination based on geography;

13 (6) providing transparency with respect to use
14 of funds provided under this title and the amend-
15 ments made by this title;

16 (7) promoting and engaging in financial edu-
17 cation to would-be borrowers; and

18 (8) providing funding to eligible institutions
19 that serve consumers, small businesses, and non-
20 profit organizations to support affordable housing,
21 community-serving real estate, and other projects
22 that provide direct benefits to low- and moderate-in-
23 come communities, low-income individuals, and mi-
24 norities directly affected by the COVID-19 pan-
25 demic.

1 (b) REQUIREMENT FOR CREDITORS.—Any creditor
2 participating in a program established under this title or
3 the amendments made by this title shall fully comply with
4 all applicable statutory and regulatory requirements relat-
5 ing to fair lending.

6 **SEC. 805. NEIGHBORHOOD CAPITAL INVESTMENT PRO-**
7 **GRAM.**

8 The Coronavirus Economic Stabilization Act of 2020
9 (15 U.S.C. 9041 et seq.) is amended—

10 (1) in section 4002 (15 U.S.C. 9041)—

11 (A) by redesignating paragraphs (7)
12 through (10) as paragraphs (9) through (12),
13 respectively; and

14 (B) by inserting after paragraph (6) the
15 following:

16 “(7) LOW- AND MODERATE-INCOME COMMU-
17 NITY FINANCIAL INSTITUTION.—The term ‘low- and
18 moderate-income community financial institution’
19 means any financial institution that is—

20 “(A) a community development financial
21 institution, as defined in section 103 of the
22 Community Development Banking and Finan-
23 cial Institutions Act of 1994 (12 U.S.C. 4702);
24 or

25 “(B) a minority depository institution.

1 “(8) MINORITY DEPOSITORY INSTITUTION.—

2 The term ‘minority depository institution’ means—

3 “(A) a depository institution described in
4 section 308(b) of the Financial Institutions Re-
5 form, Recovery, and Enforcement Act of 1989
6 (12 U.S.C. 1463 note);

7 “(B) an entity considered to be a minority
8 depository institution by—

9 “(i) the appropriate Federal banking
10 agency (as defined under section 3 of the
11 Federal Deposit Insurance Act (12 U.S.C.
12 1813); or

13 “(ii) the National Credit Union Ad-
14 ministration, in the case of an insured
15 credit union, as defined in section 101 of
16 the Federal Credit Union Act (12 U.S.C.
17 1752);

18 “(C) an entity listed in the Minority De-
19 pository Institutions List published by the Fed-
20 eral Deposit Insurance Corporation for the Sec-
21 ond Quarter 2020.”;

22 (2) in section 4003 (15 U.S.C. 9042), by add-
23 ing at the end the following:

24 “(i) NEIGHBORHOOD CAPITAL INVESTMENT PRO-
25 GRAM.—

1 “(1) DEFINITIONS.—In this subsection—

2 “(A) the terms ‘community development fi-
3 nancial institution’, ‘insured community devel-
4 opment financial institution’, and ‘minority
5 lending institution’ have the meanings given
6 such terms in section 103 of the Community
7 Development Banking and Financial Institu-
8 tions Act of 1994 (12 U.S.C. 4702);

9 “(B) the term ‘Fund’ means the Commu-
10 nity Development Financial Institutions Fund
11 established under section 104(a) of the Commu-
12 nity Development Banking and Financial Insti-
13 tutions Act of 1994 (12 U.S.C. 4703(a));

14 “(C) the term ‘minority’ means any Black
15 American, Native American, Hispanic Amer-
16 ican, or Asian American;

17 “(D) the term ‘Program’ means the Neigh-
18 borhood Capital Investment Program estab-
19 lished under paragraph (2); and

20 “(E) the term ‘Secretary’ means the Sec-
21 retary of the Treasury.

22 “(2) ESTABLISHMENT.—The Secretary shall es-
23 tablish a Neighborhood Capital Investment Program
24 to support the efforts of low- and moderate-income
25 community financial institutions to, among other

1 things, provide loans and forbearances to small busi-
2 nesses, minority-owned businesses, and consumers,
3 especially in low-income and underserved commu-
4 nities, by providing direct capital investments in low-
5 and moderate-income community financial institu-
6 tions.

7 “(3) APPLICATION.—

8 “(A) ACCEPTANCE.—The Secretary shall
9 begin accepting applications for capital invest-
10 ments under the Program not later than the
11 end of the 30-day period beginning on the date
12 of enactment of this subsection, with priority in
13 distribution given to low- and moderate-income
14 community financial institutions that are mi-
15 nority lending institutions.

16 “(B) REQUIREMENT TO PROVIDE A NEIGH-
17 BORHOOD INVESTMENT LENDING PLAN.—

18 “(i) IN GENERAL.—At the time that
19 an applicant submits an application to the
20 Secretary for a capital investment under
21 the Program, the applicant shall provide
22 the Secretary, along with the appropriate
23 Federal banking agency, an investment
24 and lending plan that—

1 “(I) demonstrates that not less
2 than 30 percent of the lending of the
3 applicant over the past 2 fiscal years
4 was made directly to low- and mod-
5 erate income borrowers, to borrowers
6 that create direct benefits for low- and
7 moderate-income populations, to other
8 targeted populations as defined by the
9 Fund, or any combination thereof, as
10 measured by the total number and
11 dollar amount of loans;

12 “(II) describes how the business
13 strategy and operating goals of the
14 applicant will address community de-
15 velopment needs, including the needs
16 of small businesses, consumers, non-
17 profit organizations, community devel-
18 opment, and other projects providing
19 direct benefits to low- and moderate-
20 income communities, low-income indi-
21 viduals, and minorities within the mi-
22 nority, rural, and urban low-income
23 and underserved areas served by the
24 applicant;

1 the plan described in clause (i) only to the
2 Secretary.

3 “(iii) DOCUMENTATION.—In the case
4 of an applicant that is certified as a com-
5 munity development financial institution as
6 of the date of enactment of this subsection,
7 for purposes of clause (i)(I), the Secretary
8 may rely on documentation submitted the
9 Fund as part of certification compliance
10 reporting.

11 “(4) INCENTIVES TO INCREASE LENDING AND
12 PROVIDE AFFORDABLE CREDIT.—

13 “(A) REQUIREMENTS ON PREFERRED
14 STOCK AND OTHER FINANCIAL INSTRUMENT.—
15 Any financial instrument issued to the Sec-
16 retary by a low- and moderate-income commu-
17 nity financial institution under the Program
18 shall comply with the following requirements:

19 “(i) No dividend, interest or other
20 payment shall exceed 2 percent per annum.

21 “(ii) After the first 24 months after
22 the date of the capital investment under
23 the Program, annual payments may be re-
24 quired, as determined by the Secretary and
25 in accordance with this section, and be ad-

1 justed downward based on the amount of
2 affordable credit provided by the low- and
3 moderate-income community financial in-
4 stitution to borrowers in minority, rural,
5 and urban low-income and underserved
6 communities.

7 “(iii) During any calendar quarter
8 after the initial 24-month period referred
9 to in clause (ii), the annual payment rate
10 of a low- and moderate-income community
11 financial institution shall be adjusted
12 downward to reflect the following schedule,
13 based on lending by the institution relative
14 to the baseline period:

15 “(I) If the institution in the most
16 recent annual period prior to the in-
17 vestment provides significant lending
18 or investment activity in low- or mod-
19 erate-income minority communities,
20 historically disadvantaged borrowers,
21 and to minorities that have significant
22 unmet capital or financial services,
23 the annual payment rate shall not ex-
24 ceed 0.5 percent per annum.

1 “(II) If the amount of lending
2 within minority, rural, and urban low-
3 income and underserved communities
4 and to low- and moderate-income bor-
5 rowers has increased dollar for dollar
6 based on the amount of the capital in-
7 vestment, the annual payment rate
8 shall not exceed 1 percent per annum.

9 “(III) If the amount of lending
10 within minority, rural, and urban low-
11 income and underserved communities
12 and to low- and moderate-income bor-
13 rowers has increased by twice the
14 amount of the capital investment, the
15 annual payment rate shall not exceed
16 0.5 percent per annum.

17 “(B) CONTINGENCY OF PAYMENTS BASED
18 ON CERTAIN FINANCIAL CRITERIA.—

19 “(i) DEFERRAL.—Any annual pay-
20 ments under this subsection shall be de-
21 ferred in any quarter or payment period if
22 any of the following occur:

23 “(I) The low- and moderate-in-
24 come community institution fails to
25 meet the Tier 1 capital ratio or simi-

1 lar ratio as determined by the Sec-
2 retary.

3 “(II) The low- and moderate-in-
4 come community financial institution
5 fails to achieve positive net income for
6 the quarter or payment period.

7 “(III) The low- and moderate-in-
8 come community financial institution
9 determines that the payment would be
10 detrimental to the financial health of
11 the institution.

12 “(ii) TESTING DURING NEXT PAY-
13 MENT PERIOD.—Any deferred annual pay-
14 ment under this subsection shall—

15 “(I) be tested against the metrics
16 described in clause (i) at the begin-
17 ning of the next payment period; and

18 “(II) continue to be deferred
19 until the metrics described in that
20 clause are no longer applicable.

21 “(5) RESTRICTIONS.—

22 “(A) IN GENERAL.—Each low- and mod-
23 erate-income community financial institution
24 may only issue financial instruments or senior

1 preferred stock under this subsection with an
2 aggregate principal amount that is—

3 “(i) not more than 15 percent of risk-
4 weighted assets for an institution with as-
5 sets of more than \$2,000,000,000;

6 “(ii) not more than 25 percent of
7 risk-weighted assets for an institution with
8 assets of not less than \$500,000,000 and
9 not more than \$2,000,000,000; and

10 “(iii) not more than 30 percent of
11 risk-weighted assets for an institution with
12 assets of less than \$500,000,000.

13 “(B) HOLDING OF INSTRUMENTS.—Hold-
14 ing any instrument of a low- and moderate-in-
15 come community financial institution described
16 in subparagraph (A) shall not give the Sec-
17 retary or any successor that owns the instru-
18 ment any rights over the management of the in-
19 stitution.

20 “(C) SALE OF INTEREST.—With respect to
21 a capital investment made into a low- and mod-
22 erate-income community financial institution
23 under this subsection, the Secretary—

24 “(i) except as provided in clause (iv),
25 during the 10-year period beginning on the

1 date of the investment, may not sell the in-
2 terest of the Secretary in the capital in-
3 vestment to a third party;

4 “(ii) shall provide the low- and mod-
5 erate-income community financial institu-
6 tion a right of first refusal to buy back the
7 investment under terms that do not exceed
8 a value as determined by an independent
9 third party; and

10 “(iii) may not sell more than a 5 per-
11 cent ownership interest in the capital in-
12 vestment to a single third party; and

13 “(iv) with the permission of the insti-
14 tution, may gift or sell the interest of the
15 Secretary in the capital investment for a
16 de minimis amount to a mission aligned
17 nonprofit affiliate of an applicant that is
18 an insured community development finan-
19 cial institution.

20 “(v) CALCULATION OF OWNERSHIP
21 FOR MINORITY DEPOSITORY INSTITU-
22 TIONS.—The calculation and determination
23 of ownership thresholds for a depository
24 institution to qualify as a minority deposi-
25 tory institution shall exclude any dilutive

1 effect of equity investments by the Federal
2 Government, including under the Program
3 or through the Fund.

4 “(6) AVAILABLE AMOUNTS.—In carrying out
5 the Program, the Secretary shall use not more than
6 \$13,000,000,000, from amounts appropriated under
7 section 4027, and shall use not less than
8 \$7,000,000,000 of such amount for direct capital in-
9 vestments under the Program.

10 “(7) TREATMENT OF CAPITAL INVESTMENTS.—
11 In making any capital investment under the Pro-
12 gram, the Secretary shall ensure that the terms of
13 the investment are designed to ensure the invest-
14 ment receives Tier 1 capital treatment.

15 “(8) OUTREACH TO MINORITIES.—The Sec-
16 retary shall require low- and moderate-income com-
17 munity financial institutions receiving capital invest-
18 ments under the Program to provide linguistically
19 and culturally appropriate outreach and advertising
20 describing the availability and application process of
21 receiving loans made possible by the Program
22 through organizations, trade associations, and indi-
23 viduals that represent or work within or are mem-
24 bers of minority communities.

25 “(9) RESTRICTIONS.—

1 “(A) IN GENERAL.—Not later than the
2 end of the 30-day period beginning on the date
3 of enactment of this subsection, the Secretary
4 shall issue rules setting restrictions on executive
5 compensation, share buybacks, and dividend
6 payments for recipients of capital investments
7 under the Program.

8 “(B) RULE OF CONSTRUCTION.—The pro-
9 visions of section 4019 apply to investments
10 made under the Program.

11 “(10) TERMINATION OF INVESTMENT AUTHOR-
12 ITY.—The authority to make capital investments in
13 low- and moderate-income community financial insti-
14 tutions, including commitments to purchase pre-
15 ferred stock or other instruments, provided under
16 the Program shall terminate on the date that is 36
17 months after the date of enactment of this sub-
18 section.

19 “(11) COLLECTION OF DATA.—Notwithstanding
20 the Equal Credit Opportunity Act (15 U.S.C. 1691
21 et seq.)—

22 “(A) any low- and moderate-income com-
23 munity financial institution may collect data de-
24 scribed in section 701(a)(1) of that Act (15
25 U.S.C. 1691(a)(1)) from borrowers and appli-

1 cants for credit for the purpose of monitoring
2 compliance under the plan required under para-
3 graph (4)(B); and

4 “(B) a low- and moderate-income commu-
5 nity financial institution that collects the data
6 described in subparagraph (A) shall not be sub-
7 ject to adverse action related to that collection
8 by the Bureau of Consumer Financial Protec-
9 tion or any other Federal agency.

10 “(12) DEPOSIT OF FUNDS.—All funds received
11 by the Secretary in connection with purchases made
12 pursuant this subsection, including interest pay-
13 ments, dividend payments, and proceeds from the
14 sale of any financial instrument, shall be deposited
15 into the Fund and used to provide financial and
16 technical assistance pursuant to section 108 of the
17 Community Development and Banking and Finan-
18 cial Institutions Act of 1994 (12 U.S.C. 4707), ex-
19 cept that subsection (e) of that section shall be
20 waived.

21 “(13) EQUITY EQUIVALENT INVESTMENT OP-
22 TION.—

23 “(A) IN GENERAL.—The Secretary shall
24 establish an Equity Equivalent Investment Op-
25 tion, under which, with respect to a specific in-

1 vestment in a low- and moderate-income com-
2 munity financial institution—

3 “(i) 80 percent of such investment is
4 made by the Secretary under the Program;
5 and

6 “(ii) 20 percent of such investment if
7 made by a banking institution.

8 “(B) REQUIREMENT TO FOLLOW SIMILAR
9 TERMS AND CONDITIONS.—The terms and con-
10 ditions applicable to investments made by the
11 Secretary under the Program shall apply to any
12 investment made by a banking institution under
13 this paragraph.

14 “(C) LIMITATIONS.—The amount of a spe-
15 cific investment described under subparagraph
16 (A) may not exceed \$10,000,000, but the re-
17 ceipt of an investment under subparagraph (A)
18 shall not preclude the recipient from being eligi-
19 ble for other assistance under the Program.

20 “(D) BANKING INSTITUTION DEFINED.—
21 In this paragraph, the term ‘banking institu-
22 tion’ means any entity with respect to which
23 there is an appropriate Federal banking agency
24 under section 3 of the Federal Deposit Insur-
25 ance Act (12 U.S.C. 1813).

1 “(j) APPLICATION OF THE MILITARY LENDING
2 ACT.—

3 “(1) IN GENERAL.—No low- and moderate-in-
4 come community financial institution that receives
5 an equity investment under subsection (i) shall, for
6 so long as the investment or participation continues,
7 make any loan at an annualized percentage rate
8 above 36 percent, as determined in accordance with
9 section 987(b) of title 10, United States Code (com-
10 monly known as the ‘Military Lending Act’).

11 “(2) NO EXEMPTIONS PERMITTED.—The ex-
12 emption authority of the Bureau of Consumer Fi-
13 nancial Protection under section 105(f) of the Truth
14 in Lending Act (15 U.S.C. 1604(f)) shall not apply
15 with respect to this subsection.”.

16 **SEC. 806. EMERGENCY SUPPORT FOR CDFIS AND COMMU-**
17 **NITIES.**

18 (a) AUTHORIZATION OF APPROPRIATIONS.—There is
19 authorized to be appropriated to the Fund \$2,000,000,000
20 for fiscal year 2021, for providing financial assistance and
21 technical assistance under subparagraphs (A) and (B) of
22 section 108(a)(1) of the Community Development Bank-
23 ing and Financial Institutions Act of 1994 (12 U.S.C.
24 4707(a)(1)), except that subsections (d) and (e) of such
25 section 108 shall not apply to the provision of such assist-

1 ance, for the Bank Enterprise Award program, and for
2 financial assistance, technical assistance, training, and
3 outreach programs designed to benefit Native American,
4 Native Hawaiian, and Alaska Native communities and
5 provided primarily through qualified community develop-
6 ment lender organizations with experience and expertise
7 in community development banking and lending in Indian
8 country, Native American organizations, Tribes and Trib-
9 al organizations, and other suitable providers.

10 (b) SET ASIDES.—Of the amounts appropriated pur-
11 suant to the authorization under subsection (a), the fol-
12 lowing amounts shall be set aside:

13 (1) Up to \$400,000,000, to remain available
14 until expended, to provide grants to CDFIs—

15 (A) to expand lending or investment activ-
16 ity in low- or moderate-income minority commu-
17 nities and to minorities that have significant
18 unmet capital or financial services needs, of
19 which not less than \$10,000,000 may be for
20 grants to benefit Native American, Native Ha-
21 waiian, and Alaska Native communities; and

22 (B) using a formula that takes into ac-
23 count criteria such as certification status, finan-
24 cial and compliance performance, portfolio and
25 balance sheet strength, a diversity of CDFI

1 business model types, and program capacity, as
2 well as experience making loans and invest-
3 ments to those areas and populations identified
4 in this paragraph.

5 (2) Up to \$160,000,000, to remain available
6 until expended, for technical assistance, technology,
7 and training under sections 108(a)(1)(B) and 109,
8 respectively, of the Community Development Bank-
9 ing and Financial Institutions Act of 1994 (12
10 U.S.C. 4707(a)(1)(B), 4708), with a preference for
11 minority lending institutions.

12 (3) Up to \$800,000,000, to remain available
13 until expended, shall be for providing financial as-
14 sistance, technical assistance, awards, training, and
15 outreach programs described under subsection (a) to
16 recipients that are minority lending institutions.

17 (c) ADMINISTRATIVE EXPENSES.—Funds appro-
18 priated pursuant to the authorization under subsection (a)
19 may be used for administrative expenses, including admin-
20 istration of Fund programs and the New Markets Tax
21 Credit Program under section 45D of the Internal Rev-
22 enue Code of 1986.

23 (d) DEFINITIONS.—In this section:

24 (1) CDFI.—The term “CDFI” means a com-
25 munity development financial institution, as defined

1 in section 103 of the Community Development
2 Banking and Financial Institutions Act of 1994 (12
3 U.S.C. 4702).

4 (2) FUND.—The term “Fund” means the Com-
5 munity Development Financial Institutions Fund es-
6 tablished under section 104(a) of the Community
7 Development Banking and Financial Institutions Act
8 of 1994 (12 U.S.C. 4703(a)).

9 (3) MINORITY; MINORITY LENDING INSTITU-
10 TION.—The terms “minority” and “minority lending
11 institution” have the meanings given those terms
12 under section 103 of the Community Development
13 Banking and Financial Institutions Act of 1994 (12
14 U.S.C. 4702), as amended by section 809 of this
15 Act.

16 **SEC. 807. ENSURING DIVERSITY IN COMMUNITY BANKING.**

17 (a) SENSE OF CONGRESS ON FUNDING THE LOAN-
18 LOSS RESERVE FUND FOR SMALL DOLLAR LOANS.—The
19 sense of Congress is the following:

20 (1) The Community Development Financial In-
21 stitutions Fund (in this subsection referred to as the
22 “CDFI Fund”) is an agency of the Department of
23 the Treasury, and was established by the Commu-
24 nity Development Banking and Financial Institu-
25 tions of 1994. The mission of the CDFI Fund is “to

1 expand economic opportunity for underserved people
2 and communities by supporting the growth and ca-
3 pacity of a national network of community develop-
4 ment lenders, investors, and financial service pro-
5 viders”. A community development financial institu-
6 tion (in this subsection referred to as a “CDFI”) is
7 a specialized financial institution serving low-income
8 communities and a Community Development Entity
9 (in this subsection referred to as a “CDE”) is a do-
10 mestic corporation or partnership that is an inter-
11 mediary vehicle for the provision of loans, invest-
12 ments, or financial counseling in low-income commu-
13 nities. The CDFI Fund certifies CDFIs and CDEs.
14 Becoming a certified CDFI or CDE allows organiza-
15 tions to participate in various CDFI Fund programs
16 as follows:

17 (A) The Bank Enterprise Award Program,
18 which provides FDIC-insured depository institu-
19 tions awards for a demonstrated increase in
20 lending and investments in distressed commu-
21 nities and CDFIs.

22 (B) The CDFI Program, which provides
23 Financial and Technical Assistance awards to
24 CDFIs to reinvest in the CDFI, and to build

1 the capacity of the CDFI, including financing
2 product development and loan loss reserves.

3 (C) The Native American CDFI Assistance
4 Program, which provides CDFIs and spon-
5 soring entities Financial and Technical Assist-
6 ance awards to increase lending and grow the
7 number of CDFIs owned by Native Americans
8 to help build capacity of such CDFIs.

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

13 (E) The Capital Magnet Fund, which pro-
14 vides awards to CDFIs and nonprofit affordable
15 housing organizations to finance affordable
16 housing solutions and related economic develop-
17 ment activities.

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

22 (2) The Department of the Treasury is author-
23 ized to create multi-year grant programs designed to
24 encourage low-to-moderate income individuals to es-
25 tablish accounts at federally insured banks, and to

1 improve low-to-moderate income individuals' access
2 to such accounts on reasonable terms.

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

17 (4) Program participation is restricted to eligi-
18 ble institutions, which are limited to organizations
19 listed in section 501(c)(3) of the Internal Revenue
20 Code of 1986 and exempt from tax under 501(a) of
21 such Code, federally insured depository institutions,
22 community development financial institutions and
23 State, local, or Tribal government entities.

24 (5) Since its founding, the CDFI Fund has
25 awarded over \$3,300,000,000 to CDFIs and CDEs

1 and has allocated \$54,000,000,000 in tax credits
2 and \$1,510,000,000 in bond guarantees. According
3 to the CDFI Fund, some programs attract as much
4 as \$10 in private capital for every \$1 invested by the
5 CDFI Fund. The Administration and the Congress
6 should prioritize appropriation of funds for the loan
7 loss reserve fund and technical assistance programs
8 administered by the Community Development Finan-
9 cial Institution Fund.

10 (b) DEFINITIONS.—In this section:

11 (1) COMMUNITY DEVELOPMENT FINANCIAL IN-
12 STITUTION.—The term “community development fi-
13 nancial institution” has the meaning given under
14 section 103 of the Community Development Banking
15 and Financial Institutions Act of 1994 (12 U.S.C.
16 4702).

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

22 (c) ESTABLISHMENT OF IMPACT BANK DESIGNA-
23 TION.—

24 (1) IN GENERAL.—Each Federal banking agen-
25 cy shall establish a program under which a deposi-

1 tory institution with total consolidated assets of less
2 than \$10,000,000,000 may elect to be designated as
3 an impact bank if the total dollar value of the loans
4 extended by such depository institution to low-in-
5 come borrowers is greater than or equal to 50 per-
6 cent of the assets of such bank.

7 (2) NOTIFICATION OF ELIGIBILITY.—Based on
8 data obtained through examinations of depository in-
9 stitutions, the appropriate Federal banking agency
10 shall notify a depository institution if the institution
11 is eligible to be designated as an impact bank.

12 (3) APPLICATION.—Regardless of whether or
13 not it has received a notice of eligibility under para-
14 graph (2), a depository institution may submit an
15 application to the appropriate Federal banking agen-
16 cy—

17 (A) requesting to be designated as an im-
18 pact bank; and

19 (B) demonstrating that the depository in-
20 stitution meets the applicable qualifications.

21 (4) LIMITATION ON ADDITIONAL DATA RE-
22 QUIREMENTS.—The Federal banking agencies may
23 only impose additional data collection requirements
24 on a depository institution under this subsection if
25 such data is—

1 (A) necessary to process an application
2 submitted by the depository institution to be
3 designated an impact bank; or

4 (B) with respect to a depository institution
5 that is designated as an impact bank, necessary
6 to ensure the depository institution's ongoing
7 qualifications to maintain such designation.

8 (5) REMOVAL OF DESIGNATION.—If the appro-
9 priate Federal banking agency determines that a de-
10 pository institution designated as an impact bank no
11 longer meets the criteria for such designation, the
12 appropriate Federal banking agency shall rescind
13 the designation and notify the depository institution
14 of such rescission.

15 (6) RECONSIDERATION OF DESIGNATION; AP-
16 PEALS.—Under such procedures as the Federal
17 banking agencies may establish, a depository institu-
18 tion may—

19 (A) submit to the appropriate Federal
20 banking agency a request to reconsider a deter-
21 mination that such depository institution no
22 longer meets the criteria for the designation; or

23 (B) file an appeal of such determination.

24 (7) RULEMAKING.—Not later than 1 year after
25 the date of the enactment of this Act, the Federal

1 banking agencies shall jointly issue rules to carry
2 out the requirements of this subsection, including by
3 providing a definition of a low-income borrower.

4 (8) REPORTS.—Each Federal banking agency
5 shall submit an annual report to the Congress con-
6 taining a description of actions taken to carry out
7 this subsection.

8 (9) FEDERAL DEPOSIT INSURANCE ACT DEFINI-
9 TIONS.—In this subsection, the terms “depository
10 institution”, “appropriate Federal banking agency”,
11 and “Federal banking agency” have the meanings
12 given such terms, respectively, in section 3 of the
13 Federal Deposit Insurance Act (12 U.S.C. 1813).

14 (d) MINORITY DEPOSITORIES ADVISORY COMMIT-
15 TEES.—

16 (1) ESTABLISHMENT.—Each covered regulator
17 shall establish an advisory committee to be called the
18 “Minority Depositories Advisory Committee”.

19 (2) DUTIES.—Each Minority Depositories Advi-
20 sory Committee shall provide advice to the respective
21 covered regulator on meeting the goals established
22 by section 308 of the Financial Institutions Reform,
23 Recovery, and Enforcement Act of 1989 (12 U.S.C.
24 1463 note) to preserve the present number of cov-
25 ered minority institutions, preserve the minority

1 character of minority-owned institutions in cases in-
2 volving mergers or acquisitions, provide technical as-
3 sistance, and encourage the creation of new covered
4 minority institutions. The scope of the work of each
5 such Minority Depositories Advisory Committee shall
6 include an assessment of the current condition of
7 covered minority institutions, what regulatory
8 changes or other steps the respective agencies may
9 be able to take to fulfill the requirements of such
10 section 308, and other issues of concern to covered
11 minority institutions.

12 (3) MEMBERSHIP.—

13 (A) IN GENERAL.—Each Minority Deposi-
14 tories Advisory Committee shall consist of no
15 more than 10 members, who—

16 (i) shall serve for one two-year term;

17 (ii) shall serve as a representative of
18 a depository institution or an insured cred-
19 it union with respect to which the respec-
20 tive covered regulator is the covered regu-
21 lator of such depository institution or in-
22 sured credit union; and

23 (iii) shall not receive pay by reason of
24 their service on the advisory committee,
25 but may receive travel or transportation

1 expenses in accordance with section 5703
2 of title 5, United States Code.

3 (B) DIVERSITY.—To the extent prac-
4 ticable, each covered regulator shall ensure that
5 the members of the Minority Depositories Advi-
6 sory Committee of such agency reflect the di-
7 versity of covered minority institutions.

8 (4) MEETINGS.—

9 (A) IN GENERAL.—Each Minority Deposi-
10 tories Advisory Committee shall meet not less
11 frequently than twice each year.

12 (B) NOTICE AND INVITATIONS.—Each Mi-
13 nority Depositories Advisory Committee shall—

14 (i) notify the Committee on Financial
15 Services of the House of Representatives
16 and the Committee on Banking, Housing,
17 and Urban Affairs of the Senate in ad-
18 vance of each meeting of the Minority De-
19 positories Advisory Committee; and

20 (ii) invite the attendance at each
21 meeting of the Minority Depositories Advi-
22 sory Committee of—

23 (I) one member of the majority
24 party and one member of the minority
25 party of the Committee on Financial

1 Services of the House of Representa-
2 tives and the Committee on Banking,
3 Housing, and Urban Affairs of the
4 Senate; and

5 (II) one member of the majority
6 party and one member of the minority
7 party of any relevant subcommittees
8 of such committees.

9 (5) NO TERMINATION OF ADVISORY COMMIT-
10 TEES.—The termination requirements under section
11 14 of the Federal Advisory Committee Act (5 U.S.C.
12 App.) shall not apply to a Minority Depositories Ad-
13 visory Committee established pursuant to this sub-
14 section.

15 (6) DEFINITIONS.—In this subsection:

16 (A) COVERED REGULATOR.—The term
17 “covered regulator” means the Comptroller of
18 the Currency, the Board of Governors of the
19 Federal Reserve System, the Federal Deposit
20 Insurance Corporation, and the National Credit
21 Union Administration.

22 (B) COVERED MINORITY INSTITUTION.—
23 The term “covered minority institution” means
24 a minority depository institution (as defined in
25 section 308(b) of the Financial Institutions Re-

1 form, Recovery, and Enforcement Act of 1989
2 (12 U.S.C. 1463 note)).

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

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

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

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

22 (e) FEDERAL DEPOSITS IN MINORITY DEPOSITORY
23 INSTITUTIONS.—

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

4 (A) by adding at the end the following new
5 subsection:

6 “(d) FEDERAL DEPOSITS.—The Secretary of the
7 Treasury shall ensure that deposits made by Federal agen-
8 cies in minority depository institutions and impact banks
9 are collateralized or insured, as determined by the Sec-
10 retary. Such deposits shall include reciprocal deposits as
11 defined in section 337.6(e)(2)(v) of title 12, Code of Fed-
12 eral Regulations (as in effect on March 6, 2019).”; and

13 (B) in subsection (b), as amended by sub-
14 section (d)(7) of this section, by adding at the
15 end the following new paragraph:

16 “(4) IMPACT BANK.—The term ‘impact bank’
17 means a depository institution designated by the ap-
18 propriate Federal banking agency pursuant to sec-
19 tion 807(c) of the Promoting and Advancing Com-
20 munities of Color through Inclusive Lending Act.”.

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

1 (A) in the matter preceding paragraph (1),
2 by striking “section—” and inserting “sec-
3 tion:”; and

4 (B) in the paragraph heading for para-
5 graph (1), by striking “FINANCIAL” and insert-
6 ing “DEPOSITORY”.

7 (f) MINORITY BANK DEPOSIT PROGRAM.—

8 (1) IN GENERAL.—Section 1204 of the Finan-
9 cial Institutions Reform, Recovery, and Enforcement
10 Act of 1989 (12 U.S.C. 1811 note) is amended to
11 read as follows:

12 **“SEC. 1204. EXPANSION OF USE OF MINORITY DEPOSITORY**
13 **INSTITUTIONS.**

14 “(a) MINORITY BANK DEPOSIT PROGRAM.—

15 “(1) ESTABLISHMENT.—There is established a
16 program to be known as the ‘Minority Bank Deposit
17 Program’ to expand the use of minority depository
18 institutions.

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

22 “(A) on application by a depository institu-
23 tion or credit union, certify whether such depos-
24 itory institution or credit union is a minority
25 depository institution;

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

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

7 “(i) all Federal departments and
8 agencies;

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

11 “(iii) interested private sector compa-
12 nies.

13 “(3) INCLUSION OF CERTAIN ENTITIES ON
14 LIST.—A depository institution or credit union that,
15 on the date of the enactment of the Promoting and
16 Advancing Communities of Color through Inclusive
17 Lending Act, has a current certification from the
18 Secretary of the Treasury stating that such depository
19 institution or credit union is a minority depository
20 institution shall be included on the list de-
21 scribed under paragraph (2)(B).

22 “(b) EXPANDED USE AMONG FEDERAL DEPART-
23 MENTS AND AGENCIES.—

24 “(1) IN GENERAL.—Not later than 1 year after
25 the establishment of the program described in sub-

1 section (a), the head of each Federal department or
2 agency shall develop and implement standards and
3 procedures to prioritize, to the maximum extent possible
4 as permitted by law and consistent with principles of sound financial management, the use of minority
5 depository institutions to hold the deposits of
6 each such department or agency.

8 “(2) REPORT TO CONGRESS.—Not later than 2
9 years after the establishment of the program described
10 in subsection (a), and annually thereafter, the head of each Federal department or agency shall
11 submit to Congress a report on the actions taken to
12 increase the use of minority depository institutions
13 to hold the deposits of each such department or
14 agency.

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

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

20 “(2) DEPOSITORY INSTITUTION.—The term ‘depository
21 institution’ has the meaning given that term
22 in section 3 of the Federal Deposit Insurance Act
23 (12 U.S.C. 1813).
24

1 “(3) MINORITY DEPOSITORY INSTITUTION.—
2 The term ‘minority depository institution’ has the
3 meaning given that term under section 308 of this
4 Act.”.

5 (2) CONFORMING AMENDMENTS.—The fol-
6 lowing provisions are amended by inserting “, as in
7 effect on the day before the date of enactment of the
8 Promoting and Advancing Communities of Color
9 through Inclusive Lending Act” after “section
10 1204(e)(3) of the Financial Institutions Reform, Re-
11 covery, and Enforcement Act of 1989”:

12 (A) Section 808(b)(3) of the Community
13 Reinvestment Act of 1977 (12 U.S.C.
14 2907(b)(3)).

15 (B) Section 40(g)(1)(B) of the Federal De-
16 posit Insurance Act (12 U.S.C.
17 1831q(g)(1)(B)).

18 (C) Section 704B(h)(4) of the Equal Cred-
19 it Opportunity Act (15 U.S.C. 1691c-2(h)(4)).

20 (g) DIVERSITY REPORT AND BEST PRACTICES.—

21 (1) ANNUAL REPORT.—Each covered regulator
22 shall submit to Congress an annual report on diver-
23 sity including the following:

24 (A) Data, based on voluntary self-identi-
25 fication, on the racial, ethnic, and gender com-

1 position of the examiners of each covered regu-
2 lator, disaggregated by length of time served as
3 an examiner.

4 (B) The status of any examiners of cov-
5 ered regulators, based on voluntary self-identi-
6 fication, as a veteran.

7 (C) Whether any covered regulator, as of
8 the date on which the report required under
9 this section is submitted, has adopted a policy,
10 plan, or strategy to promote racial, ethnic, and
11 gender diversity among examiners of the cov-
12 ered regulator.

13 (D) Whether any special training is devel-
14 oped and provided for examiners related specifi-
15 cally to working with depository institutions
16 and credit unions that serve communities that
17 are predominantly minorities, low income, or
18 rural, and the key focus of such training.

19 (2) BEST PRACTICES.—Each Office of Minority
20 and Women Inclusion of a covered regulator shall
21 develop, provide to the head of the covered regulator,
22 and make publicly available best practices—

23 (A) for increasing the diversity of can-
24 didates applying for examiner positions, includ-
25 ing through outreach efforts to recruit diverse

1 candidates to apply for entry-level examiner po-
2 sitions; and

3 (B) for retaining and providing fair consid-
4 eration for promotions within the examiner
5 staff for purposes of achieving diversity among
6 examiners.

7 (3) COVERED REGULATOR DEFINED.—In this
8 subsection, the term “covered regulator” means the
9 Comptroller of the Currency, the Board of Gov-
10 ernors of the Federal Reserve System, the Federal
11 Deposit Insurance Corporation, and the National
12 Credit Union Administration.

13 (h) INVESTMENTS IN MINORITY DEPOSITORY INSTI-
14 TUTIONS AND IMPACT BANKS.—

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

19 “(B) ‘control’ means the power, directly or indi-
20 rectly—

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

23 “(ii)(I) to vote 25 per centum or more of
24 any class of voting securities of an insured de-
25 pository institution; or

1 “(II) with respect to an insured depository
2 institution that is an impact bank (as des-
3 ignated pursuant to section 807(c) of the Pro-
4 moting and Advancing Communities of Color
5 through Inclusive Lending Act) or a minority
6 depository institution (as defined in section
7 308(b) of the Financial Institutions Reform,
8 Recovery, and Enforcement Act of 1989 (12
9 U.S.C. 1463 note)), of an individual to vote 30
10 percent or more of any class of voting securities
11 of such an impact bank or a minority deposi-
12 tory institution.”.

13 (2) RULEMAKING.—The Federal banking agen-
14 cies (as defined in section 3 of the Federal Deposit
15 Insurance Act (12 U.S.C. 1813)) shall jointly issue
16 rules for de novo minority depository institutions to
17 allow 3 years to meet the capital requirements other-
18 wise applicable to minority depository institutions
19 (as defined in section 308(b) of the Financial Insti-
20 tutions Reform, Recovery, and Enforcement Act of
21 1989 (12 U.S.C. 1463 note)).

22 (3) REPORT.—Not later than 1 year after the
23 date of the enactment of this Act, the Federal bank-
24 ing agencies shall jointly submit to Congress a re-
25 port on—

1 (A) the principal causes for the low num-
2 ber of de novo minority depository institutions
3 during the 10-year period preceding the date of
4 the report;

5 (B) the main challenges to the creation of
6 de novo minority depository institutions; and

7 (C) regulatory and legislative consider-
8 ations to promote the establishment of de novo
9 minority depository institutions.

10 (i) REPORT ON COVERED MENTOR-PROTEGE PRO-
11 GRAMS.—

12 (1) REPORT.—Not later than 6 months after
13 the date of the enactment of this Act and annually
14 thereafter, the Secretary of the Treasury shall sub-
15 mit to Congress a report on participants in a cov-
16 ered mentor-protege program, including—

17 (A) an analysis of outcomes of such pro-
18 gram;

19 (B) the number of minority depository in-
20 stitutions that are eligible to participate in such
21 program but do not have large financial institu-
22 tion mentors; and

23 (C) recommendations for how to match
24 such minority depository institutions with large
25 financial institution mentors.

1 (2) DEFINITIONS.—In this subsection:

2 (A) COVERED MENTOR-PROTEGE PRO-
3 GRAM.—The term “covered mentor-protege pro-
4 gram” means a mentor-protege program estab-
5 lished by the Secretary of the Treasury pursu-
6 ant to section 45 of the Small Business Act (15
7 U.S.C. 657r).

8 (B) LARGE FINANCIAL INSTITUTION.—The
9 term “large financial institution” means any
10 entity—

11 (i) regulated by the Comptroller of the
12 Currency, the Board of Governors of the
13 Federal Reserve System, the Federal De-
14 posit Insurance Corporation, or the Na-
15 tional Credit Union Administration; and

16 (ii) that has total consolidated assets
17 greater than or equal to \$50,000,000,000.

18 (C) MINORITY DEPOSITORY INSTITU-
19 TION.—The term “minority depository institu-
20 tion” has the meaning given the term in section
21 308(b) of the Financial Institutions Reform,
22 Recovery, and Enforcement Act of 1989 (12
23 U.S.C. 1463 note).

1 (j) CUSTODIAL DEPOSIT PROGRAM FOR COVERED
2 MINORITY DEPOSITORY INSTITUTIONS AND IMPACT
3 BANKS.—

4 (1) IN GENERAL.—Not later than 1 year after
5 the date of the enactment of this Act, the Secretary
6 of the Treasury shall issue rules establishing a cus-
7 todial deposit program under which a covered bank
8 may receive deposits from a qualifying account.

9 (2) REQUIREMENTS.—In issuing rules under
10 paragraph (1), the Secretary of the Treasury shall—

11 (A) consult with the Federal banking agen-
12 cies;

13 (B) ensure each covered bank participating
14 in the program established under this sub-
15 section—

16 (i) has appropriate policies relating to
17 management of assets, including measures
18 to ensure the safety and soundness of each
19 such covered bank; and

20 (ii) is compliant with applicable law;
21 and

22 (C) ensure, to the extent practicable, that
23 the rules do not conflict with goals described in
24 section 308(a) of the Financial Institutions Re-

1 form, Recovery, and Enforcement Act of 1989
2 (12 U.S.C. 1463 note).

3 (3) LIMITATIONS.—

4 (A) DEPOSITS.—With respect to the funds
5 of an individual qualifying account, an entity
6 may not deposit an amount greater than the in-
7 sured amount in a single covered bank.

8 (B) TOTAL DEPOSITS.—The total amount
9 of funds deposited in a covered bank under the
10 custodial deposit program described under this
11 subsection may not exceed the lesser of—

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

15 (ii) \$100,000,000 (as adjusted for in-
16 flation).

17 (4) REPORT.—Each quarter, the Secretary of
18 the Treasury shall submit to Congress a report on
19 the implementation of the program established under
20 this subsection, including information identifying
21 participating covered banks and the total amount of
22 deposits received by covered banks under the pro-
23 gram.

24 (5) DEFINITIONS.—In this subsection:

1 (A) APPROPRIATE FEDERAL BANKING
2 AGENCY; FEDERAL BANKING AGENCY.—The
3 terms “appropriate Federal banking agency”
4 and “Federal banking agencies” have the mean-
5 ings given those terms in section 3 of the Fed-
6 eral Deposit Insurance Act (12 U.S.C. 1813).

7 (B) COVERED BANK.—The term “covered
8 bank” means—

9 (i) a minority depository institution
10 that is well capitalized, as defined by the
11 appropriate Federal banking agency; or

12 (ii) a depository institution designated
13 pursuant to subsection (c) that is well cap-
14 italized, as defined by the appropriate Fed-
15 eral banking agency.

16 (C) INSURED AMOUNT.—The term “in-
17 sured amount” means the amount that is the
18 greater of—

19 (i) the standard maximum deposit in-
20 surance amount (as defined in section
21 11(a)(1)(E) of the Federal Deposit Insur-
22 ance Act (12 U.S.C. 1821(a)(1)(E))); or

23 (ii) such higher amount negotiated be-
24 tween the Secretary of the Treasury and
25 the Federal Deposit Insurance Corporation

1 under which the Corporation will insure all
2 deposits of such higher amount.

3 (D) MINORITY DEPOSITORY INSTITU-
4 TION.—The term “minority depository institu-
5 tion” has the meaning given the term in section
6 308(b) of the Financial Institutions Reform,
7 Recovery, and Enforcement Act of 1989 (12
8 U.S.C. 1463 note).

9 (E) QUALIFYING ACCOUNT.—The term
10 “qualifying account” means any account estab-
11 lished in the Department of the Treasury
12 that—

13 (i) is controlled by the Secretary; and
14 (ii) is expected to maintain a balance
15 greater than \$200,000,000 for the fol-
16 lowing 24-month period.

17 (k) STREAMLINED COMMUNITY DEVELOPMENT FI-
18 NANCIAL INSTITUTION APPLICATIONS AND REPORTING.—

19 (1) APPLICATION PROCESSES.—Not later than
20 12 months after the date of the enactment of this
21 Act and with respect to any person having assets
22 under \$3,000,000,000 that submits an application
23 for deposit insurance with the Federal Deposit In-
24 surance Corporation that could also become a com-
25 munity development financial institution (as defined

1 in section 103 of the Community Development
2 Banking and Financial Institutions Act of 1994 (12
3 U.S.C. 4702)), the Federal Deposit Insurance Cor-
4 poration, in consultation with the Administrator of
5 the Community Development Financial Institutions
6 Fund, shall—

7 (A) develop systems and procedures to
8 record necessary information to allow the Ad-
9 ministrator to conduct preliminary analysis for
10 such person to also become a community devel-
11 opment financial institution; and

12 (B) develop procedures to streamline the
13 application and annual certification processes
14 and to reduce costs for such person to become,
15 and maintain certification as, a community de-
16 velopment financial institution.

17 (2) IMPLEMENTATION REPORT.—Not later than
18 18 months after the date of the enactment of this
19 Act, the Federal Deposit Insurance Corporation
20 shall submit to Congress a report describing the sys-
21 tems and procedures required under paragraph (1).

22 (3) ANNUAL REPORT.—

23 (A) IN GENERAL.—Section 17(a)(1) of the
24 Federal Deposit Insurance Act (12 U.S.C.
25 1827(a)(1)) is amended—

1 (i) in subparagraph (E), by striking
2 “and” at the end;

3 (ii) by redesignating subparagraph
4 (F) as subparagraph (G);

5 (iii) by inserting after subparagraph
6 (E) the following new subparagraph:

7 “(F) applicants for deposit insurance that
8 could also become a community development fi-
9 nancial institution (as defined in section 103 of
10 the Community Development Banking and Fi-
11 nancial Institutions Act of 1994 (12 U.S.C.
12 4702)), a minority depository institution (as de-
13 fined in section 308 of the Financial Institu-
14 tions Reform, Recovery, and Enforcement Act
15 of 1989 (12 U.S.C. 1463 note)), or an impact
16 bank (as designated pursuant to section 807(c)
17 of the Promoting and Advancing Communities
18 of Color through Inclusive Lending Act); and”.

19 (B) APPLICATION.—The amendment made
20 by this paragraph shall apply with respect to
21 the first report to be submitted after the date
22 that is 2 years after the date of the enactment
23 of this Act.

24 (I) TASK FORCE ON LENDING TO SMALL BUSINESS
25 CONCERNS.—

1 (1) DEFINITIONS.—In this subsection:

2 (A) ADMINISTRATION; ADMINISTRATOR.—

3 The terms “Administration” and “Adminis-
4 trator” mean the Small Business Administra-
5 tion and the Administrator thereof, respectively.

6 (B) COMMUNITY DEVELOPMENT FINAN-
7 CIAL INSTITUTION.—The term “community de-
8 velopment financial institution” has the mean-
9 ing given the term in section 103 of the Com-
10 munity Development Banking and Financial In-
11 stitutions Act of 1994 (12 U.S.C. 4702).

12 (C) IMPACT BANK.—The term “impact
13 bank” means a depository institution des-
14 ignated by the appropriate Federal banking
15 agency pursuant to section 807(c) of the Pro-
16 moting and Advancing Communities of Color
17 through Inclusive Lending Act.

18 (D) MINORITY DEPOSITORY INSTITU-
19 TION.—The term “minority depository institu-
20 tion” has the meaning given the term in section
21 308 of the Financial Institutions Reform, Re-
22 covery, and Enforcement Act of 1989 (12
23 U.S.C. 1463 note).

24 (E) SMALL BUSINESS CONCERN.—The
25 term “small“small business concern” concern

1 has the meaning given the term in section 3(a)
2 of the Small Business Act (15 U.S.C. 632(a)).

3 (2) **TASK FORCE.**—Not later than 6 months
4 after the date of the enactment of this Act, the Ad-
5 ministrator shall establish a task force to examine
6 methods for improving relationships between the Ad-
7 ministration and community development financial
8 institutions, minority depository institutions, and im-
9 pact banks to increase the volume of loans provided
10 by such institutions to small business concerns.

11 (3) **REPORT TO CONGRESS.**—Not later than 18
12 months after the establishment of the task force de-
13 scribed in paragraph (2), the Administrator shall
14 submit to Congress a report on the findings of the
15 task force.

16 **SEC. 808. ESTABLISHMENT OF FINANCIAL AGENT PART-**
17 **NERSHIP PROGRAM.**

18 (a) **IN GENERAL.**—Section 308 of the Financial In-
19 stitutions Reform, Recovery, and Enforcement Act of
20 1989 (12 U.S.C. 1463 note), as amended by section
21 806(e), is further amended by adding at the end the fol-
22 lowing new subsection:

23 “(e) **FINANCIAL AGENT PARTNERSHIP PROGRAM.**—

24 “(1) **IN GENERAL.**—The Secretary of the
25 Treasury shall establish a program to be known as

1 the ‘Financial Agent Partnership Program’ (in this
2 subsection referred to as the ‘Program’) under which
3 a financial agent designated by the Secretary or a
4 large financial institution may serve as a mentor,
5 under guidance or regulations prescribed by the Sec-
6 retary, to a small financial institution to allow such
7 small financial institution—

8 “(A) to be prepared to perform as a finan-
9 cial agent; or

10 “(B) to improve capacity to provide serv-
11 ices to the customers of the small financial in-
12 stitution.

13 “(2) OUTREACH.—The Secretary shall hold
14 outreach events to promote the participation of fi-
15 nancial agents, large financial institutions, and small
16 financial institutions in the Program at least once a
17 year.

18 “(3) FINANCIAL PARTNERSHIPS.—

19 “(A) IN GENERAL.—Any large financial in-
20 stitution participating in a program with the
21 Department of the Treasury, if not already re-
22 quired to include a small financial institution,
23 shall offer not more than 5 percent of every
24 contract under that program to a small finan-
25 cial institution.

1 “(B) ACCEPTANCE OF RISK.—As a re-
2 quirement of participation in a contract de-
3 scribed under subparagraph (A), a small finan-
4 cial institution shall accept the risk of the
5 transaction equivalent to the percentage of any
6 fee the institution receives under the contract.

7 “(C) PARTNER.—A large financial institu-
8 tion partner may work with small financial in-
9 stitutions, if necessary, to train professionals to
10 understand any risks involved in a contract
11 under the Program.

12 “(D) INCREASED LIMIT FOR CERTAIN IN-
13 STITUTIONS.—With respect to a program de-
14 scribed under subparagraph (A), if the Sec-
15 retary of the Treasury determines that it would
16 be appropriate and would encourage capacity
17 building, the Secretary may alter the require-
18 ments under subparagraph (A) to require
19 both—

20 “(i) a higher percentage of the con-
21 tract be offered to a small financial institu-
22 tion; and

23 “(ii) require the small financial insti-
24 tution to be a community development fi-

1 nancial institution or a minority depository
2 institution.

3 “(4) EXCLUSION.—The Secretary shall issue
4 guidance or regulations to establish a process under
5 which a financial agent, large financial institution,
6 or small financial institution may be excluded from
7 participation in the Program.

8 “(5) REPORT.—The Office of Minority and
9 Women Inclusion of the Department of the Treasury
10 shall include in the report submitted to Congress
11 under section 342(e) of the Dodd-Frank Wall Street
12 Reform and Consumer Protection Act (12 U.S.C.
13 5452(e)) information pertaining to the Program, in-
14 cluding—

15 “(A) the number of financial agents, large
16 financial institutions, and small financial insti-
17 tutions participating in the Program; and

18 “(B) the number of outreach events de-
19 scribed in paragraph (2) held during the year
20 covered by such report.

21 “(6) DEFINITIONS.—In this subsection:

22 “(A) COMMUNITY DEVELOPMENT FINAN-
23 CIAL INSTITUTION.—The term ‘community de-
24 velopment financial institution’ has the meaning
25 given that term under section 103 of the Com-

1 community Development Banking and Financial In-
2 stitutions Act of 1994 (12 U.S.C. 4702).

3 “(B) FINANCIAL AGENT.—The term ‘fi-
4 nancial agent’ means any national banking as-
5 sociation designated by the Secretary of the
6 Treasury to be employed as a financial agent of
7 the Government.

8 “(C) LARGE FINANCIAL INSTITUTION.—
9 The term ‘large financial institution’ means any
10 entity regulated by the Comptroller of the Cur-
11 rency, the Board of Governors of the Federal
12 Reserve System, the Federal Deposit Insurance
13 Corporation, or the National Credit Union Ad-
14 ministration that has total consolidated assets
15 greater than or equal to \$50,000,000,000.

16 “(D) SMALL FINANCIAL INSTITUTION.—
17 The term ‘small financial institution’ means—

18 “(i) any entity regulated by the
19 Comptroller of the Currency, the Board of
20 Governors of the Federal Reserve System,
21 the Federal Deposit Insurance Corpora-
22 tion, or the National Credit Union Admin-
23 istration that has total consolidated assets
24 of not more than \$2,000,000,000; or

1 “(ii) a minority depository institu-
2 tion.”.

3 (b) EFFECTIVE DATE.—This section and the amend-
4 ments made by this section shall take effect 90 days after
5 the date of the enactment of this Act.

6 **SEC. 809. STRENGTHENING MINORITY LENDING INSTITU-**
7 **TIONS.**

8 (a) MINORITY LENDING INSTITUTION SET-ASIDE IN
9 PROVIDING ASSISTANCE.—

10 (1) IN GENERAL.—Section 108 of the Commu-
11 nity Development Banking and Financial Institu-
12 tions Act of 1994 (12 U.S.C. 4707) is amended by
13 adding at the end the following:

14 “(i) MINORITY LENDING INSTITUTION SET-ASIDE IN
15 PROVIDING ASSISTANCE.—Notwithstanding any other
16 provision of law, in providing any assistance, the Fund
17 shall reserve 40 percent of such assistance for minority
18 lending institutions.”.

19 (2) DEFINITIONS.—

20 (A) IN GENERAL.—Section 103 of the
21 Community Development Banking and Finan-
22 cial Institutions Act of 1994 (12 U.S.C. 4702)
23 is amended by adding at the end the following:

24 “(22) MINORITY LENDING INSTITUTION DEFI-
25 NITIONS.—

1 “(A) MINORITY.—The term ‘minority’
2 means any Black American, Hispanic Amer-
3 ican, Asian American, Native American, Native
4 Alaskan, Native Hawaiian, or Pacific Islander.

5 “(B) MINORITY LENDING INSTITUTION.—
6 The term ‘minority lending institution’ means a
7 community development financial institution—

8 “(i) with respect to which a majority
9 of the total number of loans and a major-
10 ity of the value of investments of the com-
11 munity development financial institution
12 are directed at minorities and other tar-
13 geted populations;

14 “(ii) that is a minority depository in-
15 stitution, as defined under section 308 of
16 the Financial Institutions Reform, Recov-
17 ery, and Enforcement Act of 1989 (12
18 U.S.C. 1463 note), or otherwise considered
19 to be a minority depository institution by
20 the appropriate Federal banking agency; or

21 “(iii) that is 51 percent owned by 1 or
22 more socially and economically disadvan-
23 taged individuals.

24 “(C) ADDITIONAL DEFINITIONS.—In this
25 paragraph, the terms ‘other targeted popu-

1 lations’ and ‘socially and economically disadvan-
2 taged individual’ shall have the meaning given
3 those terms by the Administrator.”.

4 (B) TEMPORARY SAFE HARBOR FOR CER-
5 TAIN INSTITUTIONS.—A community develop-
6 ment financial institution that is a minority de-
7 pository institution listed in the Federal De-
8 posit Insurance Corporation’s Minority Deposi-
9 tory Institutions List published for the Second
10 Quarter 2020 shall be deemed a “minority lend-
11 ing institution” under paragraph (22) of section
12 103 of the Community Development Banking
13 and Financial Institutions Act of 1994 (12
14 U.S.C. 4702), as added by subparagraph (A),
15 for purposes of—

16 (i) any program carried out using ap-
17 propriations authorized for the Community
18 Development Financial Institutions Fund
19 under section 806; and

20 (ii) the Neighborhood Capital Invest-
21 ment Program established under section
22 4003(i) of the CARES Act.

23 (b) OFFICE OF MINORITY LENDING INSTITU-
24 TIONS.—Section 104 of the Community Development
25 Banking and Financial Institutions Act of 1994 (12

1 U.S.C. 4703) is amended by adding at the end the fol-
2 lowing:

3 “(l) OFFICE OF MINORITY LENDING INSTITU-
4 TIONS.—

5 “(1) ESTABLISHMENT.—There is established
6 within the Fund an Office of Minority Lending In-
7 stitutions, which shall oversee assistance provided by
8 the Fund to minority lending institutions.

9 “(2) DEPUTY DIRECTOR.—The head of the Of-
10 fice shall be the Deputy Director of Minority Lend-
11 ing Institutions, who shall report directly to the Ad-
12 ministrator.”.

13 (c) REPORTING ON MINORITY LENDING INSTITU-
14 TIONS.—Section 117 of the Community Development
15 Banking and Financial Institutions Act of 1994 (12
16 U.S.C. 4716) is amended by adding at the end the fol-
17 lowing:

18 “(g) REPORTING ON MINORITY LENDING INSTITU-
19 TIONS.—Each report required under subsection (a) shall
20 include a description of the extent to which assistance
21 from the Fund is provided to minority lending institu-
22 tions.”.

23 (d) SUBMISSION OF DATA RELATING TO DIVERSITY
24 BY COMMUNITY DEVELOPMENT FINANCIAL INSTITU-
25 TIONS.—Section 104 of the Community Development

1 Banking and Financial Institutions Act of 1994 (12
2 U.S.C. 4703) is amended by adding at the end the fol-
3 lowing:

4 “(1) SUBMISSION OF DATA RELATING TO DIVER-
5 SITY.—

6 “(1) DEFINITIONS.—In this subsection—

7 “(A) the term ‘executive officer’ has the
8 meaning given that term in section 230.501(f)
9 of title 17, Code of Federal Regulations, as in
10 effect on the date of enactment of this sub-
11 section; and

12 “(B) the term ‘veteran’ has the meaning
13 given that term in section 101 of title 38,
14 United States Code.

15 “(2) SUBMISSION OF DISCLOSURE.—Each Fund
16 applicant and recipient shall provide the following:

17 “(A) Data, based on voluntary self-identi-
18 fication, on the racial, ethnic, and gender com-
19 position of—

20 “(i) the board of directors of the insti-
21 tution;

22 “(ii) nominees for the board of direc-
23 tors of the institution; and

24 “(iii) the executive officers of the in-
25 stitution.

1 “(B) The status of any member of the
2 board of directors of the institution, any nomi-
3 nee for the board of directors of the institution,
4 or any executive officer of the institution, based
5 on voluntary self-identification, as a veteran.

6 “(C) Whether the board of directors of the
7 institution, or any committee of that board of
8 directors, has, as of the date on which the insti-
9 tution makes a disclosure under this paragraph,
10 adopted any policy, plan, or strategy to promote
11 racial, ethnic, and gender diversity among—

12 “(i) the board of directors of the insti-
13 tution;

14 “(ii) nominees for the board of direc-
15 tors of the institution; or

16 “(iii) the executive officers of the in-
17 stitution.

18 “(3) ANNUAL REPORT.—Not later than 18
19 months after the date of enactment of this sub-
20 section, and annually thereafter, the Fund shall sub-
21 mit to the Committee on Banking, Housing, and
22 Urban Affairs of the Senate and the Committee on
23 Financial Services of the House of Representatives,
24 and make publicly available on the website of the
25 Fund, a report—

1 “(A) on the data and trends of the diver-
2 sity information made available pursuant to
3 paragraph (2); and

4 “(B) containing all administrative or legis-
5 lative recommendations of the Fund to enhance
6 the implementation of this title or to promote
7 diversity and inclusion within community devel-
8 opment financial institutions.”.

9 **SEC. 810. CDFI BOND GUARANTEE REFORM.**

10 Effective October 1, 2020, section 114A(e)(2)(B) of
11 the Community Development Banking and Financial In-
12 stitutions Act of 1994 (12 U.S.C. 4713a(e)(2)(B)) is
13 amended by striking “\$100,000,000” and inserting
14 “\$50,000,000”.

15 **SEC. 811. REPORTS.**

16 (a) IN GENERAL.—The Secretary of the Treasury
17 shall provide to the appropriate committees of Congress—

18 (1) within 30 days of the end of each month
19 commencing with the first month in which trans-
20 actions are made under a program established under
21 this title or the amendments made by this title, a
22 written report describing all of the transactions
23 made during the reporting period pursuant to the
24 authorities granted under this title or the amend-
25 ments made by this title; and

1 (2) after the end of March and the end of Sep-
2 tember, commencing March 31, 2021, a written re-
3 port on all projected costs and liabilities, all oper-
4 ating expenses, including compensation for financial
5 agents, and all transactions made by the Community
6 Development Financial Institutions Fund, including
7 participating institutions and amounts each institu-
8 tion has received under each program described in
9 paragraph (1).

10 (b) BREAKDOWN OF FUNDS.—Each report required
11 under subsection (a) shall specify the amount of funds
12 under each program described under subsection (a)(1)
13 that went to—

14 (1) minority depository institutions that are de-
15 pository institutions;

16 (2) minority depository institutions that are
17 credit unions;

18 (3) minority lending institutions;

19 (4) community development financial institution
20 loan funds;

21 (5) community development financial institu-
22 tions that are depository institutions; and

23 (6) community development financial institu-
24 tions that are credit unions.

25 (c) DEFINITIONS.—In this section:

1 (1) APPROPRIATE COMMITTEES OF CON-
2 GRESS.—The term “appropriate committees of Con-
3 gress” means the Committee on Financial Services
4 of the House of Representatives and the Committee
5 on Banking, Housing, and Urban Affairs of the Sen-
6 ate.

7 (2) COMMUNITY DEVELOPMENT FINANCIAL IN-
8 STITUTION.—The term “community development fi-
9 nancial institution” has the meaning given that term
10 under section 103 of the Community Development
11 Banking and Financial Institutions Act of 1994 (12
12 U.S.C. 4702).

13 (3) CREDIT UNION.—The term “credit union”
14 means a State credit union or a Federal credit
15 union, as such terms are defined, respectively, under
16 section 101 of the Federal Credit Union Act (12
17 U.S.C. 1752).

18 (4) DEPOSITORY INSTITUTION.—The term “de-
19 pository institution” has the meaning given that
20 term under section 3 of the Federal Deposit Insur-
21 ance Act (12 U.S.C. 1813).

22 (5) MINORITY DEPOSITORY INSTITUTION.—The
23 term “minority depository institution” has the
24 meaning given under section 308(b) of the Financial

1 Institutions Reform, Recovery, and Enforcement Act
2 of 1989 (12 U.S.C. 1463 note).

3 (6) MINORITY LENDING INSTITUTION.—The
4 term “minority lending institution” has the meaning
5 given that term under section 103 of the Community
6 Development Banking and Financial Institutions Act
7 of 1994, as amended by section 809 of this Act.

8 **SEC. 812. INSPECTOR GENERAL OVERSIGHT.**

9 (a) IN GENERAL.—The Inspector General of the De-
10 partment of the Treasury shall conduct, supervise, and co-
11 ordinate audits and investigations of any program estab-
12 lished under this title or the amendments made by this
13 title.

14 (b) REPORTING.—The Inspector General of the De-
15 partment of the Treasury shall issue a report not less fre-
16 quently than 2 times per year to Congress and the Sec-
17 retary of the Treasury relating to the oversight provided
18 by the Office of the Inspector General, including any rec-
19 ommendations for improvements to the programs de-
20 scribed in subsection (a).

21 **SEC. 813. STUDY AND REPORT WITH RESPECT TO IMPACT**
22 **OF PROGRAMS ON LOW- AND MODERATE-IN-**
23 **COME AND MINORITY COMMUNITIES.**

24 (a) STUDY.—The Secretary of the Treasury shall
25 conduct a study of the impact of the programs established

1 under this title or any amendment made by this title on
2 low- and moderate-income and minority communities.

3 (b) REPORT.—Not later than 18 months after the
4 date of enactment of this Act, the Secretary shall submit
5 to Congress a report on the results of the study conducted
6 pursuant to subsection (a), which shall include, to the ex-
7 tent possible, the results of the study disaggregated by
8 ethnic group.

9 (c) INFORMATION PROVIDED TO THE SECRETARY.—
10 Eligible institutions that participate in any of the pro-
11 grams described in subsection (a) shall provide the Sec-
12 retary of the Treasury with such information as the Sec-
13 retary may require to carry out the study required by this
14 section.

15 **SEC. 814. COMMUNITY DEVELOPMENT FINANCIAL INSTITU-**
16 **TIONS FUND.**

17 (a) DIRECT APPROPRIATIONS.—There is appro-
18 priated, out of amounts in the Treasury not otherwise ap-
19 propriated, for an additional amount for the “Community
20 Development Financial Institutions Fund Program Ac-
21 count” for the fiscal year ending September 30, 2021,
22 \$1,000,000,000 to prevent, prepare for, and response to
23 coronavirus, domestically or internationally.

24 (b) CRITERIA.—The Community Development Finan-
25 cial Institutions Fund (in this section referred to as the

1 “Fund”) shall, using amounts provided under subsection
2 (a), provide grants using a formula that takes into account
3 criteria such as certification status, financial and compli-
4 ance performance, portfolio and balance sheet strength,
5 and program capacity.

6 (c) SET ASIDE.—Of amounts appropriated under
7 subsection (a), not less than \$25,000,000 shall be for fi-
8 nancial assistance, technical assistance, and training and
9 outreach programs designed to benefit Native American,
10 Native Hawaiian, and Alaska Native communities.

11 (d) DEADLINE.—The Fund shall make amounts pro-
12 vided under this section available to grantees not later
13 than 60 days after the date of enactment of this Act.

14 (e) ADMINISTRATIVE EXPENSES.—The Fund may
15 use amounts appropriated under subsection (a) for admin-
16 istrative expenses, including the administration of pro-
17 grams of the Fund and the New Markets Tax Credit Pro-
18 gram under section 45D of the Internal Revenue Code of
19 1986.

20 (f) EMERGENCY DESIGNATION.—

21 (1) IN GENERAL.—The amounts provided under
22 this section are designated as an emergency require-
23 ment pursuant to section 4(g) of the Statutory Pay-
24 As-You-Go Act of 2010 (2 U.S.C. 933(g)).

1 (2) DESIGNATION IN SENATE.—In the Senate,
2 this section is designated as an emergency require-
3 ment pursuant to section 4112(a) of H. Con. Res.
4 71 (115th Congress), the concurrent resolution on
5 the budget for fiscal year 2018.