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.

Be it enacted by the Senate and House of Representa-

itives of the United States of America in Congress assembled,

SECTION 1. SHORT TITLE; TABLE OF CONTENTS; DEFINI-

TIONS.

(a) Short Title.—This Act may be cited as the “Heroes Small Business Lifeline Act”.

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5 (a) Short Title.—This Act may be cited as the

6 “Heroes Small Business Lifeline Act”.


(b) **TABLE OF CONTENTS.**—The table of contents for 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. 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 resilience.
Sec. 406. Modifications to economic injury disaster loans.
Sec. 407. Principal and interest payments for certain disaster loans.
Sec. 408. Training.
Sec. 409. Outreach plan.
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.
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.

c) DEFINITIONS.—In this Act:

(1) ADMINISTRATION.—The term “Administration” means the Small Business Administration.
(2) ADMINISTRATOR.—The term “Administrator” means the Administrator of the Small Business Administration.

(d) EFFECTIVE DATE; APPLICABILITY.—Except as otherwise provided in this Act, this Act and the amendments made by this Act shall take effect on the date of enactment of this Act and shall apply to loans made, or other assistance provided, on or after the date of enactment of this Act.

TITLE I—FUNDING PROVISIONS

SEC. 101. AMOUNT AUTHORIZED FOR COMMITMENTS.

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

“(b) COMMITMENTS FOR PPP AND OTHER 7(a) LOANS.—

“(1) PPP LOANS.—During the period beginning on the date of enactment of the Heroes Small Business Lifeline Act and ending on March 31, 2021, subject to the availability of appropriations, the Administrator may make commitments under paragraph (36) of section 7(a) of the Small Business Act (15 U.S.C. 636(a)) in such amounts as the Administrator determines necessary, but not less than $779,640,000,000.
“(2) OTHER 7(A) LOANS.—For fiscal year 2021, commitments for general business loans authorized under paragraphs (1) through (35) of section 7(a) of the Small Business Act (15 U.S.C. 636(a)) shall not exceed $75,000,000,000 for a combination of amortizing term loans and the aggregated maximum line of credit provided by revolving loans.”.

SEC. 102. FUNDING FOR THE PAYCHECK PROTECTION PROGRAM.

(a) DIRECT APPROPRIATIONS.—There is appropriated, out of amounts in the Treasury not otherwise appropriated, to remain available until September 30, 2021, such sums as may be necessary under the heading “Small Business Administration—Business Loans Program Account, CARES Act” for the cost of guaranteed loans as authorized under section 7(a)(36) of the Small Business Act (15 U.S.C. 636(a)(36)).

(b) REMAINING UNOBLIGATED BALANCES.—Subject to subsection (d), the unobligated balances for the cost of guaranteed loans as authorized under section 7(a)(36) of the Small Business Act (15 U.S.C. 636(a)(36)) in the appropriations account under the heading “Small Business Administration—Business Loans Program Account, CARES Act” as of the day before the date of enactment of this Act shall remain available until September 30,
2021 for the cost of guaranteed loans as authorized under
section 7(a)(36) of the Small Business Act (15 U.S.C.
636(a)(36)).

(c) Set Aside for Certain Entities.—Section 7(a)(36)(S) of the Small Business Act (15 U.S.C.
636(a)(36)(S)) is amended to read as follows:

“(S) Set aside for certain entities.—

Of the amounts available on or after the date
of enactment of the Heroes Small Business
Lifeline Act (including amounts that were made
available before such date of enactment) to
guarantee covered loans under this paragraph,
the Administrator shall provide—

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

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

“(II) of not more than $250,000
and made to an eligible recipient that
is located in neighborhood that is a
low-income neighborhood or moderate-income neighborhood, for purposes of the Community Reinvestment Act of 1977 (12 U.S.C. 2901 et seq.);

“(ii) a set aside of not more than 30 percent of such amounts for covered loans under subparagraph (B)(i) that are made to covered nonprofit organizations, covered organizations, organizations described in subparagraph (D)(viii), or housing cooperatives; and

“(iii) a set aside of not more than 50 percent of such amounts for supplemental covered loans that are made under subparagraph (B)(ii), of which not less than 10 percent shall be for such supplemental covered loans that are made to eligible recipients with 10 or fewer employees, including individuals who operate under a sole proprietorship or as an independent contractor and eligible self-employed individuals.”.

(d) SET ASIDE FOR COMMUNITY FINANCIAL INSTITUTIONS.—Of the amounts available on or after the date of enactment of this Act (including amounts that were
made available before such date of enactment) in the ap-
propriations account under the heading “Small Business
Administration—Business Loans Program Account,
CARES Act”, the lesser of 25 percent of such amounts
or $15,000,000,000 shall be set aside for the cost to guar-
antee loans made under section 7(a)(36) of the Small
Business Act (15 U.S.C. 636(a)(36)) by community finan-
cial institutions (as such term is defined in subparagraph
(A)(xi) of such section).

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

“(T) AMOUNTS RETURNED.—Any amounts
returned to the Secretary of the Treasury due
to the cancellation of a covered loan shall be
solely used for the cost to guarantee covered
loans made to eligible recipients with 10 or
fewer employees or covered loans of less than or
equal to $250,000 made to an eligible recipient
that is located in a low- or moderate-income
neighborhoods (as that term is used in the
Community Reinvestment Act of 1977 (12
U.S.C. 2901 et seq.)).”.
SEC. 103. DIRECT APPROPRIATIONS.

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

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

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

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

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

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

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

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

(b) EMERGENCY EIDL GRANTS.—

(1) IN GENERAL.—There is appropriated, out of amounts in the Treasury not otherwise appropriated, for additional amounts under the heading “Small Business Administration—Emergency EIDL
Grants” for the cost of emergency economic injury
disaster loan grants authorized under section 1110
of the CARES Act (15 U.S.C. 9009), $50,000,000,000, to remain available until ex-
pended.

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

SEC. 104. EMERGENCY DESIGNATION.

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

(b) DESIGNATION IN SENATE.—In the Senate, this
title is designated as an emergency requirement pursuant
to section 4112(a) of H. Con. Res. 71 (115th Congress),
the concurrent resolution on the budget for fiscal year
2018.
TITLE II—MODIFICATIONS TO
THE PAYCHECK PROTECTION
PROGRAM

SEC. 201. PERIODS FOR LOAN FORGIVENESS AND APPLICATION SUBMISSION.

(a) Period for Costs That Are Eligible for Forgiveness and Application Submission.—Section 1106 of the CARES Act (15 U.S.C. 9005) is amended—

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

“(3) the term ‘covered period’ means the period beginning on the date of the origination of a covered loan and ending on a date selected by the eligible recipient of the covered loan that—

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

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

(2) in subsection (d), by striking “December 31, 2020” each place it appears and inserting “September 30, 2021”; and

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

“(l) Application Deadline.—An eligible recipient may apply for forgiveness under this section with respect
to a covered loan any time after the covered period applicable to the covered loan ends if—

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

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

(b) APPLICABILITY OF AMENDMENTS.—The amendments made by subsection (a) shall be effective as if included in the CARES Act (Public Law 116–136) and shall apply to any loan made pursuant to section 7(a)(36) of the Small Business Act (15 U.S.C. 636(a)(36)) or section 1109 of the CARES Act (15 U.S.C. 9008).

SEC. 202. SUPPLEMENTAL COVERED LOANS FOR CERTAIN BUSINESS CONCERNS.

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

(1) by striking “Except” and inserting the following:

“(i) IN GENERAL.—Except”; and

(2) by adding at the end the following:

“(ii) SUPPLEMENTAL COVERED LOANS.—

“(I) DEFINITIONS.—In this clause—
“(aa) the terms ‘exchange’, ‘issuer’, and ‘security’ have the meanings given those terms in section 3(a) of the Securities Exchange Act of 1934 (15 U.S.C. 78c(a));

“(bb) the term ‘gross receipts’ means gross receipts within the meaning of section 448(c) of the Internal Revenue Code of 1986;

“(cc) the term ‘national securities exchange’ means an exchange registered as a national securities exchange under section 6 of the Securities Exchange Act of 1934 (15 U.S.C. 78f);

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

“(ee) the term ‘significant loss in revenue’ means that, due to the impact of COVID–19—
“(AA) the gross receipts of the eligible recipient during the first, second, or third calendar quarter of 2020 are less than 75 percent of the gross receipts of the eligible recipient during the same calendar quarter in 2019;

“(BB) if the eligible recipient was not in business on April 1, 2019, the gross receipts of the eligible recipient during any 2-month period during the first 3 calendar quarters of 2020 are less than 75 percent of the amount of the gross receipts of the eligible recipient during any prior 2-month period during the first 3 calendar quarters of 2020; or

“(CC) if the eligible recipient is seasonal employer, as determined by the Ad-
ministrator, the gross receipts of the eligible recipient during any 2-month period during the first 3 calendar quarters of 2020 are less than 75 percent of the amount of the gross receipts of the eligible recipient during the same 2-month period in 2019; and

“(ff) the term ‘smaller concern’ means an eligible recipient that—

“(AA) has not more than 200 employees;

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

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

“(II) Authority.—Except as otherwise provided in this clause, for an eligible recipient that has received a covered loan under clause (i), the Administrator may guarantee a single
supplemental covered loan to the eligi-
ble recipient under the same terms,
conditions, and processes as a covered
loan made under clause (i).

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

“(IV) ELIGIBILITY.—

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

“(AA) may only be
made to an eligible recipient
that is a smaller concern
that has had a significant
loss in revenue and has
used, or is expending funds
at a rate that the eligible re-
cipient will use on or before
the expected date of the dis-
brursement of the supple-
mental covered loan under
this clause, the full amount
of the covered loan received
under clause (i); and

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

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

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

“(BB) LIMIT FOR MUL-
TIPLE LOCATIONS.—For an
eligible recipient with more
than 1 physical location, the
total amount of all supplemental covered loans made under this clause to the eligible recipient shall not be more than $2,000,000.

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

“(aa) the product obtained by multiplying—

“(AA) the average total monthly payments for payroll costs by the eligible recipient used to determine the maximum amount of the covered loan under clause (i) made to the eligible recipient under this paragraph; by

“(BB) 2.5; or

“(bb) $2,000,000.

“(VI) EXCEPTION FROM CERTAIN CERTIFICATION REQUIREMENTS.—An eligible recipient applying for a supplemental covered loan under this
clause shall not be required to make the certification described in clause (iii) or (iv) of subparagraph (G).

“(VII) REIMBURSEMENT FOR PROCESSING SUPPLEMENTAL PPP.—For a supplemental covered loan under this clause of not more than $50,000, the reimbursement under subparagraph (P)(i)(I) by the Administrator shall not be less than $2,500.”.

SEC. 203. CERTIFICATIONS AND DOCUMENTATION FOR STREAMLINED FORGIVENESS OF COVERED LOANS.

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

(1) in subsection (e), in the matter preceding paragraph (1), by striking “An eligible recipient” and all that follows through “an application,” and inserting “Subject to subsection (f), an eligible recipient applying for loan forgiveness under this section shall provide proof of the use of covered loan proceeds,”;

(2) by amending subsection (f) to read as follows:
“(f) DOCUMENTATION REQUIREMENTS.—To receive loan forgiveness under this section, an eligible recipient shall comply with the following requirements:

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

“(A) shall certify to the Administrator that the eligible recipient has used proceeds from the covered loan in compliance with the requirements of section 7(a)(36) of the Small Business Act (15 U.S.C. 636(a)(36)), including a description of the amount of proceeds used for payroll costs and the number of employees the eligible recipient was able to retain because of the covered loan;

“(B) is not required to submit any documentation or application to receive forgiveness under this section;

“(C) shall certify to the Administrator that the eligible recipient can make the documentation described under subsection (e) available, upon request, for a period of time determined by the Administrator, which period shall be not less than 3 years; and
“(D) may submit to the Administrator demographic information of the owner of the eligible recipient, including the sex, race, ethnicity, and veteran status of the owner, through a process established by the Administrator.

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

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

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

“(C) may submit to the Administrator demographic information of the owner of the eligible recipient, including the sex, race, ethnicity, and veteran status of the owner, as established by the Administrator on the application form described in subparagraph (A).

“(3) With respect to a covered loan in an amount that is more than $150,000, the eligible recipient—
“(A) shall submit to the lender that is servicing the covered loan the documentation described in subsection (e); and

“(B) may submit to the Administrator demographic information of the owner of the eligible recipient, including the sex, race, ethnicity, and veteran status of the owner, through a process established by the Administrator.”; and

(3) by amending subsection (g) to read as follows:

“(g) LENDER SUBMISSION.—Not later than 60 days after the date on which a lender receives an application for loan forgiveness under this section from an eligible recipient, the lender shall only be required to review the application to ensure completion, including that required attestations have been made, before submitting the application to the Administrator.”.

SEC. 204. ELIGIBILITY OF CERTAIN ORGANIZATIONS FOR LOANS UNDER THE PAYCHECK PROTECTION PROGRAM.

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

(1) in subparagraph (A)—

(A) in clause (vii), by inserting “covered” before “nonprofit”;
(B) in clause (viii)(II)—

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

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

(iii) by adding at the end the following:

“(ff) any compensation of an employee who is a registered lobbyist under the Lobbying Disclosure Act of 1995 (2 U.S.C. 1601 et seq.);”;

(C) by amending clause (ix) to read as follows:

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

“(I) an organization described in section 501(c) of the Internal Revenue Code of 1986 and exempt from tax under section 501(a) of such Code that is not a covered nonprofit organization;

“(II) an entity created by a State or local government that derives the
majority of its operating budget from

the production of live events; or

“(III) a destination marketing

organization;”;

(D) in clause (xi)(IV), by striking “and” at

the end;

(E) in clause (xii), by striking the period

at the end and inserting a semicolon; and

(F) by adding at the end the following:

“(xiii) the term ‘housing cooperative’

means a cooperative housing corporation

(as defined in section 216(b) of the Inter-

nal Revenue Code of 1986); and

“(xiv) the term ‘destination marketing

organization’ means a nonprofit entity that

is an organization described in section

501(c)(6) of the Internal Revenue Code of

1986 and exempt from tax under section

501(a) of such Code, a State, or a political

subdivision of a State (including any in-

strumentality of such entities) engaged in

marketing and promoting communities and

facilities to businesses and leisure travelers

through a range of activities, including—
“(I) assisting with the location of meeting and convention sites;

“(II) providing travel information on area attractions, lodging accommodations, and restaurants;

“(III) providing maps; and

“(IV) organizing group tours of local historical, recreational, and cultural attractions.”; and

(2) in subparagraph (D)—

(A) in clause (i)—

(i) by inserting “covered” before “nonprofit organization” each place it appears; and

(ii) by striking “veterans organization” each place it appears and inserting “housing cooperative, covered organization”;

(B) in clause (iii)—

(i) by amending the clause heading to read as follows: “REQUIREMENTS FOR RESTAURANTS AND CERTAIN NEWS ORGANIZATIONS”;

(ii) by striking “During the covered period, any business concern that employs”
and inserting the following: “Any business concern or other organization—

“(I) that, during the covered period, employs”;

(iii) in subclause (I), as so designated, by striking the period at the end and inserting a semicolon; and

(iv) by adding at the end the following:

“(II) that—

“(aa) was not eligible to receive a covered loan the day before the date of enactment of this subclause, is assigned a North American Industry Classification System code beginning with 511110, 515112, or 515120, and an individual physical location of the business concern at the time of disbursal does not exceed the size standard established by the Administrator for the applicable code shall, notwithstanding clause (x), be eligible to receive a covered loan for expenses associ-
ated with an individual physical location of that business concern to support the continued provision of local news, information, content, or emergency information, and, at the time of disbursement, the individual physical location; or

“(bb) was not eligible to receive a covered loan the day before the date of enactment of this subclause, has a trade or business that falls under a North American Industry Classification System code beginning with 5151 as a public broadcast entity (as defined in section 397(11) of the Communications Act of 1934 (47 U.S.C. 397(11)), and is a covered nonprofit organization or another organization otherwise subject to section 511(a)(2) of the Internal Revenue Code of 1986, shall be eligible to receive a covered loan for expenses to
support the continued provision of local news, information, content, or emergency information by such entity; or

“(III) that was not eligible to receive a covered loan the day before the date of enactment of this subclause, is assigned a North American Industry Classification System code of 519130, is identified as a Internet-only news publisher or Internet-only periodical publisher, and is engaged in the collection and distribution of local or regional and national news and information shall be eligible to receive a covered loan for expenses to support the continued provision of news, information, content, or emergency information.”;

(C) in clause (iv)—

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

(ii) in subclause (III), by striking the period at the end and inserting “; and”; and
(iii) by adding at the end the following:

“(IV) an individual physical location of a business concern described in clause (iii)(II), if such concern does not pay, distribute, or otherwise provide any portion of the covered loan to any other entity other than the individual physical location that is the intended recipient of the covered loan.”;

(D) in clause (v), by striking “nonprofit organization, veterans organization,” and inserting “covered organization, covered nonprofit organization, housing cooperative,”;

(E) in clause (vi), by striking “nonprofit organization and a veterans organization” and inserting “covered organization, a covered nonprofit organization, and a housing cooperative”;

and

(F) by adding at the end the following:

“(vii) ADDITIONAL REQUIREMENTS AND ADDITIONAL ELIGIBILITY FOR COVERED ORGANIZATIONS AND COVERED NONPROFIT ORGANIZATIONS.”
“(I) LOBBYING RESTRICTION ON SMALLER COVERED ORGANIZATIONS.—During the covered period, a covered organization described in clause (i) may only receive a covered loan if—

“(aa) the covered organization does not receive more than 10 percent of its receipts from lobbying activities;

“(bb) the lobbying activities of the covered organization do not comprise more than 10 percent of the total activities of the covered organization; and

“(cc) with respect to a covered organization described in section 501(c)(4) of the Internal Revenue Code of 1986 that is exempt from taxation under subsection (a) of such section, such covered organization has not made and will not make a contribution, expenditure, independent expenditure, or election-
eering communication within the meaning of the Federal Election Campaign Act of 1971 (52 U.S.C. 30101 et seq.), and has not undertaken and will not undertake similar campaign finance activities in State and local elections, during the election cycle which ends on the date of the general election in calendar year 2020.

“(II) ELIGIBILITY OF LARGER ORGANIZATIONS.—

“(aa) COVERED NONPROFIT ORGANIZATIONS.—During the covered period, a covered nonprofit organization that employs more than the maximum number of employees allowed under clause (i) shall be eligible to receive a covered loan if the covered nonprofit organization has had a significant loss in revenue (as defined in subparagraph (B)(ii)(I)(ee)).
“(bb) COVERED ORGANIZATIONS.—During the covered period, a covered organization that employs more than the maximum number of employees allowed under clause (i) shall be eligible to receive a covered loan if the covered organization—

“(AA) meets the requirements of items (aa), (bb), and (cc) of subclause (I); and

“(BB) has had a significant loss in revenue (as defined in subparagraph (B)(ii)(I)(ee)).

“(viii) INCLUSION OF CRITICAL ACCESS HOSPITALS.—During the covered period, any covered organization that is a critical access hospital (as defined in section 1861(mm) of the Social Security Act (42 U.S.C. 1395x(mm))) shall be eligible to receive a covered loan, regardless of the status of such a hospital as a debtor in a case under chapter 11 of title 11, Unites
States Code, or the status of any debts owed by such a hospital to the Federal Government.

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

“(I) IN GENERAL.—With respect to an individual physical location of a business concern described in item (aa) of clause (iii)(II), each such location shall be treated as an independent, nonaffiliated entity for purposes of this paragraph.

“(II) DEMONSTRATION OF NEED.—Any individual physical location of a business concern described in item (aa) of clause (iii)(II) that is a franchise or affiliate of, or owned or controlled by a parent company, investment company, or the management thereof, shall demonstrate, upon request of the Administrator, the need for a covered loan to support the continued provision of local news, information, content, or emergency infor-
mation, and, at the time of disbursal, the individual physical location.

“(III) LIMITATION ON USE OF FUNDS.—A business concern, or a parent company, investment company, or management company of 1 or more physical locations of a business concern, described in item (aa) of clause (iii)(II) may not use any portion of the proceeds of a covered loan for any expense that is not directly related to the individual physical location described in subclause (I) of this clause with respect to which the covered loan was made.

“(IV) WAIVER OF CERTAIN LIMITATIONS.—For an organization described in item (bb) of clause (iii)(II), during the covered period, the provisions applicable to affiliations under section 121.103 of title 13, Code of Federal Regulations, or any successor regulation, the provisions of section 120.110(j) of title 13, Code of Federal Regulations, or any successor
regulation, and any otherwise applicable covered loan limitations based on number of employees or loss in revenue are waived with respect to determining eligibility for a covered loan under such item.”.

SEC. 205. LIMIT ON AGGREGATE LOAN AMOUNT FOR ELIGIBLE RECIPIENTS WITH MORE THAN 1 PHYSICAL LOCATION.

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

“With respect to an eligible recipient with more than 1 physical location, the total amount of all covered loans made under this clause to the eligible recipient shall not be more than $10,000,000.”.

SEC. 206. ALLOWABLE USES OF COVERED LOANS; FORGIVENESS.

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

(1) in subparagraph (F)(i)—

(A) in subclause (VI), by striking “and” at the end;
(B) in subclause (VII), by striking the period at the end and inserting a semicolon; and (C) by adding at the end the following:

“(VIII) costs related to the provision of personal protective equipment for employees or other equipment or supplies determined by the employer to be necessary to protect the health and safety of employees and the general public;

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

“(X) costs related to property damage, vandalism, or looting due to public disturbances that occurred during 2020 that were not covered by insurance or other compensation.”; and

(2) in subparagraph (G)—

(A) in the subparagraph heading, by striking “BORROWER REQUIREMENTS” and all that follows through “eligible recipient applying” and inserting “BORROWER CERTIFICATION REQUIREMENTS.—An eligible recipient applying”;

(B) by redesignating subclauses (I) through (IV) as clauses (i) through (iv), respec-
tively, and adjusting the margins accordingly;
and

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

(b) FORGIVENESS.—

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

(A) in subparagraph (C), by striking
“and” at the end;
(B) in subparagraph (D), by striking
“and” at the end; and
(C) by adding at the end the following:
“(E) interest on any other debt obligations
that were incurred before the covered period;
“(F) any amount that was a loan made
under section 7(b)(2) of the Small Business Act
(15 U.S.C. 636(b)(2)) that was refinanced as
part of a covered loan and authorized by section
7(a)(36)(F)(iv) of the such Act;
“(G) payments made for the provision of
personal protective equipment for employees or
other equipment or supplies determined by the employer to be necessary to protect the health and safety of employees and the general public;

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

“(I) payments related to property damage, vandalism, or looting due to public disturbances that occurred during 2020 that were not covered by insurance or other compensation; and”.

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

“(5) Any payment of interest on any other debt obligations that were incurred before the covered period.

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

“(7) Any payment made for the provision of personal protective equipment for employees or other equipment or supplies determined by the employer to be necessary to protect the health and safety of employees.
“(8) Any payment made for inventory, raw materials, or supplies.

“(9) Any payment related to property damage, vandalism, or looting due to public disturbances that occurred during 2020 that was not covered by insurance or other compensation.”.

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

(A) in subsection (e), as amended by section 203—

(i) in paragraph (2), by striking “payments on covered mortgage obligations, payments on covered lease obligations, and covered utility payments” and inserting “payments or amounts refinanced described in subsection (b) (other than payroll costs)”;

(ii) in paragraph (3)(B), by striking “, make interest payments” and all that follows through “or make covered utility payments” and inserting “, make payments described in subsection (b), or that was refinanced as part of a covered loan and authorized by section 7(a)(36)(F)(iv) of the Small Business Act”; and
(B) in subsection (h), by striking “payments for payroll costs, payments on covered mortgage obligations, payments on covered lease obligations, or covered utility payments” each place it appears and inserting “payments or amounts refinanced described in subsection (b)”.

SEC. 207. DOCUMENTATION REQUIRED FOR CERTAIN ELIGIBLE RECIPIENTS.

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

SEC. 208. EXCLUSION OF CERTAIN PUBLICLY TRADED AND FOREIGN ENTITIES.

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

“(x) EXCLUSION OF CERTAIN PUBLICLY TRADED AND FOREIGN ENTITIES.—

Effective on the date of enactment of this clause—
“(I) a publicly traded entity, as defined in subparagraph (B)(ii), is not eligible to receive a covered loan; and

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

SEC. 209. ELECTION OF 12-WEEK PERIOD BY SEASONAL EMPLOYERS.

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

SEC. 210. INCLUSION OF CERTAIN REFINANCING IN NON-RECOUPSE REQUIREMENTS.

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

SEC. 211. CREDIT ELSEWHERE REQUIREMENTS.

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

“(I) CREDIT ELSEWHERE.—The requirement that a small business concern is unable to obtain credit elsewhere (as defined in section 3(h))—

“(i) shall not apply to—

“(I) a covered loan approved by the Administrator before the date of enactment of the Heroes Small Business Lifeline Act; or

“(II) a covered loan made to a covered organization, covered nonprofit organization, or housing cooperative; and

“(ii) shall only apply to covered loans in an amount greater than $350,000 approved by the Administrator on or after the date of the enactment of the Heroes Small Business Lifeline Act.”.
SEC. 212. PROHIBITION ON RECEIVING DUPLICATIVE AMOUNTS FOR PAYROLL COSTS.

(a) Paycheck Protection Program.—Clause (iv) of section 7(a)(36)(G) of the Small Business Act (15 U.S.C. 636(a)(36)(G)), as redesignated by section 206, is amended—

(1) by striking “December 31, 2020” and inserting “June 30, 2020”; and

(2) by striking “the same purpose and” and inserting “payments for payroll costs incurred during such period”.

(b) Treasury Program.—Section 1109(f) of the CARES Act (15 U.S.C. 9008(f)) is amended—

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

and

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

SEC. 213. APPLICATION OF CERTAIN TERMS THROUGH LIFE OF COVERED LOAN.

Section 7(a)(36) of the Small Business Act (15 U.S.C. 636(a)(36)) is amended—
(1) in subparagraph (H), in the matter preceding clause (i), by striking “During the covered period, with” and inserting “With”;

(2) in subparagraph (J), in the matter preceding clause (i), by striking “During the covered period, with” and inserting “With”; and

(3) in subparagraph (M)—

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

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

SEC. 214. INTEREST CALCULATION ON COVERED LOANS.

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

SEC. 215. REIMBURSEMENT FOR PROCESSING.

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

(1) in clause (ii), by adding at the end the following: “Such fees shall be paid by the eligible recipient and may not be paid out of the proceeds of a covered loan. A lender shall only be responsible for
paying fees to an agent for services for which the lender directly contracts with the agent.”; and

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

“(iii) TIMING.—A reimbursement described in clause (i) shall be made not later than 5 days after the reported disbursement of the covered loan and may not be required to be repaid by a lender unless the lender is found guilty of an act of fraud in connection with the covered loan.”.

SEC. 216. DUPLICATION REQUIREMENTS FOR ECONOMIC INJURY DISASTER LOAN RECIPIENTS.

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

SEC. 217. REAPPLICATION FOR AND MODIFICATION TO PAYCHECK PROTECTION PROGRAM.

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

(b) RULES OR GUIDANCE.—Not later than 7 days after the date of enactment of this Act, the Administrator
shall issue rules or guidance to ensure that an eligible re-
cipient of a covered loan that returns amounts disbursed
under the covered loan or does not accept the full amount
of the covered loan for which the eligible recipient was ap-
proved—

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

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

SEC. 218. TREATMENT OF CERTAIN CRIMINAL VIOLATIONS.

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

“(U) Treatment of certain criminal
violations.—

“(i) Financial fraud or deception.—An entity that is a business, orga-
nization, cooperative, or enterprise may not receive a covered loan if an owner of 20 percent or more of the equity of the entity, during the 5-year period preceding the date on which the entity applies for a covered loan, has been convicted of a felony of financial fraud or deception under Federal, State, or Tribal law.

“(ii) Arrests or convictions.—An entity that is a business, organization, cooperative, or enterprise shall be an eligible recipient notwithstanding a prior arrest or conviction under Federal, State, or Tribal law of an owner of 20 percent or more of the equity of the entity, unless the owner is currently incarcerated.

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

(b) Rulemaking.—Not later than 15 days after the date of enactment of this Act, the Administrator shall make necessary revisions to any rules to carry out the amendment made by this section.
SEC. 219. ELIGIBILITY AND TREATMENT OF FARM CREDIT SYSTEM INSTITUTIONS.

(a) Definition of Farm Credit System Institution.—In this section, the term “Farm Credit System institution”—

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

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

(b) Facilitation of Participation in PPP and Second Draw Loans.—

(1) Applicable Rules.—Solely with respect to loans under paragraph (36) of section 7(a) of the Small Business Act (15 U.S.C. 636(a)), Farm Credit Administration regulations and guidance issued as of July 14, 2020, and compliance with such regulations and guidance, shall be deemed functionally equivalent to requirements referenced in section 3(a)(iii)(II) of the interim final rule of the Administration entitled “Business Loan Program Temporary Changes; Paycheck Protection Program” (85 Fed. Reg. 20811 (April 15, 2020)).

(2) Applicability of Certain Loan Requirements.—For purposes of making loans under paragraph (36) of section 7(a) of the Small Business

(3) RISK WEIGHT.—

(A) IN GENERAL.—With respect to the application of Farm Credit Administration capital requirements, a loan described in subparagraph (B)—

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

(ii) shall not be included in the calculation of any applicable leverage ratio or other applicable capital ratio or calculation.

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

(i) a loan made by a Farm Credit Bank described in section 1.2(a) of the Farm Credit Act of 1971 (12 U.S.C. 2002(a)) to a Federal Land Bank Association, a Production Credit Association, or an agricultural credit association described in that section to make loans under para-
51 graph (36) of section 7(a) of the Small Business Act (15 U.S.C. 636(a)) or forgive those loans in accordance with section 1106 of the CARES Act (15 U.S.C. 9005); or

(ii) a loan made by a Federal Land Bank Association, a Production Credit Association, an agricultural credit association, or the bank for cooperatives described in section 1.2(a) of the Farm Credit Act of 1971 (12 U.S.C. 2002(a)) under paragraph (36) of section 7(a) of the Small Business Act (15 U.S.C. 636(a)).

**TITLE III—TAX PROVISIONS**

**SEC. 301. IMPROVED COORDINATION BETWEEN PAYCHECK PROTECTION PROGRAM AND EMPLOYEE RETENTION TAX CREDIT.**

(a) Amendment to Paycheck Protection Program.—Section 1106(a)(8) of the CARES Act (15 U.S.C. 9005(a)(8)) is amended by inserting “, except that such costs shall not include qualified wages taken into account in determining the credit allowed under section 2301 of this Act” before the period at the end.

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

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

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

“(2) COORDINATION WITH PAYCHECK PROTECTION PROGRAM.—The Secretary, in consultation with the Administrator of the Small Business Administration, shall issue guidance providing that payroll costs paid or incurred during the covered period shall not fail to be treated as qualified wages under this section by reason of an election under paragraph (1) to the extent that a covered loan of the eligible employer is not forgiven under section 1106(b) by reason of such payroll costs. Terms used in the preceding sentence which are also used in section 1106 shall have the same meaning as when used in such section.”.

(2) CONFORMING AMENDMENTS.—
(A) Section 2301 of the CARES Act (Public Law 116–136; 26 U.S.C. 3111 note) is amended by striking subsection (j).

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

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

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

SEC. 401. SENSE OF CONGRESS.

It is the sense of Congress that—

(1) many businesses that have received economic injury disaster loans under section 7(b)(2) of the Small Business Act (15 U.S.C. 636(b)(2)) continue to suffer from the effects of the COVID–19 pandemic and may not be in a position to make payments in the near term;

(2) the Administrator has the authority under the Small Business Act (15 U.S.C. 631 et seq.) to
reduce the interest charged on loans and to offer
borrowers up to 4 years of deferment on the pay-
ment of interest and principal; and

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

SEC. 402. NOTICES TO APPLICANTS FOR ECONOMIC INJURY

DISASTER LOANS OR ADVANCES.

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

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

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

(2) by adding at the end the following:

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

“(i) publish on the website of the Ad-
ministration a description of the rules
issued with respect to a loan made under
this subsection, which shall be clear and easy to understand; and

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

“(C) RIGHT TO EXPLANATION OF DECLINED LOAN OR ADVANCE.—

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

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

“(II) establish a dedicated telephonic information line and e-mail address to respond to further inquiries about denied applications described in subclause (I); and
“(III) before fully or partially denying an application for a loan under this subsection or an advance under such section 1110(e) because the applicant submitted incomplete information—

“(aa) contact the applicant and give the applicant the opportunity to provide that information; and

“(bb) reconsider the application with any additional information provided.

“(ii) Submission of additional information.—An applicant for a loan under this subsection or an advance under section 1110(e) of the CARES Act (15 U.S.C. 9008(e)) that can remedy the grounds for denial of the application by submitting additional information under clause (i)(III)—

“(I) shall have the opportunity to do so directly with a loan officer; and
“(II) shall not be required to seek a remedy through the appeals process of the Administration.”.

SEC. 403. MODIFICATIONS TO EMERGENCY EIDL ADVANCES.

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

“(1) In general.—During the covered period, an entity included for eligibility in subsection (b), including small business concerns, private nonprofit organizations, and small agricultural cooperatives, that applies for a loan under section 7(b)(2) of the Small Business Act (15 U.S.C. 636(b)(2)) in response to COVID–19 shall be provided an advance that is, subject to paragraph (3), disbursed within 3 days after the Administrator receives an application from the entity, unless the advance is specifically declined by the entity.”.

SEC. 404. DATA TRANSPARENCY, VERIFICATION, AND NOTICES FOR ECONOMIC INJURY DISASTER LOANS.

(a) In general.—Section 1110 of the CARES Act (15 U.S.C. 9009) is amended—

(1) by redesignating subsection (f) as subsection (j); and
(2) by inserting after subsection (e) the follow-
ing:

“(f) DATA TRANSPARENCY.—

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

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

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

“(i) received;

“(ii) processed; and

“(iii) approved and rejected, including
the percentage of covered applications that
the Administrator approved.
“(B) With respect to the covered applications that the Administrator approved during the week covered by the report, the number and dollar amount of the loans made with respect to such applications as part of a response to COVID–19.

“(C) The identification number, or other indicator showing the order in which any application was received and intended to be processed, for the most recent covered application processed by the Administrator.

“(D) Demographic data with respect to applicants submitting covered applications during the week covered by the report and loans made pursuant to covered applications during the week covered by the report, which shall include—

“(i) with respect to each such applicant or loan recipient, as applicable, information regarding—

“(I) the geographic area in which the applicant or loan recipient operates;

“(II) if applicable, the sex, race, and ethnicity of each owner of the ap-
applicant or loan recipient, which the individual may decline to provide;

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

“(IV) the number of employees employed by the applicant or loan recipient;

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

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

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

“(iii) the average economic injury suffered by—

“(I) applicants, the covered applications of which the Administrator approved; and

“(II) applicants, the covered applications of which the Administrator rejected.

“(g) VERIFICATION OF BUSINESS ELIGIBILITY.—
“(1) IN GENERAL.—With respect to an application submitted to the Administrator during the covered period for a loan under section 7(b)(2) of the Small Business Act (15 U.S.C. 636(b)(2)) in response to COVID–19, the Administrator shall verify that each such applicant was in operation on January 31, 2020.

“(2) REPORT.—Not later than 30 days after the date of enactment of this subsection, the Administrator shall submit to Congress a report that describes the steps taken by the Administrator to perform the verification required under paragraph (1).

“(3) SENSE OF CONGRESS.—It is the sense of Congress that the verification required under paragraph (1) constitutes oversight that the Administrator is required to perform under paragraph (15) of section 7(b) of the Small Business Act (15 U.S.C. 636(b)) with respect to entities receiving loans under paragraph (2) of such section 7(b).

“(h) NOTIFICATIONS TO CONGRESS.—

“(1) DEFINITIONS.—In this subsection—

“(A) the term ‘appropriate committees of Congress’ means—

“(i) the Committee on Small Business and Entrepreneurship and the Sub-
committee on Financial Services and General Government of the Committee on Appropriations of the Senate; and

“(ii) the Committee on Small Business and the Subcommittee on Financial Services and General Government of the Committee on Appropriations of the House of Representatives; and

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

“(i) the program under this section;

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

“(iii) the authorized activities for amounts were appropriated in response to the COVID–19 pandemic under the heading ‘Small Business Administration—Salaries and Expenses’; or

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

“(2) NOTICE OF APPROACHING FUNDING LAPSE.—The Administrator shall submit to the ap-
propriate committees of Congress a notification not later than 2 days after the date on which unobligated balances of amounts appropriated for a fiscal year for any covered program, project, or activity are less than 25 percent of the total amount appropriated for the covered program, project, or activity for such fiscal year.

“(3) MONTHLY REPORT.—The Administrator shall submit to the appropriate committees of Congress a monthly report detailing the current and future planned uses of amounts appropriated in response to the COVID–19 pandemic under the heading ‘Small Business Administration—Salaries and Expenses’, which shall include—

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

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

“(C) a list of all sole source contracts entered into using such amounts; and

“(D) any program changes, regulatory actions, guidance issuances, or other initiatives relating to the response to the COVID–19 pandemic.”.
(b) RETROACTIVE COLLECTION.—As soon as is prac-
ticable after the date of enactment of this Act, the Admin-
istrator shall collect the information required under sec-
tion 1110(f) of the CARES Act (15 U.S.C. 9009(f)), as 
amended by subsection (a), from applicants that sub-
mited covered applications (as defined in such section 
1110(f)) during the period beginning on the date of enact-
ment of the CARES Act (Public Law 116–136) and end-
ing on the date of enactment of this Act.

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

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

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

“(1) DEFINITIONS.—In this subsection:

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

“(B) COVERED ENTITY.—The term ‘cov-
ered entity’—
“(i) means an eligible entity described in subsection (b) of this section, if such eligible entity—

“(I) has not more than 50 employees; and

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

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

“(C) ECONOMIC LOSS.—The term ‘economic loss’ means, with respect to a covered entity, the amount by which the gross receipts of the covered entity declined during an 8-week period between March 2, 2020, and December 31, 2020 (as determined by the covered entity), relative to a comparable 8-week period immediately preceding March 2, 2020, or during 2019 (as determined by the covered entity).

“(D) ECONOMICALLY DISADVANTAGED INDIVIDUAL.—The term ‘economically disadvantaged individual’ means an economically disadvantaged individual under section 124.104 of

“(E) Low-income Community.—The term ‘low-income community’ has the meaning given the term in section 45D(e) of the Internal Revenue Code of 1986.

“(F) Remote Recreations Enterprise.—The term ‘remote recreational enterprise’ means a covered entity that was in operation on or before March 1, 2020, that can document an economic loss caused by the closure of the United States and Canadian border that restricted the ability of American customers to access the location of the covered entity.

“(G) Socially Disadvantaged Individual.—The term ‘socially disadvantaged individual’ means a socially disadvantaged individual under section 124.103 of title 13, Code of Federal Regulations, or any successor regulation.

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

“(2) Procedure.—During the covered period, a covered entity that applies for a loan under section
7(b)(2) of the Small Business Act (15 U.S.C. 636(b)(2)) may request that the Administrator provide funding for the purposes described in paragraph (6).

“(3) VERIFICATION.—With respect to each request submitted by an entity under paragraph (2), the Administrator shall—

“(A) not later than 14 days after the date on which the Administrator receives the request, verify whether the entity is a covered entity; and

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

“(4) ORDER OF PROCESSING.—Subject to paragraph (8), the Administrator shall process and approve requests submitted under paragraph (2) in the order the Administrator receives the requests.

“(5) AMOUNT OF FUNDING.—

“(A) IN GENERAL.—The amount of funding provided to a covered entity that submits a
request under paragraph (2) shall be in an amount that is the lesser of—

“(i) the amount of working capital needed by the covered entity for the 180-day period beginning on the date on which the covered entity would receive the funding, as determined by the Administrator using a methodology that is identical to the methodology used by the Administrator to determine working capital needs with respect to an application for a loan submitted under section 7(b)(2) of the Small Business Act (15 U.S.C. 636(b)(2)); or

“(ii) $50,000.

“(B) ENTITLEMENT TO FULL AMOUNT.—A covered entity that receives funding pursuant to a request submitted under paragraph (2) shall be entitled to receive the full amount of that funding, as determined under subparagraph (A), without regard to—

“(i) if the applicable loan for which the covered entity has applied under section 7(b)(2) of the Small Business Act (15 U.S.C. 636(b)(2)) is approved, the amount of the loan;
“(ii) whether the covered entity accepts the offer of the Administrator with respect to an approved loan described in clause (i); or

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

“(6) USE OF FUNDS.—A covered entity that receives funding under this subsection—

“(A) may use the funding—

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

“(ii) for working capital needs, including investments to implement adaptive changes or resiliency strategies to help the eligible entity maintain business continuity during the COVID–19 pandemic; or

“(iii) to repay any unpaid amount of—

“(I) a loan received under subsection (a)(36) or (b)(2) of section 7 of the Small Business Act (15 U.S.C. 636); or
“(II) mortgage interest; and

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

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

“(8) PRIORITY.—During the 56-day period beginning on the date of enactment of this subsection, the Administrator may approve a request for funding under this subsection only if the request is submitted by—

“(A) a covered entity located in a low-income community;

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

“(C) a covered entity owned or controlled by an economically disadvantaged individual or a socially disadvantaged individual; or
“(D) a remote recreational enterprise.

“(9) ADMINISTRATION.—In carrying out this subsection, the Administrator may rely on loan officers and other personnel of the Office of Disaster Assistance of the Administration and other resources of the Administration, including contractors of the Administration.

“(10) RETROACTIVE EFFECT.—Any covered entity that, during the period beginning on January 1, 2020, and ending on the day before the date of enactment of this subsection, applied for a loan under section 7(b)(2) of the Small Business Act (15 U.S.C. 636(b)(2)) may submit to the Administrator a request under paragraph (2) with respect to that loan.

“(11) AUTHORIZATION OF APPROPRIATIONS.—There are authorized to be appropriated to the Administrator $40,000,000,000 to carry out this subsection, which shall remain available through December 31, 2021, of which—

“(A) $20,000,000,000 is authorized to be appropriated to provide funding to covered entities described in paragraph (8); and

“(B) $20,000,000 is authorized to be appropriated to the Inspector General of the Administration to prevent waste, fraud, and abuse
with respect to funding provided under this subsection.”.

SEC. 406. MODIFICATIONS TO ECONOMIC INJURY DISASTER LOANS.

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

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

(2) the Administrator—

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

(B) shall not disqualify any applicant for such a loan due to the criminal history or arrest record of the applicant, except in the case of an applicant that, during the 5-year period preceding the date on which the applicant submits an application, has been convicted—
(i) of a felony offense involving fraud, bribery, or embezzlement in any State or Federal court; or

(ii) in connection with a false statement made in—

(I) a loan application; or

(II) an application for Federal financial assistance.

(b) ADDITIONAL LOAN FOR EXISTING BORROWERS.—

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

(A) an amount equal to 6 months of working capital for the recipient; and

(B) $2,000,000; and
(2) CONSIDERATION.—In considering a request submitted under paragraph (1), the Administrator—

(A) may not recalculate the economic injury or creditworthiness of the borrower; and

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

(3) ADDITIONAL DOCUMENTATION.—If the Administrator requires a borrower making a request under paragraph (1) to provide additional documentation, the Administrator shall—

(A) publish those documentation requirements on the website of the Administration not later than 7 days after the date of enactment of this Act; and

(B) proactively provide those requirements to any such borrower that received a loan described in paragraph (1).

SEC. 407. PRINCIPAL AND INTEREST PAYMENTS FOR CERTAIN DISASTER LOANS.

(a) DEFINITIONS.—In this section:
(1) Covered EIDL Loan.—The term “covered EIDL loan” means a loan made under section 7(b)(2) of the Small Business Act (15 U.S.C. 636(b)(2)) that—

(A) was approved by the Administrator before February 15, 2020; and

(B) is in a regular servicing status.

(2) Physical Disaster Loan.—The term “physical disaster loan” means a loan made under section 7(b)(1) of the Small Business Act (15 U.S.C. 636(b)(1)) in a regular servicing status.

(b) Payment by Administrator.—The Administrator shall pay the principal, interest, and any associated fees that are owed on a physical disaster loan or a covered EIDL loan as follows:

(1) With respect to a physical disaster loan—

(A) not in deferment, for the 12-month period beginning with the next payment due on such loan;

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

(C) made on or after the date of enactment of this Act, for the 12-month period be-
(2) With respect to a covered EIDL loan—
   (A) not in deferment, for the 12-month period beginning with the next payment due on such loan; and
   (B) in deferment, for the 12-month period beginning with the next payment due on such loan after the deferment period.

(c) TIMING OF PAYMENT.—The Administrator shall begin making payments under subsection (b) not later than 30 days after the date on which the first such payment is due.

(d) APPLICATION OF PAYMENT.—Any payment made by the Administrator under subsection (b) shall be applied to the physical disaster loan or a covered EIDL loan (as applicable) such that the borrower is relieved of the obligation to pay that amount.

SEC. 408. TRAINING.

The Administrator shall—

   (1) develop and implement a plan to train any staff responsible for implementing or administering the loan program established under section 7(b)(2) of the Small Business Act (15 U.S.C. 636(b)(2)) on
specific responsibilities with respect to such program; and

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

SEC. 409. OUTREACH PLAN.

Not later than 30 days after the date of enactment of this Act, the Administrator shall submit to the Committee on Small Business and Entrepreneurship of the Senate and the Committee on Small Business of the House of Representatives an outreach plan to clearly communicate program and policy changes to all offices of the Administration, small business development centers (as defined in section 3 of the Small Business Act (15 U.S.C. 632)), women’s business centers (described in section 29 of such Act (15 U.S.C. 656)), chapters of the Service Corps of Retired Executives (established under section 8(b)(1)(B) of such Act (15 U.S.C. 637(b)(1)(B))), Veteran Business Outreach Centers (described in section 32 of such Act (15 U.S.C. 657b)), Members of Congress, congressional committees, small business concerns (as defined in section 3 of such Act (15 U.S.C. 632)), and the public.
SEC. 410. REPORT ON BEST PRACTICES.

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

SEC. 411. EXTENSION OF PERIOD OF AVAILABILITY FOR ADMINISTRATIVE FUNDS.

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

TITLE V—MICRO-SBIC AND EQUITY INVESTMENT ENHANCEMENT

SEC. 501. MICRO-SBIC PROGRAM.

Title III of the Small Business Investment Act of 1958 (15 U.S.C. 681 et seq.) is amended by adding at the end the following:
"PART D—MICRO-SBIC PROGRAM

"SEC. 399A. MICRO-SBIC PROGRAM.

"(a) ESTABLISHMENT.—There is established in the Administration a program to be known as the ‘Micro-SBIC Program’ under which the Administrator shall issue a license to an applicant for the purpose of making loans to and investments in small business concerns. An applicant licensed under this section shall have the same benefits as an applicant licensed under section 301.

"(b) ELIGIBILITY.—An applicant desiring to receive a license to operate as a micro-SBIC shall submit an application to the Administrator at such time, in such manner, and containing such information as the Administrator may require, including—

"(1) evidence that the applicant holds private capital of not less than $5,000,000;

"(2) evidence that the management of the applicant is qualified and has significant business expertise relevant to the applicant’s strategy; and

"(3) an election to receive a seed investment under section 399C or leverage from the Administrator.

"(c) ISSUANCE OF LICENSE.—

"(1) PROCEDURES.—

"(A) STATUS.—Not later than 90 days after the initial receipt by the Administrator of
an application under this section, the Administrator shall provide the applicant with a written report detailing the status of the application and any requirements remaining for completion of the application.

“(B) APPROVAL OR DISAPPROVAL.—Except as provided in subparagraph (C) and within a reasonable time after providing the report under subparagraph (A), and in accordance with such requirements as the Administrator may prescribe by regulation, the Administrator shall—

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

“(ii) disapprove the application and notify the applicant in writing of the disapproval.

“(C) PROVISIONAL APPROVAL.—The Administrator may provide provisional approval for an applicant for a period of not more than 12 months before making a final determination of approval or disapproval under subparagraph (B).
“(D) EXPLANATION OF DISAPPROVAL.—
An applicant may submit to the Administrator a request for a written explanation regarding the disapproval of an application under subparagraph (B)(ii).

“(2) APPEALS.—

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

“(i) not later than 30 days after the date on which the application is disapproved, the applicant may submit an appeal to the Chair of the Investment Division Licensing Committee of the Administration (referred to in this paragraph as the ‘Chair’); and

“(ii) not later than 30 days after the date on which the applicant submits an appeal under clause (i), the Chair shall issue a ruling with respect to the appeal and notify the applicant regarding such ruling.

“(B) DENIAL OF APPEAL.—With respect to an application that the Chair denies in an appeal submitted under subparagraph (A)—
“(i) not later than 30 days after the date on which the Chair submits the notification required under subparagraph (A)(ii), the applicant may submit to the Administrator an appeal of the ruling made by the Chair; and

“(ii) not later than 30 days after the date on which the applicant submits an appeal under clause (i), the Administrator shall issue a final ruling with respect to the appeal and notify the applicant regarding such ruling.

“(3) PRIORITY.—In reviewing applications and issuing licenses under this section, the Administrator shall give priority to an applicant the management of which consists of not fewer than 2 socially disadvantaged individuals or economically disadvantaged individuals and not fewer than 1 track record investment committee member.

“(4) EXPEDITED PROCEDURES.—The Administrator shall establish expedited procedures for the consideration of an application submitted under subsection (b), including a written report under paragraph (1)(A) not later than 45 days after the initial receipt of an application, for—
“(A) a small business investment company licensed under section 301;

“(B) a rural business investment company;

or

“(C) a bank-owned applicant.

“(d) MAXIMUM LEVERAGE.—

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

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

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

“(2) INVESTMENTS IN CERTAIN BUSINESSES.—In calculating the outstanding leverage of a micro-SBIC for purposes of paragraph (1), the Administrator shall exclude the amount of the cost basis of any investments made in an early-stage small business, growth-stage small business, scale-up small business, or covered small business in an amount not to exceed—
“(A) $25,000,000; or

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

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

“(a) Surrender of License.—A micro-SBIC that voluntarily surrenders a license issued under this part shall enter into an agreement with Administrator for the repayment of leverage received. Such agreement may not require the micro-SBIC to immediately repay all leverage received.

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

“SEC. 399C. SEED INVESTMENT PROGRAM.

“(a) Establishment.—The Administrator shall establish and carry out an equity investment program (in this part referred to as the ‘Seed Investment Program’) to provide seed investments to a micro-SBIC to invest in small business concerns.

“(b) Application.—A micro-SBIC that elects to receive a seed investment under section 399A(b)(3) shall
submit to the Administrator an application that includes
the following:

“(1) A business plan describing how the applicant intends to make successful investments in early-stage small businesses, growth-stage small businesses, scale-up small businesses, or covered small businesses, as applicable.

“(2) A description of the extent to which the applicant meets the selection criteria under subsection (c).

“(c) SELECTION.—

“(1) IN GENERAL.—Not later than 90 days after the date of receipt of an application under subsection (b), the Administrator shall make a final determination to approve or disapprove the applicant as a participant in the Seed Investment Program and shall submit such determination to the applicant in writing.

“(2) CRITERIA.—In making a determination under paragraph (1), the Administrator shall consider each of the following criteria:

“(A) The likelihood that the applicant will meet the goals specified in the business plan of the applicant.
“(B) The likelihood that the investments of
the applicant will directly and indirectly create
or preserve jobs.

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

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

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

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

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

“SEC. 399D. REQUIREMENTS FOR SEED INVESTMENTS.

“(a) In General.—The Administrator may make 1
seed investment to a Program participant, which shall be
held in an account from which the Program participant
may make withdrawals.

“(b) Amounts.—

“(1) Non-federal Capital.—A seed invest-
ment made to a Program participant may not exceed
the amount of capital of the Program participant that—

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

“(B) is available for investment, including through legally binding commitments, on or before the date on which the seed investment is approved.

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

“(A) $25,000,000; or

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

“(c) PROCESS.—

“(1) IN GENERAL.—Amounts held in an account under this section shall remain available to a Program participant—

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

“(B) for follow-on investments and management fees, during the 10-year period beginning on the date on which the Program participant first accesses amounts from the account.
“(2) Extension.—Upon request by a Program participant, the Administrator may grant a 1-year extension of the period described in paragraph (1)(B) not more than 2 times.

“(3) Use of amounts.—A Program participant shall invest all amounts held in an account under this section during the 10-year period beginning on the date on which the Program participant first accesses amounts from the account.

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

“(e) Investments in certain businesses.—

“(1) In general.—A Program participant that receives a seed investment under this part shall make all of the investments of the Program participant in small business concerns, of which not less than 50 percent shall be in covered small businesses.

“(2) Minority positions.—

“(A) In general.—On the date on which a Program participant first accesses amounts from a seed investment received under this Part, the Program participant may not own or control not more than 50 percent of the shares
of any small business concern in which the Program participant invests.

“(B) FOLLOW-ON INVESTMENTS.—A Program participant described in subparagraph (A) shall not pursue a buyout strategy as a primary purpose of an investment in a small business concern, but may take control in follow-on investments if necessary for the success of any such small business concern.

“(3) EVALUATION OF COMPLIANCE.—The Administrator shall evaluate the compliance of a Program participant with the requirements under this section once the Program participant has expended 75 percent of the amount of a seed investment made under this part.

“(f) SEED INVESTMENT INTEREST.—

“(1) IN GENERAL.—

“(A) IN GENERAL.—Subject to paragraph (4), a Program participant that receives a seed investment under this part shall convey a seed investment interest to the Administrator in accordance with subparagraph (B).

“(B) EFFECT OF CONVEYANCE.—
“(i) IN GENERAL.—The seed investment interest conveyed under paragraph (1) shall—

“(I) have all the rights and attributes of other investors with respect to the Program participant, but shall not assign control or voting rights to the Administrator; and

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

“(ii) DISTRIBUTIONS.—The Administrator shall receive distributions from a Program participant under this paragraph at the same times and in the same amounts as any other investor in the Program participant with a similar interest.

“(iii) ALLOCATIONS.—A Program participant shall make allocations of income, gain, loss, deduction, and credit to the Administrator with respect to a seed invest-
ment interest received under this part as if
the Administrator were an investor.

“(2) MANAGER PROFITS.—

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

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

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

“(D) FEES.—A manager of a Program
participant may charge reasonable and cus-
tomary management and organizational fees.
“(3) DISTRIBUTION REQUIREMENTS.—A Program participant that receives a seed investment under this part shall make all distributions to all investors in cash and shall make distributions within a reasonable time after exiting investments, including following a public offering or market sale of underlying investments.

“(4) LIMITATION ON GRANT PROFITS.—Once the Administrator has received an amount equal to 110 percent of the amount of the seed investment made to a Program participant, the requirement to convey seed investment interest under this subsection shall be terminated and no further distributions of profits shall be made to the Administrator.

“SEC. 399E. ADMINISTRATION.

“(a) ELECTRONIC SUBMISSIONS.—The Administrator shall permit the electronic submission of any document submitted under this part or pursuant to a regulation carrying out this part, including by permitting an electronic signature for any signature that is required on such a document.

“(b) APPLICATION OF PENALTIES.—To the extent not inconsistent with requirements under this part, the Administrator may take such action as set forth in sections 309, 311, 312, 313, and 314 to activities under this
part and an officer, director, employee, agent, or other participant in a micro-SBIC shall be subject to the requirements under such sections.

“SEC. 399F. REPORT.

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

“(1) the number of applications received under this part, including the number of applications received from applicants for which the management consists of at least two socially disadvantaged individuals or economically disadvantaged individuals; and

“(2) the number of licenses issued under section 399A, including the number of such licenses issued to applicants for which the management consists of at least two socially disadvantaged individuals or economically disadvantaged individuals.

“SEC. 399G. DEFINITIONS.

“In this part:

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

“(A) an incorporated body, a limited liability corporation, or a limited partnership organized and chartered or otherwise existing under
State law solely for the purpose of performing
the functions and conducting the activities con-
templated under this section; or

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

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

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

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

“(C) has not had a license issued under
this Act revoked or involuntarily surrendered
during the 10-year period preceding the date on
which the application is submitted.
“(3) COVERED SMALL BUSINESS.—The term ‘covered small business’ means a small business concern that—

“(A) is a small business concern owned and controlled by women (as defined in section 3(n) of the Small Business Act (15 U.S.C. 632(n)), small business concern owned and controlled by socially and economically disadvantaged individuals (as defined in section 8(d)(3)(C) of such Act (15 U.S.C. 637(d)(3)(C))), a small business concern owned and controlled by veterans (as defined in section 3(q) of such Act (15 U.S.C. 632(q)) or a Tribal business concern (as described in section 31(b)(2)(C) of such Act (15 U.S.C. 657a(b)(2)(C));

“(B) has its principal place of business located in a rural census tract (as determined under the most recent rural urban commuting area code as set forth by the Office of Management and Budget);

“(C) is a domestic manufacturing business that is assigned a North American Industry Classification System code beginning with 31, 32, or 33 at the time at which the small busi-
ness concern receives an investment from a micro-SBIC under this section; or

“(D) either—

“(i) had gross receipts during the first or second quarter in 2020 that are not less than 50 percent less than the gross receipts of the concern during the same quarter in 2019;

“(ii) if the concern was not in business during the first or second quarter of 2019, but was in business during the third and fourth quarter of 2019, had gross receipts during the first or second quarter of 2020 that are less than 50 percent of the amount of the gross receipts of the concern during the third or fourth quarter of 2019;

“(iii) if the concern was not in business during the first, second, or third quarter of 2019, but was in business during the fourth quarter of 2019, had gross receipts during the first or second quarter of 2020 that are less than 50 percent of the amount of the gross receipts of the concern during the fourth quarter of 2019; or
“(iv) if the concern was not in business during 2019, but was in operation on February 15, 2020, had gross receipts during the second quarter of 2020 that are less than 50 percent of the amount of the gross receipts of the concern during the first quarter of 2020.

“(4) Early-stage small business.—The term ‘early-stage small business’ means a small business concern that—

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

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

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

“(D) does not move production or employment outside the United States.

“(5) Economically disadvantaged individual; socially disadvantaged individual.— The terms ‘economically disadvantaged individual’ and ‘socially disadvantaged individual’ have the
meanings given those terms in section 8(a) of the Small Business Act (15 U.S.C. 637(a)).

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

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

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

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

“(D) does not move production or employment outside the United States.

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

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

“(9) PROGRAM PARTICIPANT.—The term ‘Program participant’ means a micro-SBIC that received a seed investment under the Seed Investment Program established by section 399C.
“(10) SCALE-UP SMALL BUSINESS.—The term ‘scale-up small business’ means a small business concern that—

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

“(B) during the 3-year period preceding the date of application, has not generated earnings before interest, tax, depreciation, and amortization in excess of $3,000,000;

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

“(D) does not move production or employment outside the United States.

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

“(12) TRACK RECORD INVESTMENT COMMITTEE MEMBER.—The term ‘track record investment committee member’ means a current or former small business investment company licensed under section 301, a private small- and lower-middle-market venture capital firm, or a private equity fund manager
with the knowledge, experience, and capability necessary to serve as management for an applicant.

“(13) UNITED STATES.—The term ‘United States’ means each of the several States, the District of Columbia, each territory or possession of the United States, and each federally recognized Indian Tribe.

“SEC. 399H. FUNDING.

“(a) Authorization of Appropriations.—There is authorized to be appropriated to the revolving fund established under subsection (b) $1,000,000,000 for the first full fiscal year beginning after the date of enactment of this part to carry out the requirements of this part.

“(b) Revolving Fund.—

“(1) In general.—There is created within the Administration a separate revolving fund for the Seed Investment Program established under section 399C, which shall be available to the Administrator subject to annual appropriations.

“(2) Deposits.—All amounts received by the Administrator, including any money, property, or assets derived by the Administrator from operations in connection with the Seed Investment Program, including repayments of seed investments, shall be de-
posited in the revolving fund described in paragraph (1).

“(3) EXPENSES AND PAYMENTS.—All expenses and payments, excluding administrative expenses, pursuant to the operations of the Administrator under the Seed Investment Program shall be paid from the revolving fund described in paragraph (1).”.

TITLE VI—MISCELLANEOUS

SEC. 601. REPEAL OF EIDL ADVANCE DEDUCTION.

Section 1110(e)(6) of the CARES Act (15 U.S.C. 9009(e)(6)) is repealed.

SEC. 602. EXTENSION OF THE DEBT RELIEF PROGRAM.

(a) IN GENERAL.—Section 1112 of the CARES Act (15 U.S.C. 9011) is amended—

(1) in subsection (e)—

(A) in paragraph (1)—

(i) in the matter preceding subparagraph (A), by inserting “, without regard to the date on which the covered loan is fully disbursed and subject to availability of funds” after “status”;

(ii) by amending subparagraphs (A) and (B) to read as follows:
“(A) with respect to a covered loan approved by the Administration before the date of enactment of this Act and not on deferment—

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

“(ii) for the 11-month period beginning with the next payment due on the covered loan after the covered loan is fully disbursed, with respect to a covered loan that—

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

“(II) is made to a borrower operating primarily in an industry other than an industry that is assigned a North American Industry Classifica-
tion System code described in item (aa) or (bb) of clause (iii)(II); and

“(iii) for the 18-month period beginning with the next payment due on the covered loan after the covered loan is fully disbursed, with respect to—

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

“(II) any covered loan made to a borrower operating primarily in an industry that is assigned—

“(aa) a North American Industry Classification System code beginning with 61, 71, 72, or 487; or

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

“(B) with respect to a covered loan approved by the Administration before the date of enactment of this Act and on deferment—

“(i) except as provided in clauses (ii) and (iii), for the 6-month period beginning
with the next payment due on the covered loan after the deferment period and after the covered loan is fully disbursed;

“(ii) for the 11-month period beginning with the next payment due on the covered loan after the deferment period and after the covered loan is fully disbursed, with respect to a covered loan described in subclause (I) or (II) of subparagraph (A)(ii); and

“(iii) for the 18-month period beginning with the next payment due on the covered loan after the deferment period and after the covered loan is fully disbursed, with respect to a covered loan described in subclause (I) or (II) of subparagraph (A)(iii); and”; and

(iii) in subparagraph (C)—

(I) by striking “covered loan made” and inserting “covered loan approved by the Administration”;  
(II) by striking “6 months after” and inserting “18 months after”;  
(III) by inserting “(or, for a covered loan made by an intermediary to
a small business concern using loans
or grants received under section 7(m)
of the Small Business Act (15 U.S.C.
636(m)) or guaranteed by the Admin-
istration under the Community Ad-
vantage Pilot Program of the Admin-
istration, for the 12-month period)”
after “6-month period”; and
(IV) by inserting “after the cov-
ered loan is fully disbursed” after
“due on the covered loan”; and
(B) by adding at the end the following:
“(4) ADDITIONAL PROVISIONS FOR NEW
LOANS.—With respect to a loan described in para-
graph (1)(C)—
“(A) the Administrator may further extend
the 18-month period described in paragraph
(1)(C) if there are sufficient funds to continue
those payments; and
“(B) during the underwriting process, a
lender of such a loan may consider the pay-
ments under this section as part of a com-
prehensive review to determine the ability to
repay over the entire period of maturity of the
loan.
“(5) Eligibility.—Eligibility for a covered loan to receive such payments of principal, interest, and any associated fees under this subsection shall be based on the date on which the covered loan is approved by the Administration.

“(6) Authority to revise extensions.—

“(A) In general.—As part of preparing the reports under subsection (i)(5) that are required to be submitted not later than January 15, 2021 and not later than June 15, 2021, the Administrator conduct an evaluation of whether amounts made available to make payments under this subsection are sufficient to make the payments for the period described in paragraph (1).

“(B) Plan.—If the Administrator determines under subparagraph (A) that the amounts made available to make payments under this subsection are insufficient, the Administrator shall—

“(i) develop a plan to proportionally reduce the number of months provided for each period described in paragraph (1), while ensuring all amounts made available
to make payments under this subsection are fully expended; and

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

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

(2) by redesignating subsection (f) as subsection (k); and

(3) by inserting after subsection (e) the following:

“(f) ELIGIBILITY FOR NEW LOANS.—For each individual lending program under this section, the Administrator may establish a minimum loan maturity period, taking into consideration the normal underwriting requirements for each such program, with the goal of preventing abuse under the program.

“(g) LIMITATION ON ASSISTANCE.—A borrower may not receive assistance under subsection (e) for more than 1 covered loan of the borrower described in paragraph (1)(C) of that subsection.
“(h) TAXABILITY.—For purposes of the Internal Revenue Code of 1986—

“(1) any payment made under subsection (c) shall be treated as paid by the person on whose behalf such payment is made,

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

“(3) no deduction shall be denied or reduced, no tax attribute shall be reduced, and no basis increase shall be denied, by reason of the exclusion from gross income provided by paragraph (2).

“(i) REPORTING AND OUTREACH.—

“(1) UPDATED INFORMATION.—

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

“(B) GUIDANCE.—Not later than 14 days after the date of enactment of the Heroes Small Business Lifeline Act the Administrator shall issue guidance on implementing the modifica-
tions to the assistance provided under this section under the amendments made by such Act.

“(2) Publication of list.—Not later than 14 days after the date of enactment of the Heroes Small Business Lifeline Act, the Administrator shall transmit to each lender of a covered loan a list of each borrower of a covered loan that includes the North American Industry Classification System code assigned to the borrower, based on the records of the Administration, to assist the lenders in identifying which borrowers qualify for an extension of payments under subsection (c).

“(3) Education and outreach.—The Administrator shall provide education, outreach, and communication to lenders, borrowers, district offices, and resource partners of the Administration in order to ensure full and proper compliance with this section, encourage broad participation with respect to covered loans that have not yet been approved by the Administrator, and help lenders transition borrowers from subsidy payments under this section directly to a deferral when suitable for the borrower.

“(4) Notification.—Not later than 30 days after the date of enactment of the Heroes Small Business Lifeline Act, the Administrator shall mail
a letter to each borrower of a covered loan that includes—

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

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

“(C) how to seek recourse with the Administrator or the lender of the covered loan if the borrower has not received that assistance; and

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

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

“(A) monthly and cumulative data on payments made under this section as of the date of the report, including a breakdown by—

“(i) the number of participating borrowers;
“(ii) the volume of payments made for each type of covered loan; and

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

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

“(C) an update on the education and outreach activities of the Administration carried out under paragraph (3).”.

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

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

(a) 7(a) LOAN GUARANTEES.—

(1) IN GENERAL.—Section 7(a)(2)(A) of the Small Business Act (15 U.S.C. 636(a)(2)(A)) is amended by striking “), such participation by the Administration shall be equal to” and all that follows through the period at the end and inserting “or the Community Advantage Pilot Program of the Administration), such participation by the Administra-
tion shall be equal to 90 percent of the balance of
the financing outstanding at the time of disburse-
ment of the loan.”.

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

“(A) In general.—Except as provided in
subparagraphs (B), (D), (E), and (F), in an
agreement to participate in a loan on a deferred
basis under this subsection (including a loan
made under the Preferred Lenders Program),
such participation by the Administration shall
be equal to—

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

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

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

“(2) Prospective Repeal.—Section 7(a)(31)(D) of the Small Business Act (15 U.S.C. 636(a)(31)(D)) is amended—

“(A) by striking ‘$1,000,000’ and inserting ‘$500,000’, effective during the period beginning on January 1, 2021, and ending on September 30, 2021; and

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

(2) Guarantee Rates.—

(A) Temporary Modification.—Section 7(a)(31)(A)(iv) of the Small Business Act (15 U.S.C. 636(a)(31)(A)(iv)) is amended by striking “with a guaranty rate of not more than 50 percent.” and inserting the following: “with a guarantee rate—

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

“(II) for a loan in an amount greater than $350,000, of not more than 50 percent.”.
(B) Prospective Repeal.—Effective October 1, 2021, section 7(a)(31)(A)(iv) of the Small Business Act (15 U.S.C. 636(a)(31)(iv)), as amended by subparagraph (A), is amended by striking “guarantee rate” and all that follows through the period at the end and inserting “guarantee rate of not more than 50 percent.”.

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

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

(1) by striking “The Administration” and inserting “(A) In General.—The Administrator”;

(2) by inserting “and interest” after “principal”; and

(3) by adding at the end the following new subparagraphs:

“(B) Deferral Requirements.—With respect to a deferral provided under this paragraph, the Administrator may allow lenders under this subsection—

“(i) to provide full payment deferment relief (including payment of principal and interest) for a period of not more than 1 year; and
“(ii) to provide an additional deferment period if the borrower provides documentation justifying such additional deferment.

“(C) SECONDARY MARKET.—If an investor declines to approve a deferral or additional deferment requested by a lender under subparagraph (B), the Administrator shall exercise the authority to purchase the loan so that the borrower may receive full payment deferment relief (including payment of principal and interest) or an additional deferment as described in subparagraph (B).”.

SEC. 605. RECOVERY ASSISTANCE UNDER THE MICROLOAN PROGRAM.

(a) LOANS TO INTERMEDIARIES.—

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

(A) in paragraph (3)(C)—

(i) by striking “and $6,000,000” and inserting “$10,000,000 (in the aggregate)”;

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

(B) in paragraph (4)—
(i) in subparagraph (A), by striking “subparagraph (C)” each place that term appears and inserting “subparagraphs (C) and (G)”;

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

“(i) **In general.**—In addition to grants made under subparagraph (A) or (G), each intermediary shall be eligible to receive a grant equal to 5 percent of the total outstanding balance of loans made to the intermediary under this subsection if—

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

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

“(aa) that averages not more than $10,000 during the period of the intermediary’s participation in the program; or
“(bb) of which not less than 25 percent is serving rural areas during the period of the intermediary’s participation in the program.”; and

(iii) by adding at the end the following:

“(G) GRANT AMOUNTS BASED ON APPROPRIATIONS.—In any fiscal year in which the amount appropriated to make grants under subparagraph (A) is sufficient to provide to each intermediary that receives a loan under paragraph (1)(B)(i) a grant of not less than 25 percent of the total outstanding balance of loans made to the intermediary under this subsection, the Administration shall make a grant under subparagraph (A) to each intermediary of not less than 25 percent and not more than 30 percent of that total outstanding balance for the intermediary.”;

(C) by striking paragraph (7) and inserting the following:

“(7) PROGRAM FUNDING FOR MICROLOANS.— Under the program authorized by this subsection,
the Administration may fund, on a competitive basis, not more than 300 intermediaries.”; and

(D) in paragraph (11)—

(i) in subparagraph (C)(ii), by striking all after the semicolon and inserting “and”; and

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

“(D) the term ‘economically distressed area’, as used in paragraph (4), means a county or equivalent division of local government of a State in which the small business concern is located, in which, according to the most recent data available from the Bureau of the Census, Department of Commerce, not less than 40 percent of residents have an annual income that is at or below the poverty level.”.

(2) Prospective Amendment.—Effective on October 1, 2021, section 7(m)(3)(C) of the Small Business Act (15 U.S.C. 636(m)(3)(C)), as amended by paragraph (1)(A), is amended—

(A) by striking “$10,000,000” and by inserting “$7,000,000”; and

(B) by striking “$4,500,000” and inserting “$3,000,000”.

(b) Temporary Waiver of Technical Assistance Grants Matching Requirements and Flexibility on Pre- and Post-loan Assistance.—During the period beginning on the date of enactment of this Act and ending on September 30, 2021, the Administration shall waive—

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

(2) the limitation on amounts allowed to be expended to provide information and technical assistance under clause (i) of section 7(m)(4)(E) of the Small Business Act (15 U.S.C. 636(m)(4)(E)) and enter into third-party contracts to provide technical assistance under clause (ii) of such section 7(m)(4)(E).

(c) Temporary Duration of Loans to Borrowers.—

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

(A) to an existing borrower may be extended to not more than 8 years; and
(B) to a new borrower may be not more than 8 years.

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

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

“(h) Microloan Program.—For each of fiscal years 2021 through 2025, the Administration is authorized to make—

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

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

(e) Authorization of Appropriations.—In addition to amounts provided under the Consolidated Appropriations Act, 2020 (Public Law 116–93) for the program established under section 7(m) of the Small Business Act (15 U.S.C. 636(m)) and amounts provided for fiscal year 2021 for that program, there is authorized to be appro-
priated for fiscal year 2021, to remain available until ex-

(1) $50,000,000 to provide technical assistance

grants under such section 7(m); and

(2) $7,000,000 to provide direct loans under

such section 7(m).

SEC. 606. MAXIMUM LOAN AMOUNT FOR 504 LOANS.

(a) PERMANENT INCREASE FOR SMALL MANUFA-

TURERS.—Section 502(2)(A)(iii) of the Small Business


amended by striking “$5,500,000” and inserting

“$6,500,000”.

(b) LOW-INTEREST REFINANCING UNDER THE

LOCAL DEVELOPMENT BUSINESS LOAN PROGRAM.—

(1) REPEAL.—Section 521(a) of title V of divi-

sion E of the Consolidated Appropriations Act, 2016

(Public Law 114–113; 129 Stat. 2463; 15 U.S.C.

696 note) is repealed.

(2) REFINANCING.—Section 502(7) of the


696) is amended—

(A) in subparagraph (B), in the matter

preceding clause (i), by striking “50” and in-

serting “100”; and

(B) by adding at the end the following:
“(C) Refinancing not involving expansions.—

“(i) Definitions.—In this subparagraph—

“(I) the term ‘borrower’ means a small business concern that submits an application to a development company for financing under this subparagraph;

“(II) the term ‘eligible fixed asset’ means tangible property relating to which the Administrator may provide financing under this section; and

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

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

“(bb) is a commercial loan;

“(cc) the proceeds of which were used to acquire an eligible fixed asset;
“(dd) was incurred for the benefit of the small business concern; and

“(ee) is collateralized by eligible fixed assets.

“(ii) Authority.—A project that does not involve the expansion of a small business concern may include the refinancing of qualified debt if—

“(I) the amount of the financing is not more than 90 percent of the value of the collateral for the financing, except that, if the appraised value of the eligible fixed assets serving as collateral for the financing is less than the amount equal to 125 percent of the amount of the financing, the borrower may provide additional cash or other collateral to eliminate any deficiency;

“(II) the borrower has been in operation for all of the 2-year period ending on the date the loan application is submitted; and
“(III) for a financing for which the Administrator determines there will be an additional cost attributable to the refinancing of the qualified debt, the borrower agrees to pay a fee in an amount equal to the anticipated additional cost.

“(iii) Financing for business expenses.—

“(I) Financing for business expenses.—The Administrator may provide financing to a borrower that receives financing that includes a refinancing of qualified debt under clause (ii), in addition to the refinancing under clause (ii), to be used solely for the payment of business expenses.

“(II) Application for financing.—An application for financing under subclause (I) shall include—

“(aa) a specific description of the expenses for which the additional financing is requested; and
"(bb) an itemization of the amount of each expense.

"(III) Condition on additional financing.—A borrower may not use any part of the financing under this clause for non-business purposes.

"(iv) Loans based on jobs.—

"(I) Job creation and retention goals.—

"(aa) In general.—The Administrator may provide financing under this subparagraph for a borrower that meets the job creation goals under subsection (d) or (e) of section 501.

"(bb) Alternate job retention goal.—The Administrator may provide financing under this subparagraph to a borrower that does not meet the goals described in item (aa) in an amount that is not more than the product obtained by multiplying
the number of employees of the borrower by $75,000.

“(II) Number of Employees.—

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

“(aa) the number of full-time employees of the borrower on the date on which the borrower applies for a loan under this subparagraph; and

“(bb) the product obtained by multiplying—

“(AA) the number of part-time employees of the borrower on the date on which the borrower applies for a loan under this subparagraph, by

“(BB) the quotient obtained by dividing the average number of hours each part time employee of the borrower works each week by 40.
“(v) Total Amount of Loans.—The Administrator may provide not more than a total of \$7,500,000,000 of financing under this subparagraph for each fiscal year.”.

(c) Express Loan Authority for Accredited Lenders.—

(1) In General.—Section 507 of the Small Business Investment Act of 1958 (15 U.S.C. 697d) is amended by striking subsection (e) and inserting the following:

“(e) Express Loan Authority.—A local development company designated as an accredited lender in accordance with subsection (b)—

“(1) may—

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

“(B) authorize the guarantee of a debenture described in subparagraph (A); and

“(2) with respect to a covered loan, shall be subject to final approval as to eligibility of any guarantee by the Administration pursuant to section 503(a), but such final approval shall not include review of decisions by the lender involving credit-
worthiness, loan closing, or compliance with legal re-
quirements imposed by law or regulation.

“(f) DEFINITIONS.—In this section—

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

“(2) the term ‘covered loan’—

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

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

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

(2) PROSPECTIVE REPEAL.—Effective on Sep-
ember 30, 2023, section 507 of the Small Business
Investment Act of 1958 (15 U.S.C. 697d), as
amended by paragraph (1), is amended by striking
subsections (e) and (f) and inserting the following:
“(e) DEFINITION.—In this section, the term ‘qualified State or local development company’ has the meaning given the term in section 503(e).’’.

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

SEC. 607. TEMPORARY FEE REDUCTIONS.

(a) ADMINISTRATIVE FEE WAIVER.—

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

(A) in lieu of the fee otherwise applicable under section 7(a)(23)(A) of the Small Business Act (15 U.S.C. 636(a)(23)(A)), collect no fee or reduce fees to the maximum extent possible; and

(B) in lieu of the fee otherwise applicable under section 7(a)(18)(A) of the Small Business Act (15 U.S.C. 636(a)(18)(A)), collect no fee or reduce fees to the maximum extent possible.

(2) APPLICATION OF FEE ELIMINATIONS OR REDUCTIONS.—To the extent that amounts are made available to the Administrator for the purpose of fee eliminations or reductions under paragraph (1), the Administrator shall—

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

(B) then use any amounts provided to eliminate or reduce fees under 7(a)(23)(A) of
the Small Business Act (15 U.S.C. 636(a)(23)(A)).

(b) Temporary Fee Elimination for the 504 Loan Program.—

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

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

(B) a development company shall, in lieu of the processing fee under section 120.971(a)(1) of title 13, Code of Federal Regulations (relating to fees paid by borrowers), or any successor regulation, collect no fee.

(2) Reimbursement for Waived Fees.—
(A) In general.—To the extent that the cost of such payments is offset by appropriations, the Administrator shall reimburse each development company that does not collect a processing fee pursuant to paragraph (1)(B).

(B) Amount.—The payment to a development company under subparagraph (A) shall be in an amount equal to 1.5 percent of the net debenture proceeds for which the development company does not collect a processing fee pursuant to paragraph (1)(B).

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

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

(b) Emergency rulemaking authority.—Not later than 15 days after the date of enactment of this section, 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-
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-
23ommendations to improve such access to capital programs.
SEC. 610. COMPREHENSIVE PROGRAM GUIDANCE.

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

(1) establish a process for accepting applications for loan forgiveness under section 1106 of the CARES Act (15 U.S.C. 9005);

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

(3) to the maximum extent practicable, before accepting applications for supplemental covered loans under clause (ii) of section 7(a)(36)(B) of the Small Business Act (15 U.S.C. 636(a)(36)), as added by section 202 of this Act, the Administrator shall issue comprehensive rules and guidance to ensure that borrowers and lenders are aware of eligibility and terms of receiving a supplemental covered loan and the process for forgiveness of a supplemental covered loan.

SEC. 611. REPORTS ON PAYCHECK PROTECTION PROGRAM.

(a) Report to Congress.—Not later than 30 days after the date of enactment of this Act, and every 30 days thereafter until the end of the covered period described in section 7(a)(36)(A) of the Small Business Act (15 U.S.C. 636(a)(36)(A)), the Secretary of the Treasury and
the Administrator shall submit to the Committee on Small Business and Entrepreneurship of the Senate and the Committee on Small Business of the House of Representatives a report, in a searchable digital format, that includes, with respect to each loan made under such section 7(a)(36)—

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

(2) the North American Industry Classification System code and the type of entity of each such recipient;

(3) demographic data of each such recipient;

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

(5) loan forgiveness data; and

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

(b) Publicly Available Report.—

(1) Larger Covered Loans.—Not later than 30 days after the date of enactment of this Act, and every 30 days thereafter until the end of the covered period described in section 7(a)(36)(A) of the Small Business Act (15 U.S.C. 636(a)(36)(A)), for each loan made under such section 7(a)(36) in an amount greater than or equal to $150,000, the Secretary of the Treasury and the Administrator shall make publicly available the following:
(A) The information described in paragraphs (1) through (4) of subsection (a).

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

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

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

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

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

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

(2) Smaller covered loans.—Not later than 30 days after the date of enactment of this Act, and every 30 days thereafter until the end of the covered period described in section 7(a)(36) of the Small Business Act (15 U.S.C. 636(a)(36)), for loans made under such section 7(a)(36) in an amount less than $150,000, the Secretary of the Treasury and the Administrator shall make publicly available the total number of loans made and the amount of each loan, disaggregated by ZIP Code of each recipient, industry of each recipient, business type of each re-
recipient, and demographic categories of each recipi-
ent.

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

SEC. 612. PROHIBITING CONFLICTS OF INTEREST FOR SMALL BUSINESS PROGRAMS UNDER THE CARES ACT.

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

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

“(7) small business assistance.—The term ‘small business assistance’ means assistance pro-
vided under—

“(A) section 7(a)(36) of the Small Business Act (15 U.S.C. 636(a)(36));

“(B) subsection (b) or (c) of section 1103 of this Act;

“(C) section 1110 of this Act; or

“(D) section 1112 of this Act.”;

(2) in subsection (b)—
(A) by inserting “or provisions relating to small business assistance” after “this subtitle”; and

(B) by inserting “or for any small business assistance” before the period at the end; and

(3) in subsection (c)—

(A) by inserting “or seeking any small business assistance” after “section 4003”;

(B) by inserting “or small business assistance” after “that transaction”;

(C) by inserting “or the Administrator of the Small Business Administration, as applicable,” after “Federal Reserve System”; and

(D) by inserting “or to receive the small business assistance” after “in that transaction”.

SEC. 613. INCLUSION OF SCORE AND VETERAN BUSINESS OUTREACH CENTERS IN ENTREPRENEURIAL DEVELOPMENT PROGRAMS.

(a) In General.—Section 1103(a)(2) of the CARES Act (15 U.S.C. 9002(a)(2)) is amended—

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

(2) by adding at the end the following:
“(C) a Veteran Business Outreach Center (as described in section 32(d) of the Small Business Act (15 U.S.C. 657b(d))); and

“(D) the Service Corps of Retired Executives Association, or any successor or other organization, that receives a grant from the Administrator to operate the SCORE program established under section 8(b)(1)(B)) of the Small Business Act (15 U.S.C. 637(b)(1)(B));”.

(b) FUNDING.—Section 1107(a)(4) of the CARES Act (15 U.S.C. 9006(a)(4)) is amended—

(1) in subparagraph (A)—

(A) by striking “$240,000,000” and inserting “$220,000,000”;

(B) by striking “and” at the end; and

(2) by adding at the end the following:

“(C) $10,000,000 shall be for a Veteran Business Outreach Center described in section 1103(a)(2)(C) of this Act to carry out activities under such section; and

“(D) $10,000,000 shall be for the Service Corps of Retired Executives Association described in section 1103(a)(2)(D) of this Act to carry out activities under such section;”.

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SEC. 614. CLARIFICATION OF USE OF CARES ACT FUNDS FOR SMALL BUSINESS DEVELOPMENT CENTERS.

Section 1103(b)(3)(A) of the CARES Act (15 U.S.C. 9002(b)(3)(A)) is amended by adding at the end the following: “Funds awarded under this paragraph shall be in addition to any amounts appropriated for grants under section 21(a) of the Small Business Act (15 U.S.C. 648(a)), and may be used to complement and support those appropriated program grants to assist covered small business concerns, with prioritization of such concerns affected directly or indirectly by COVID–19 as described in paragraph (2).”.

SEC. 615. FUNDING FOR THE OFFICE OF INSPECTOR GENERAL OF THE SMALL BUSINESS ADMINISTRATION.

Section 1107(a)(3) of the CARES Act (15 U.S.C. 9006(a)(3)) is amended by striking “September 30, 2024” and inserting “expended”.

SEC. 616. EXTENSION OF WAIVER OF MATCHING FUNDS REQUIREMENT UNDER THE WOMEN’S BUSINESS CENTER PROGRAM.

Section 1105 of the CARES Act (15 U.S.C. 9004) is amended by striking “During the 3-month period beginning on the date of enactment of this Act,” and inserting “Until December 31, 2020,”.
SEC. 617. ACCESS TO SMALL BUSINESS ADMINISTRATION INFORMATION AND DATABASES.

Section 19010 of division B of the CARES Act (Public Law 116–136) is amended—

(1) by redesignating subsection (e) as subsection (f); and

(2) by inserting after subsection (d) the following:

“(e) SMALL BUSINESS ADMINISTRATION DATABASES.—

“(1) IN GENERAL.—In conducting monitoring and oversight under this section, the Comptroller General, upon notice to the Administrator of the Small Business Administration, shall have direct access to all information collected or produced in connection with the administration of programs or provision of assistance carried out by the Administrator, including direct access to any information technology systems maintained or utilized by the Administrator to collect, process, or analyze documents or information submitted by borrowers, lenders, or others in connection with any such program or provision of assistance.

“(2) INFORMATION TECHNOLOGY SYSTEMS.—

The Administrator of the Small Business Administration shall appropriately identify and classify any
sensitive information contained in an information technology system accessed by the Comptroller General.

“(3) DEFINITION OF DIRECT ACCESS.—In this subsection, the term ‘direct access’ means secured access to the information technology systems maintained by the Administrator that would enable the Comptroller General to independently access, view, download, and retrieve data from such systems.”.

SEC. 618. SMALL BUSINESS LOCAL RELIEF PROGRAM.

(a) Establishment.—There is established in the Department of the Treasury a Small Business Local Relief Program to allocate resources to States, units of general local government, and Indian Tribes to provide assistance to eligible entities and organizations that assist eligible entities.

(b) Funding.—

(1) Funding to States, Localities, and Indian Tribes.—

(A) In general.—The Secretary shall allocate—

(i) $10,250,000,000 to States and units of general local government in accordance with subparagraph (B)(i);
(ii) $4,250,000,000 to States in accordance with subparagraph (B)(ii); and

(iii) $500,000,000 to the Secretary of Housing and Urban Development for allocations to Indian Tribes in accordance with subparagraph (B)(iii).

(B) ALLOCATIONS.—

(i) FORMULA FOR STATES AND UNITS OF GENERAL LOCAL GOVERNMENT.—Of the amount described in subparagraph (A)(i)—

(I) 70 percent shall be allocated to entitlement communities in accordance with the formula under section 106(b) of the Housing and Community Development Act of 1974 (42 U.S.C. 5306(b)); and

(II) 30 percent shall be allocated to States, for use in nonentitlement areas, in accordance with the formula under section 106(d)(1) of such Act (42 U.S.C. 5306(d)(1)).

(ii) RURAL BONUS FORMULA FOR STATES.—The Secretary shall allocate the amount described in subparagraph (A)(ii)
to States, for use in nonentitlement areas, in accordance with the formula under section 106(d)(1) of such Act (42 U.S.C. 5306(d)(1)).

(iii) **Competitive Awards to Indian Tribes.**—

(I) **In General.**—The Secretary of Housing and Urban Development shall allocate to Indian Tribes on a competitive basis the amount described in subparagraph (A)(iii).

(II) **Requirements.**—In making allocations under subclause (I), the Secretary of Housing and Urban Development shall, to the greatest extent practicable, ensure that each Indian Tribe that satisfies requirements established by the Secretary of Housing and Urban Development receives such an allocation.

(C) **State Allocations for Non-entitlement Areas.**—

(i) **Equitable Allocation.**—To the greatest extent practicable, a State shall allocate amounts for nonentitlement areas
under clauses (i)(II) and (ii) of subparagraph (B) on an equitable basis.

(ii) DISTRIBUTION OF AMOUNTS.—

(I) DISCRETION.—Not later than 14 days after the date on which a State receives amounts for use in a nonentitlement area under clause (i)(II) or (ii) of subparagraph (B), the State shall—

(aa) distribute the amounts, or a portion thereof, to a unit of general local government located in the nonentitlement area or an entity designated thereby, that has established or will establish a small business emergency fund, for use under paragraph (2); or

(bb) elect to reserve the amounts, or a portion thereof, for use by the State under paragraph (2) for the benefit of eligible entities located in the nonentitlement area.

(II) SENSE OF CONGRESS.—It is the sense of Congress that, in distrib-
unting amounts under subclause (I), in the case of amounts allocated for a nonentitlement area in which a unit of general local government or an entity designated thereby has established a small business emergency fund, a State should, as quickly as is practicable, distribute amounts to that unit of general local government or entity, respectively, as described in item (aa) of such subclause.

(iii) Treatment of States Not Acting as Pass-Through Agents Under CDBG.—The Secretary shall allocate amounts to a State under this paragraph without regard to whether the State has elected to distribute amounts allocated under section 106(d)(1) of the Housing and Community Development Act of 1974 (42 U.S.C. 5306(d)(1)).

(2) Use of Funds.—

(A) In General.—A State, unit of general local government, or Indian Tribe that receives an allocation under paragraph (1), or an entity designated by a unit of general local govern-
ment under paragraph (1)(C)(ii)(I)(aa), whether directly or indirectly, may use such allocation, not later than 60 days after receipt of the allocation—

(i) to provide funding to a small business emergency fund established by that State (or entity designated thereby), that unit of general local government (or entity designated thereby), that entity designated by a unit of general local government, or that Indian Tribe (or entity designated thereby), respectively;

(ii) to provide funding to support organizations that provide technical assistance to eligible entities; or

(iii) subject to subparagraph (B), to pay for administrative costs incurred by that State (or entity designated thereby), that unit of general local government (or entity designated thereby), that entity designated by a unit of general local government, or that Indian Tribe (or entity designated thereby), respectively, in establishing and administering a small business emergency fund.
(B) LIMITATION.—A State, unit of general local government, or Indian Tribe, or an entity designated by a unit of general local government under paragraph (1)(C)(ii)(I)(aa), may not use more than 3 percent of an allocation received under paragraph (1) for a purpose described in subparagraph (A)(iii) of this paragraph.

(C) OBLIGATION DEADLINES.—

(i) STATES.—Of the amounts that a State elects under paragraph (1)(C)(ii)(I)(bb) to reserve for use by the State under this paragraph—

(I) any amounts that the State provides to a small business emergency fund under subparagraph (A)(i) of this paragraph shall be obligated by the small business emergency fund for expenditure not later than 74 days after the date on which the State received the amounts from the Secretary under clause (i) or (ii) of paragraph (1)(A); and

(II) any amounts that the State chooses to provide to an organization
under subparagraph (A)(ii) of this paragraph, or to use to pay for administrative costs under subparagraph (A)(iii) of this paragraph, shall be obligated by the State for expenditure not later than 74 days after the date on which the State received the amounts from the Secretary under clause (i) or (ii) of paragraph (1)(A).

(ii) ENTITLEMENT COMMUNITIES.—

Of the amounts that an entitlement community receives from the Secretary under paragraph (1)(B)(i)(I)—

(I) any amounts that the entitlement community provides to a small business emergency fund under subparagraph (A)(i) of this paragraph shall be obligated by the small business emergency fund for expenditure not later than 74 days after the date on which the entitlement community received the amounts; and

(II) any amounts that the entitlement community chooses to provide to an organization under subparagraph
(A)(ii) of this paragraph, or to use to pay for administrative costs under subparagraph (A)(iii) of this paragraph, shall be obligated by the entitlement community for expenditure not later than 74 days after the date on which the entitlement community received the amounts.

(iii) NONENTITLEMENT COMMUNITIES.—Of the amounts that a unit of general local government, or an entity designated thereby, located in a nonentitlement area receives from a State under paragraph (1)(C)(ii)(I)(aa)—

(I) any amounts that the unit of general local government or entity provides to a small business emergency fund under subparagraph (A)(i) of this paragraph shall be obligated by the small business emergency fund for expenditure not later than 60 days after the date on which the unit of general local government or entity received the amounts; and
(II) any amounts that the unit of general local government or entity chooses to provide to a support organization under subparagraph (A)(ii) of this paragraph or to use to pay for administrative costs under subparagraph (A)(iii) of this paragraph shall be obligated by the unit of general local government or entity for expenditure not later than 60 days after the date on which the unit of general local government or entity received the amounts.

(D) RECOVERY OF UNOBLIGATED FUNDS.—If a State, entitlement community, other unit of general local government, entity designated by a unit of general local government under paragraph (1)(C)(ii)(I)(aa), or small business emergency fund fails to obligate amounts by the applicable deadline under subparagraph (C), the Secretary shall recover the amount of those amounts that remain unobligated, as of that deadline.

(E) COLLABORATION.—It is the sense of Congress that—
(i) an entitlement community that receives amounts allocated under paragraph (1)(B)(i)(I) should collaborate with the applicable local entity responsible for economic development and small business development in establishing and administering a small business emergency fund; and

(ii) States, units of general local government, and Indian Tribes that receive amounts under paragraph (1) and are located in the same region should collaborate in establishing and administering one or more small business emergency funds.

(c) SMALL BUSINESS EMERGENCY FUNDS.—With respect to a small business emergency fund that receives funds from an allocation made under subsection (b)—

(1) if the small business emergency fund makes a loan to an eligible entity with those funds, the small business emergency fund may use amounts returned to the small business emergency fund from the repayment of the loan to provide further assistance to eligible entities without regard to the termination date described in subsection (g); and
(2) the small business emergency fund shall conduct outreach to eligible entities that are less likely to participate in programs established under the CARES Act (Public Law 116–136) and the amendments made by that Act, including minority-owned entities, businesses in low-income communities, businesses in rural and Tribal areas, and other businesses that are underserved by the traditional banking system.

(d) INFORMATION GATHERING.—

(1) IN GENERAL.—When providing assistance to an eligible entity with funds received from an allocation made under subsection (b), the State, unit of general local government, or Indian Tribe, or the entity designated by a State, unit of general local government, or Indian Tribe, that provides assistance through a small business emergency fund shall—

(A) inquire whether the eligible entity is—

(i) in the case of an eligible entity that is a business entity or a nonprofit organization, a women-owned entity or a minority-owned entity; and

(ii) in the case of an eligible entity who is an individual, a woman or a minority; and
(B) maintain a record of the responses to each inquiry conducted under subparagraph (A), which the entity shall promptly submit to the applicable State, unit of general local government, or Indian Tribe.

(2) Right to refuse.—An eligible entity may refuse to provide any information requested under paragraph (1)(A).

(e) Reporting.—

(1) In general.—Not later than 30 days after the date on which a State, unit of general local government, or Indian Tribe initially receives an allocation made under subsection (b), and not later than 14 days after the date on which that State, unit of local government, or Indian Tribe completes the full expenditure of that allocation, that State, unit of general local government, or Indian Tribe shall submit to the Secretary a report that includes—

(A) the number of recipients of assistance made available from the allocation;

(B) the total amount, and type, of assistance made available from the allocation;

(C) to the extent applicable, with respect to each recipient described in subparagraph (A), information regarding the industry of the
recipient, the amount of assistance received by
the recipient, the annual sales of the recipient,
and the number of employees of the recipient;

(D) to the extent available from informa-
tion collected under subsection (d), information
regarding the number of recipients described in
paragraph (A) that are minority-owned enti-
ties, minorities, women, and women-owned enti-
ties;

(E) the ZIP Code of each recipient de-
scribed in subparagraph (A); and

(F) any other information that the Sec-
retary, in the sole discretion of the Secretary,
determines to be necessary to carry out the
Program.

(2) PUBLIC AVAILABILITY.—As soon as is prac-
ticable after receiving each report submitted under
paragraph (1), the Secretary shall make all informa-
tion contained in the report publicly available.

(f) RULES AND GUIDANCE.—The Secretary, in con-
sultation with the Administrator, shall issue any rules and
guidance that are necessary to carry out the Program, in-
cluding by establishing appropriate compliance and report-
ing requirements in addition to the reporting requirements
under subsection (e).
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(g) TERMINATION.—The Program, and any rules and

guidance issued under subsection (f) with respect to the

Program, shall terminate on the date that is 1 year after

the date of enactment of this Act.

(h) DEFINITIONS.—In this section:

(1) ELIGIBLE ENTITY.—The term “eligible enti-

ty”—

(A) means a business concern or a covered

nonprofit organization (as defined in section

7(a)(36)(A)(vii) of the Small Business Act (15


(i) employs—

(I) not more than 20 full-time

equivalent employees; or

(II) if the entity or organization

is located in a low-income community,

not more than 50 full-time equivalent

employees;

(ii) has experienced a loss of revenue

as a result of the COVID–19 pandemic,

according to criteria established by the

Secretary; and

(iii) with respect to such an entity or

organization that receives assistance from

a small business emergency fund, satisfies
additional requirements, as determined by
the State, unit of general local government,
Indian Tribe, or other entity that has es-
established the small business emergency
fund; and

(B) includes an individual who operates
under a sole proprietorship, an individual who
operates as an independent contractor, and an
eligible self-employed individual if such an indi-
vidual has experienced a loss of revenue as a re-
sult of the COVID–19 pandemic, according to
criteria established by the Secretary.

(2) Eligible self-employed individual.—
The term “eligible self-employed individual” has the
meaning given the term in section 7(a)(36)(A) of the

(3) Entitlement community.—The term
“entitlement community” means a metropolitan city
or urban county, as those terms are defined in sec-
tion 102 of the Housing and Community Develop-

(4) Full-time equivalent employees.—

(A) In general.—The term “full-time
equivalent employees” means a number of em-
employees equal to the number determined by dividing—

(i) the total number of hours of service for which wages were paid by the employer to employees during the taxable year; by

(ii) 2,080.

(B) Rounding.—The number determined under subparagraph (A) shall be rounded to the next lowest whole number if not otherwise a whole number.

(C) Excess Hours Not Counted.—If an employee works in excess of 2,080 hours of service during any taxable year, such excess shall not be taken into account under subparagraph (A).

(D) Hours of Service.—The Secretary, in consultation with the Secretary of Labor, shall prescribe such regulations, rules, and guidance as may be necessary to determine the hours of service of an employee, including rules for the application of this paragraph to employees who are not compensated on an hourly basis.
(5) **Indian Tribe.**—The term “Indian Tribe” has the meaning given the term “Indian tribe” in section 102 of the Housing and Community Development Act of 1974 (42 U.S.C. 5302).

(6) **Low-income Community.**—The term “low-income community” has the meaning given the term in section 45D(e) of the Internal Revenue Code of 1986.

(7) **Minority.**—The term “minority” has the meaning given the term in section 1204(c)(3) of the Financial Institutions Reform, Recovery, and Enforcement Act of 1989 (12 U.S.C. 1811 note).

(8) **Minority-owned Entity.**—The term “minority-owned entity” means an entity—

(A) more than 50 percent of the ownership or control of which is held by not less than 1 minority; and

(B) more than 50 percent of the net profit or loss of which accrues to not less than 1 minority.

(9) **Nonentitlement Area; State; Unit of General Local Government.**—

(A) **In General.**—Except as provided in subparagraph (B), the terms “nonentitlement area”, “State”, and “unit of general local gov-
"government” have the meanings given those terms in section 102 of the Housing and Community Development Act of 1974 (42 U.S.C. 5302).

(B) State.—For purposes of subparagraphs (A)(ii) and (B)(ii) of subsection (b)(1), the term “State” means any State of the United States.

(10) Program.—The term “Program” means the Small Business Local Relief Program established under this section.

(11) Secretary.—The term “Secretary” means the Secretary of the Treasury.

(12) Small business emergency fund.—The term “small business emergency fund” means a fund or program—

(A) established by a State, a unit of general local government, an Indian Tribe, or an entity designated by a State, unit of general local government, or Indian Tribe; and

(B) that provides or administers financing to eligible entities in the form of grants, loans, or other means in accordance with the needs of eligible entities and the capacity of the fund or program.
(13) **Women-owned entity.**—The term “women-owned entity” means an entity—

(A) more than 50 percent of the ownership or control of which is held by not less than 1 woman; and

(B) more than 50 percent of the net profit or loss of which accrues to not less than 1 woman.

**SEC. 619. GRANTS FOR SHUTTERED VENUE OPERATORS.**

(a) **Definitions.**—In this section:

(1) **Eligible live venue operator or promoter, theatrical producer, motion picture theatre operator, or talent representative.**—

(A) **In general.**—The term “eligible live venue operator or promoter, theatrical producer, motion picture theatre operator, or talent representative” means a live venue operator or promoter or theatrical producer, a motion picture theatre operator, or a talent representative that meets the following requirements:

(i) The live venue operator or promoter or theatrical producer, the motion picture theatre operator, or the talent representative was fully operational as a live
venue operator or promoter or theatrical producer, motion picture theatre operator, or talent representative on February 29, 2020.

(ii) As of the date of the grant under this section—

(I) the live venue operator or promoter or theatrical producer is organizing, promoting, producing, managing, or hosting future live events described in paragraph (3)(A)(i);

(II) the motion picture theatre operator is open or intends to reopen for the primary purpose of public exhibition of motion pictures; or

(III) the talent representative is representing or managing artists and entertainers.

(iii) The venues at which the live venue operator or promoter or theatrical producer promotes, produces, manages, or hosts events described in paragraph (3)(A)(i) or the artists and entertainers represented or managed by the talent rep-
resentative perform have the following characteristics:

(I) A defined performance and audience space.

(II) Mixing equipment, a public address system, and a lighting rig.

(III) Engages 1 or more individuals to carry out not less than 2 of the following roles:

(aa) A sound engineer.

(bb) A booker.

(cc) A promoter.

(dd) A stage manager.

(ee) Security personnel.

(ff) A box office manager.

(IV) There is a paid ticket or cover charge to attend most performances and artists are paid fairly and do not play for free or solely for tips, except for fundraisers or similar charitable events.

(V) For a venue owned or operated by a nonprofit entity that produces free events, the events are pro-
duced and managed by paid employees, not by volunteers.

(VI) Performances are marketed through listings in printed or electronic publications, on websites, by mass email, or on social media.

(iv) A motion picture theatre or motion picture theatres operated by the motion picture theatre operator have the following characteristics:

(I) At least 1 auditorium that includes a motion picture screen and fixed audience seating.

(II) A projection booth or space containing not less than 1 motion picture projector.

(III) A paid ticket charge to attend exhibition of motion pictures.

(IV) Motion picture exhibitions are marketed through showtime listings in printed or electronic publications, on websites, by mass mail, or on social media.

(v) The live venue operator or promoter or theatrical producer, the motion
picture theatre operator, or the talent representative does not have, or is not majority owned or controlled by an entity with, more than 1 of the following characteristics:

(I) Being an issuer, the securities of which are listed on a national securities exchange.

(II) Owning or operating venues, motion picture theatres, or talent agencies or talent management companies with offices in more than 1 country.

(III) Owning or operating venues or motion picture theatres in more than 10 States.

(IV) Employing more than 500 employees, determined on a full-time equivalent basis in accordance with subparagraph (B).

(V) Receiving more than 10 percent of gross revenue from Federal funding.

(B) Calculation of full-time employees.—For purposes of determining the number
of full-time equivalent employees under sub-
paragraph (A)(v)(IV)—

(i) any employee working not fewer
than 30 hours per week shall be considered
a full-time employee; and

(ii) any employee working not fewer
than 10 hours and fewer than 30 hours
per week shall be counted as one-half of a
full-time employee.

(C) MULTIPLE BUSINESS ENTITIES.—Each
business entity of an eligible live venue operator
or promoter, theatrical producer, motion picture
theatre operator, or talent representative that
also meets the requirements under subpara-
graph (A) shall be treated by the Administrator
as an independent, non-affiliated entity for the
purposes of this section.

(2) EXCHANGE; ISSUER; SECURITY.—The terms
“exchange”, “issuer”, and “security” have the
meanings given those terms in section 3(a) of the

(3) LIVE VENUE OPERATOR OR PROMOTER OR
THEATRICAL PRODUCER.—The term “live venue op-
erator or promoter or theatrical producer”—

(A) means—
(i) an individual or entity—

(I) that, as a principal business activity, organizes, promotes, produces, manages, or hosts live concerts, comedy shows, theatrical productions, or other events by performing artists for which—

(aa) a cover charge through ticketing or front door entrance fee is applied; and

(bb) performers are paid in an amount that is based on a percentage of sales, a guarantee (in writing or standard contract), or another mutually beneficial formal agreement; and

(II) for which not less than 70 percent of the earned revenue of the individual or entity is generated through, to the extent related to a live event described in subclause (I), cover charges or ticket sales, production fees or production reimbursements, nonprofit educational initiatives, or
the sale of event beverages, food, or merchandise; or

(ii) an individual or entity that, as a principal business activity, makes available for purchase by the public an average of not less than 60 days before the date of the event tickets to events—

(I) described in clause (i)(I); and

(II) for which performers are paid in an amount that is based on a percentage of sales, a guarantee (in writing or standard contract), or another mutually beneficial formal agreement; and

(B) includes an individual or entity described in subparagraph (A) that—

(i) operates for profit or as a non-profit;

(ii) is government-owned; or

(iii) is a corporation, limited liability company, or partnership or operated as a sole proprietorship.

(4) Motion picture theatre operator.—

The term “motion picture theatre operator” means an individual or entity that—
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(A) as the principal business activity of the
individual or entity, owns or operates at least 1
place of public accommodation for the purpose
of motion picture exhibition for a fee; and

(B) includes an individual or entity de-
scribed in subparagraph (A) that—

(i) operates for profit or as a non-
profit;

(ii) is government-owned; or

(iii) is a corporation, limited liability
compny, or partnership or operated as a
sole proprietorship.

(5) NATIONAL SECURITIES EXCHANGE.—The
term “national securities exchange” means an ex-
change registered as a national securities exchange
under section 6 of the Securities Exchange Act of

(6) STATE.—The term “State” means—

(A) a State;

(B) the District of Columbia;

(C) the Commonwealth of Puerto Rico;

and

(D) any other territory or possession of the
United States.
(7) TALENT REPRESENTATIVE.—The term “talent representative”—

(A) means an agent or manager that—

(i) as not less than 70 percent of the operations of the agent or manager, is engaged in representing or managing artists and entertainers;

(ii) books or represents musicians, comedians, actors, or similar performing artists primarily at live events in venues or at festivals; and

(iii) represents performers described in clause (ii) that are paid in an amount that is based on the number of tickets sold, or a similar basis; and

(B) includes an agent or manager described in subparagraph (A) that—

(i) operates for profit or as a non-profit;

(ii) is government-owned; or

(iii) is a corporation, limited liability company, or partnership or operated as a sole proprietorship.

(b) AUTHORITY.—

(1) INITIAL GRANTS.—
(A) IN GENERAL.—The Administrator may make initial grants to eligible live venue operators or promoters, theatrical producers, motion picture theatre operators, or talent representatives in accordance with this section.

(B) FIRST PRIORITY IN AWARDING GRANTS.—During the initial 14-day period during which the Administrator awards grants under this section, the Administrator shall only award grants to an eligible live venue operator or promoter, theatrical producer, motion picture theatre operator, or talent representative with revenue, during the calendar quarter during which the Administrator begins awarding such grants, that is not more than 10 percent of the revenue of the eligible live venue operator or promoter, theatrical producer, motion picture theatre operator, or talent representative during the corresponding calendar quarter during 2019 due to the COVID–19 pandemic.

(C) SECOND PRIORITY IN AWARDING GRANTS.—During the 14-day period immediately following the 14-day period described in subparagraph (B), the Administrator shall only award grants to an eligible live venue operator
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or promoter, theatrical producer, motion picture
theatre operator, or talent representative with
revenue, during the calendar quarter during
which the Administrator begins awarding such
grants, that is not more than 30 percent of the
revenue of the eligible live venue operator or
promoter, theatrical producer, motion picture
theatre operator, or talent representative during
the corresponding calendar quarter during 2019
due to the COVID–19 pandemic.

(2) Supplemental Grants.—The Adminis-
trator may make a supplemental grant in accordance
with this section to an eligible live venue operator or
promoter, theatrical producer, motion picture the-
atre operator, or talent representative that receives
a grant under paragraph (1) if, as of December 1,
2020, the revenues of the eligible live venue operator
or promoter, theatrical producer, motion picture the-
atre operator, or talent representative for the most
recent calendar quarter are not more than 20 per-
cent of the revenues of the eligible live venue oper-
ator or promoter, theatrical producer, motion picture
theatre operator, or talent representative for the cor-
responding calendar quarter during 2019 due to the
COVID–19 pandemic.
(3) Certification.—An eligible live venue operator or promoter, theatrical producer, motion picture theatre operator, or talent representative applying for a grant under this section that is an eligible business described in the matter preceding subclause (I) of section 4003(c)(3)(D)(i) of the CARES Act (15 U.S.C. 9042(c)(3)(D)(i)), shall make a good-faith certification described in subclauses (IX) and (X) of such section.

(c) Amount.—

(1) Initial Grants.—A grant under subsection (b)(1) shall be in the amount equal to the lesser of—

(A) the amount equal to 45 percent of the gross earned revenue of the eligible live venue operator or promoter, theatrical producer, motion picture theatre operator, or talent representative during 2019;

(B) for an eligible live venue operator or promoter, theatrical producer, motion picture theatre operator, or talent representative that began operations after January 1, 2019, the amount equal to the product obtained by multiplying—
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(i) the average monthly gross earned

revenue for each full month during which

the entity was in operation during 2019;

by

(ii) 6; or

(C) $12,000,000.

(2) SUPPLEMENTAL GRANTS.—A grant under

subsection (b)(2) shall be in the amount equal to 50

percent of the grant received by the eligible live

venue operator or promoter, theatrical producer, mo-

tion picture theatre operator, or talent representa-

tive under subsection (b)(1).

(d) USE OF FUNDS.—

(1) TIMING.—

(A) EXPENSES INCURRED.—

(i) IN GENERAL.—Except as provided

in clause (ii), amounts received under a

grant under this section may be used for

costs incurred during the period beginning

on March 1, 2020, and ending on Decem-

ber 31, 2021.

(ii) EXTENSION FOR SUPPLEMENTAL

GRANTS.—If an eligible live venue operator

or promoter, theatrical producer, motion

deed theatre operator, or talent rep-
resentative receives a grant under subsection (b)(2), amounts received under either grant under this section may be used for costs incurred during the period beginning on March 1, 2020, and ending on June 30, 2022.

(B) EXPENDITURE.—

(i) IN GENERAL.—Except as provided in clause (ii), an eligible live venue operator or promoter, theatrical producer, motion picture theatre operator, or talent representative shall return to the Administrator any amounts received under a grant under this section that are not expended on or before the date that is 1 year after the date of disbursement of the grant.

(ii) EXTENSION FOR SUPPLEMENTAL GRANTS.—If an eligible live venue operator or promoter, theatrical producer, motion picture theatre operator, or talent representative receives a grant under subsection (b)(2), the eligible live venue operator or promoter, theatrical producer, motion picture theatre operator, or talent representative shall return to the Adminis-
tractor any amounts received under either
grant under this section that are not ex-
pended on or before the date that is 18
months after the date of disbursement to
the eligible live venue operator or pro-
moter, theatrical producer, motion picture
theatre operator, or talent representative
of the grant under subsection (b)(1).

(2) Allowable expenses.—An eligible live
venue operator or promoter, theatrical producer, mo-
tion picture theatre operator, or talent representa-
tive may use amounts received under a grant under
this section for—

(A) payroll costs for employees and fur-
loughed employees, including—

(i) costs for continuation coverage
provided pursuant to part 6 of subtitle B
of title I of the Employee Retirement In-
1161 et seq.) (other than under section
609 of such Act (29 U.S.C. 1169), title
XXII of the Public Health Service Act (42
U.S.C. 300bb–1 et seq.), section 4980B of
the Internal Revenue Code of 1986 (other
than subsection (f)(1) of such section inso-
far as it relates to pediatric vaccines), or
section 8905a of title 5, United States
Code, or under a State program that pro-
vides comparable continuation coverage,
other than coverage under a health flexible
spending arrangement under a cafeteria
plan within the meaning of section 125 of
the Internal Revenue Code of 1986; or
(ii) any other non-cash benefit;
(B) rent;
(C) utilities;
(D) mortgage interest payments on exist-
ing mortgages as of February 15, 2020;
(E) scheduled interest payments on other
scheduled debt as of February 15, 2020;
(F) costs related to personal protective
equipment;
(G) payments of principal on outstanding
loans;
(H) payments made to independent con-
tractors, as reported on Form–1099 MISC; and
(I) other ordinary and necessary business
expenses, including—
(i) settling existing debts owed to ven-
dors;
(ii) maintenance expenses;

(iii) administrative costs;

(iv) taxes;

(v) operating leases;

(vi) insurance;

(vii) advertising, production transportation, and capital expenditures related to producing a theatrical production, concert,
or comedy show; and

(viii) any other capital expenditure or expense required under any State, local, or Federal law or guideline related to social distancing.

(3) PROHIBITED EXPENSES.—An eligible live venue operator or promoter, theatrical producer, motion picture theatre operator, or talent representative may not use amounts received under a grant under this section—

(A) to purchase real estate;

(B) for payments of interest or principal on loans originated after February 15, 2020;

(C) to invest or re-lend funds;

(D) for contributions or expenditures to, or on behalf of, any political party, party committee, or candidate for elective office; or
(E) for any other use as may be prohibited by the Administrator.

SEC. 620. SUPPORT FOR RESTAURANTS.

(a) SHORT TITLE.—This section may be cited as the “Real Economic Support That Acknowledges Unique Restaurant Assistance Needed To Survive Act of 2020” or the “RESTAURANTS Act of 2020”.

(b) DEFINITIONS.—In this section:

(1) AFFILIATED BUSINESS.—The term “affiliated business” means a business in which an eligible entity has an equity or right to profit distributions of not less than 50 percent, or in which an eligible entity has the contractual authority to control the direction of the business, provided that such affiliation shall be determined as of any arrangements or agreements in existence, as of March 13, 2020.

(2) COVERED PERIOD.—The term “covered period” means the period beginning on February 15, 2020, and ending on June 30, 2021.

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

(A) means a restaurant, food stand, food truck, food cart, caterer, saloon, inn, tavern, bar, lounge, brewpub, tasting room, taproom, licensed facility, or premise of a beverage alcohol
producer where the public may taste, sample, or
purchase products, or other similar place of
business—

(i) in which the public or patrons as-
semble for the primary purpose of being
served food or drink; and

(ii) that, as of March 13, 2020, owns
or operates (together with any affiliated
business) not more than 20 locations, re-
gardless of whether those locations do
business under the same or multiple
names;

(B) means an entity that is located in an
airport terminal and that, as of March 13,
2020, sold any food and beverage, if, as of
March 13, 2020, the entity owns or operates
(together with any affiliated business) not more
than 20 locations, regardless of whether those
locations do business under the same or mul-
tiple names; and

(C) does not include an entity described in
subparagraph (A) or (B) that is part of a State
or local government facility, not including an
airport.
(4) **FUND.**—The term “Fund” means the Restaurant Revitalization Fund established under subsection (c).

(5) **IMMEDIATE FAMILY MEMBER.**—With respect to an individual, the term “immediate family member” means any parent or child of the individual.

(6) **PAYROLL COSTS.**—The term “payroll costs” has the meaning given the term in section 7(a)(36)(A) of the Small Business Act (15 U.S.C. 636(a)(36)(A)).

(7) **SECRETARY.**—The term “Secretary” means the Secretary of the Treasury.

(c) **ESTABLISHMENT OF A RESTAURANT REVITALIZATION FUND.**—

(1) **IN GENERAL.**—There is established in the Treasury of the United States a fund to be known as the Restaurant Revitalization Fund.

(2) **APPROPRIATIONS.**—

(A) **IN GENERAL.**—There is appropriated to the Fund, out of amounts in the Treasury not otherwise appropriated, $120,000,000,000, to remain available until June 30, 2021.

(B) **REMAINDER TO TREASURY.**—Any amounts remaining in the Fund after June 30,
2021 shall be deposited in the general fund of the Treasury.

(3) Use of Funds.—The Secretary shall use amounts in the Fund to make grants described in section subsection (d).

(d) Restaurant Revitalization Grants.—

(1) In general.—The Secretary shall award grants to eligible entities in the order in which the application is received by the Secretary.

(2) Registration.—The Secretary shall register each grant awarded under this subsection using the employer identification number of the eligible entity.

(3) Application.—

(A) In general.—An eligible entity desiring a grant under this subsection shall submit to the Secretary an application at such time, in such manner, and containing such information as the Secretary may require.

(B) Certification.—An eligible entity applying for a grant under this subsection shall make a good faith certification—

(i) that the uncertainty of current economic conditions makes necessary the
grant request to support the ongoing operations of the eligible entity;

(ii) acknowledging that funds will be used to retain workers, for payroll costs, and for other allowable expenses described in paragraph (6) and not for any other purposes;

(iii) that the eligible entity does not have an application pending for a grant under subsection (a)(36) or (b)(2) of section 7 of the Small Business Act (15 U.S.C. 636) for the same purpose and that is duplicative of amounts applied for or received under this section; and

(iv) during the covered period, that the eligible entity has not received amounts under subsection (a)(36) or (b)(2) of section 7 of the Small Business Act (15 U.S.C. 636) for the same purpose and that is duplicative of amounts applied for or received under this section.

(C) HOLD HARMLESS.—An eligible entity applying for a grant under this subsection shall not be ineligible for a grant if the eligible entity is able to document—
(i) an inability to rehire individuals
who were employees of the eligible entity
on February 15, 2020; and
(ii) an inability to hire similarly qualified employees for unfilled positions on or before June 30, 2021.

(4) PRIORITY IN AWARDING GRANTS.—During the initial 14-day period in which the Secretary awards grants under this subsection, the Secretary shall—

(A) prioritize awarding grants to marginalized and underrepresented communities, with a focus on women-, veteran-, and minority-owned, and women-, veteran-, and minority-operated eligible entities; and

(B) only award grants to eligible entities with annual revenues of less than $1,500,000.

(5) GRANT AMOUNT.—

(A) DETERMINATION OF GRANT AMOUNT.—

(i) IN GENERAL.—The amount of a grant made to an eligible entity under this subsection shall be equal to—

(I) the sum of the revenues or estimated revenues of the eligible entity
185
during each calendar quarter in 2020
subtracted from the sum of such reve-

nues during the same calendar quar-

ter in 2019, if such sum is greater
than zero; and

(II) if applicable, the additional

amount required to pay for sick leave
described under clause (ii).

(ii) SICK LEAVE.—An eligible entity
applying for a grant under this section—

(I) may request an additional

grant amount based on the amount
required to provide 10 days of paid
sick leave to each employee of the en-

tity to—

(aa) care for themselves or

an immediate family member who

is ill; or

(bb) provide care for chil-
dren when schools or childcare

providers are shut down due to

COVID–19; and

(II) shall, if provided a grant
under this section that includes an ad-

ditional amount for sick leave de-
scribed under subclause (I), provide each employee of the entity with such 10 days of paid sick leave.

(iii) Verification.—An eligible entity shall submit to the Secretary such revenue verification documentation as the Secretary may require to determine the amount of a grant under clause (i).

(iv) Repayment.—Any amount of a grant made under this subsection to an eligible entity based on estimated revenues in a calendar quarter in 2020 that is greater than the actual revenues of the eligible entity during that calendar quarter shall be converted to a loan that has—

(I) an interest rate of 1 percent; and

(II) a maturity date of 10 years beginning on January 1, 2021.

(B) Reduction Based on PPP Forgiveness or EIDL Emergency Grant.—If an eligible entity has, at the time of application for a grant under this subsection, received an advance under section 1110(e) of the CARES Act (15 U.S.C. 9009(e)) or loan forgiveness under
section 1106 of such Act (15 U.S.C. 9005) related to expenses incurred during the covered period, the maximum amount of a grant awarded to the eligible entity under this subsection shall be reduced by the amount of funds expended by or forgiven for the eligible entity for those expenses using amounts received under such section 1110(e) or forgiven under such section 1106.

(C) LIMITATION.—An eligible entity may not receive more than 1 grant under this subsection.

(D) AGGREGATE MAXIMUM AMOUNT.—The aggregate amount of grants made to an eligible entity and any affiliate businesses of the eligible entity under this section shall not exceed $10,000,000.

(6) USE OF FUNDS.—

(A) IN GENERAL.—During the covered period, an eligible entity that receives a grant under this subsection may use the grant funds for—

(i) payroll costs;

(ii) payments of principal or interest on any mortgage obligation;
(iii) rent payments, including rent under a lease agreement;
(iv) utilities;
(v) maintenance expenses, including—
   (I) construction to accommodate outdoor seating; and
   (II) walls, floors, deck surfaces, furniture, fixtures, and equipment;
(vi) supplies, including protective equipment and cleaning materials;
(vii) food, beverage, and operational expenses that are within the scope of the normal business practice of the eligible entity before the covered period;
(viii) debt obligations to suppliers that were incurred before the covered period;
(ix) costs associated with providing employees with 10 days of sick leave, as described in paragraph (5)(A)(ii); and
(x) any other expenses that the Secretary determines to be essential to maintaining the eligible entity.

(B) RETURNING FUNDS.—If an eligible entity that receives a grant under this subsection permanently ceases operations on or before
June 30, 2021, the eligible entity shall return to the Treasury any funds that the eligible entity did not use for the allowable expenses under subparagraph (A).

(C) Conversion to Loan.—Any grant amounts received by an eligible entity under this subsection that are unused after June 30, 2021, shall be immediately converted to a loan with—

(i) an interest rate of 1 percent; and

(ii) a maturity date of 10 years.

(7) Regulations.—Not later than 15 days after the date of enactment of this Act, the Secretary shall issue regulations to carry out this subsection without regard to the notice and comment requirements under section 553 of title 5, United States Code.

(8) Appropriations for Staffing and Administrative Expenses.—

(A) In General.—Of the amounts provided by subsection (c)(2)(A), $300,000,000 shall be for staffing and administrative expenses related to administering grants awarded under this subsection.
(B) SET ASIDE.—Of amounts provided under subparagraph (A), $60,000,000 shall be allocated for outreach to traditionally marginalized and underrepresented communities, with a focus on women, veteran, and minority-owned and operated eligible entities, including the creation of a resource center targeted toward these communities.

(e) LIMITATION WITH RESPECT TO PRIVATE FUNDS.—

(1) IN GENERAL.—No amounts received under this section may be directly or indirectly used to pay distributions, dividends, consulting fees, advisory fees, interest payments, or any other fees, expenses, or charges to—

(A) a person registered as an investment adviser under the Investment Advisers Act of 1940 (15 U.S.C. 80b–1 et seq.) who advises a private fund;

(B) any affiliate of such adviser;

(C) any executive of such adviser or affiliate; or

(D) any employee, consultant, or other person with a contractual relationship to provide
services for or on behalf of such adviser or affiliate.

(2) **ANTI-EVASION.**—No company in which a private fund holds an ownership interest that has, directly or indirectly, received amounts under this title may pay any distributions, dividends, consulting fees, advisory fees, interest payments, or any other fees, expenses, or charges in excess of 10 percent of such company’s net operating profits for the calendar year ending December 31, 2020 (and for each successive year until the covered period has ended and all loans created under this section have been repaid) to—

(A) a person registered as an investment adviser under the Investment Advisers Act of 1940 (15 U.S.C. 80b–1 et seq.) who advises a private fund;

(B) any affiliate of such adviser;

(C) any executive of such adviser or affiliate; or

(D) any employee, consultant, or other person with a contractual relationship to provide services for or on behalf of such adviser or affiliate.

(3) **DEFINITIONS.**—In this section:
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(A) AFFILIATE.—

(i) IN GENERAL.—The term “affiliate” means, with respect to a person, any other person directly or indirectly controlling, controlled by, or under direct or indirect common control with such person.

(ii) CONTROL.—For purposes of clause (i), a person shall be deemed to control another person if such person possesses, directly or indirectly, the power to direct or cause the direction of the management and policies of such other person, whether through the ownership of voting securities, by contract, or otherwise.

(B) EXECUTIVE.—The term “executive” means—

(i) any individual who serves an executive or director of a person, including the principal executive officer, principal financial officer, comptroller or principal accounting officer; and

(ii) an executive officer, as defined in section 230.405 of title 17, Code of Federal Regulations, or any successor regulation.
(C) Private Fund.—The term “private fund” means an issuer that would be an investment company, as defined in section 3 of the Investment Company Act of 1940 (15 U.S.C. 80a–3), but for paragraph (1) or (7) of section 3(c) of that Act.

(f) Demographic Data and Transparency.—

(1) Demographic Data.—In establishing an application process for carrying out this section, the Secretary shall include a voluntary request for certain demographic data with respect to the majority ownership of eligible entities, including race, ethnicity, gender, and veteran-status.

(2) Monthly Reports.—Not later than the end of the first month in which initial grants are disbursed under this section, and every month thereafter until the date on which the last grant has been disbursed under this section, the Secretary shall submit to the Committee on Banking, Housing, and Urban Affairs of the Senate and the Committee on Financial Services of the House of Representatives a report providing—

(A) the number and dollar amount of grants approved for or disbursed to all eligible entities, including a list of eligible entities with
the grant amount received by the eligible entity;

and

(B) a breakout of the number and dollar
of grants by State, congressional district, demo-
graphics (including race, ethnicity, gender, and
veteran-status), and business type.

(3) QUARTERLY REPORTS.—Beginning on Jan-
uary 1, 2021, and every subsequent quarter until
the last grant that was converted to a loan under
this section is repaid, the Secretary shall submit to
the Committee on Banking, Housing, and Urban Af-
fairs of the Senate and the Committee on Financial
Services of the House of Representatives a report
on—

(A) the number and dollar amount of
grants approved for or disbursed to all eligible
entities, including a breakout of grants by
State, congressional district, demographics (in-
cluding race, ethnicity, gender, and veteran-sta-
tus), and business type; and

(B) the number and dollar amount of
grants that converted to loans under this sec-
tion, including a breakout of outstanding loans
by State, congressional district, demographics
(including race, ethnicity, gender, and veteran-status), and business type.

(4) DATA TRANSPARENCY.—Not later than 30 days after the date of enactment of this Act, the Secretary shall make available on a publicly available website in a standardized and downloadable format, and update on a monthly basis, any data contained in a report submitted under this section.

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

SEC. 701. DEFINITIONS.

In this title:

(1) AGENCY.—The term “Agency” means the Minority Business Development Agency of the Department of Commerce.

(2) ASSISTANT SECRETARY.—The term “Assistant Secretary” means the Assistant Secretary of Commerce for Minority Business Development who is appointed as described in section 714(b) to administer this subtitle.
(3) **Federal Agency.**—The term “Federal agency” has the meaning given the term “agency” in section 551 of title 5, United States Code.

(4) **Federally recognized area of economic distress.**—The term “federally recognized area of economic distress” means—

(A) a HUBZone, as that term is defined in section 31(b) of the Small Business Act (15 U.S.C. 657a(b));

(B) an area that—

(i) has been designated as—

(I) an empowerment zone under section 1391 of the Internal Revenue Code of 1986; or

(II) a Promise Zone by the Secretary of Housing and Urban Development; or

(ii) is a low or moderate income area, as determined by the Bureau of the Census;

(C) a qualified opportunity zone, as that term is defined in section 1400Z–1 of the Internal Revenue Code of 1986; or

(D) any other political subdivision or unincorporated area of a State determined by the
Assistant Secretary to be an area of economic distress.

(5) **Indian Tribe.**—

(A) **IN GENERAL.**—Subject to subparagraph (B), the term “Indian Tribe” has the meaning given the term “Indian tribe” in section 4 of the Indian Self-Determination and Education Assistance Act (25 U.S.C. 5304).

(B) **Native Hawaiian Organization.**—

The term “Indian Tribe” includes a Native Hawaiian organization.

(6) **Institution of Higher Education.**—The term “institution of higher education” has the meaning given the term in section 101 of the Higher Education Act of 1965 (20 U.S.C. 1001).

(7) **Minority Business Enterprise.**—The term “minority business enterprise” means a for-profit business enterprise—

(A) that is not less than 51 percent-owned by 1 or more socially disadvantaged individuals; and

(B) the management and daily business operations of which are controlled by 1 or more socially disadvantaged individuals.
(8) PRIVATE SECTOR ENTITY.—The term “private sector entity”—

(A) means an entity that is not a public sector entity; and

(B) does not include—

(i) the Federal Government;

(ii) any Federal agency; or

(iii) any instrumentality of the Federal Government.

(9) PUBLIC SECTOR ENTITY.—The term “public sector entity” means—

(A) a State;

(B) an agency of a State;

(C) a political subdivision of a State; or

(D) an agency of a political subdivision of a State.

(10) SECRETARY.—The term “Secretary” means the Secretary of Commerce.

(11) SOCIALLY DISADVANTAGED INDIVIDUAL.—

(A) IN GENERAL.—The term “socially disadvantaged individual” means an individual who has been subjected to racial or ethnic prejudice or cultural bias because of the identity of the individual as a member of a group, without
regard to any individual quality of the individual that is unrelated to that identity.

(B) Presumption.—In carrying out this subtitle, the Assistant Secretary shall presume that the term “socially disadvantaged individual” includes any individual who is—

(i) Black or African American;

(ii) Hispanic or Latino;

(iii) American Indian or Alaska Native;

(iv) Asian;

(v) Native Hawaiian or other Pacific Islander; or

(vi) a member of a group that the Minority Business Development Agency determines under part 1400 of title 15, Code of Federal Regulations, as in effect on November 23, 1984, is a socially disadvantaged group eligible to receive assistance.

(12) State.—The term “State” means—

(A) each of the States of the United States;

(B) the District of Columbia;

(C) the Commonwealth of Puerto Rico;

(D) the United States Virgin Islands;
Subtitle A—Codification of the Minority Business Development Agency

SEC. 711. SHORT TITLE.

This subtitle may be cited as the “Minority Business Resiliency Act of 2020”.

SEC. 712. FINDINGS AND PURPOSES.

(a) FINDINGS.—Congress finds the following:

(1) During times of economic downturn or recession, communities of color, and businesses within those communities, are generally more adversely affected, which requires an expansion of the ability of the Federal Government to infuse resources into those communities.

(2) Despite the growth in the number of minority business enterprises, gaps remain with respect to key metrics for those enterprises, such as access to capital, revenue, number of employees, and survival rate. Specifically—
(A) according to the Department of Commerce, minority business enterprises are 2 to 3 times more likely to be denied loans than non-minority business enterprises;

(B) according to the Bureau of the Census, the average non-minority business enterprise reports receipts that are more than 3 times higher than receipts reported by the average minority business enterprise; and

(C) according to the Kauffman Foundation—

(i) minority business enterprises are \( \frac{1}{2} \) as likely to employ individuals, as compared with non-minority business enterprises; and

(ii) if minorities started and owned businesses at the same rate as non-minorities, the United States economy would have more than 1,000,000 additional employer businesses and more than 9,500,000 additional jobs.

(3) Because of the conditions described in paragraph (2), it is in the interest of the United States and the economy of the United States to expedi-
tiously ameliorate the disparities that minority business enterprises experience.

(4) Many individuals who own minority business enterprises are socially disadvantaged because those individuals identify as members of certain groups that have suffered the effects of discriminatory practices or similar circumstances over which those individuals have no control, including individuals who are—

(A) Black or African American;
(B) Hispanic or Latino;
(C) American Indian or Alaska Native;
(D) Asian; and
(E) Native Hawaiian or other Pacific Islander.

(5) Discriminatory practices and similar circumstances described in paragraph (4) are a significant determinant of overall economic disadvantage in the United States, which is evident in the persistent racial wealth gap in the United States.

(6) While other Federal agencies focus only on small businesses and businesses that represent a broader demographic than solely minority business enterprises, the Agency focuses exclusively on—
(A) the unique needs of minority business enterprises; and

(B) enhancing the capacity of minority business enterprises.

(b) PURPOSES.—The purposes of this subtitle are to—

(1) require the Agency to promote and administer programs in the public and private sectors to assist the development of minority business enterprises; and

(2) achieve the development described in paragraph (1) by authorizing the Assistant Secretary to carry out programs that will result in increased access to capital, management, and technology for minority business enterprises.

SEC. 713. MINORITY BUSINESS DEVELOPMENT AGENCY.

(a) IN GENERAL.—There is within the Department of Commerce the Minority Business Development Agency.

(b) ASSISTANT SECRETARY.—

(1) APPOINTMENT AND DUTIES.—The Agency shall be headed by an Assistant Secretary of Commerce for Minority Business Development, who shall be—

(A) appointed by the President, by and with the advice and consent of the Senate; and
(B) except as otherwise expressly provided, responsible for the administration of this sub-
title.

(2) COMPENSATION.—The Assistant Secretary shall be compensated at an annual rate of basic pay prescribed for level IV of the Executive Schedule under section 5315 of title 5, United States Code.

(c) REPORT TO CONGRESS.—Not later than 120 days after the date of enactment of this Act, the Secretary shall submit to Congress a report that describes—

(1) the organizational structure of the Agency;

(2) the organizational position of the Agency within the Department of Commerce; and

(3) a description of how the Agency shall function in relation to the operations carried out by each other component of the Department of Commerce.

(d) OFFICE OF BUSINESS CENTERS.—

(1) ESTABLISHMENT.—There is established within the Agency an Office of Business Centers.

(2) DIRECTOR.—The Office of Business Centers shall be administered by a Director, who shall be appointed by the Assistant Secretary.

(e) OFFICES OF THE AGENCY.—
(1) **IN GENERAL.**—The Assistant Secretary shall establish such other offices within the Agency as are necessary to carry out this subtitle.

(2) **REGIONAL OFFICES.**—

(A) **IN GENERAL.**—In order to carry out this subtitle, the Assistant Secretary may establish a regional office of the Agency for each of the regions of the United States, as determined by the Assistant Secretary.

(B) **DUTIES.**—Each regional office established under subparagraph (A) shall expand the reach of the Agency and enable the Federal Government to better serve the needs of minority business enterprises in the region served by the office, including by—

(i) understanding and participating in the business environment of that region;

(ii) working with—

(I) Centers, as that term is defined in section 732, that are located in that region; and

(II) resource and lending partners of the Small Business Administration that are located in that region;
(iii) being aware of business retention
or expansion programs specific to that re-

(iv) seeking out opportunities to col-
laborate with regional public and private
programs that focus on minority business
enterprises; and

(v) promoting business continuity and
preparedness.

PART I—EXISTING INITIATIVES

Subpart A—Market Development, Research, and
Information

SEC. 721. PRIVATE SECTOR DEVELOPMENT.

The Assistant Secretary shall, whenever the Assistant
Secretary determines such action is necessary or appro-
priate—

(1) assist minority business enterprises to pene-
trate domestic and foreign markets by making avail-
able to those business enterprises, either directly or
in cooperation with private sector entities, including
community-based organizations and national non-
profit organizations—

(A) resources relating to management;

(B) technological assistance;

(C) financial and marketing services; and
(D) services relating to workforce development;

(2) encourage minority business enterprises to establish joint ventures and projects—

(A) with other minority business enterprises; or

(B) in cooperation with public sector entities or private sector entities, including community-based organizations and national nonprofit organizations, to increase the share of any market activity being performed by minority business enterprises; and

(3) facilitate the efforts of private sector entities and Federal agencies to advance the growth of minority business enterprises.

SEC. 722. PUBLIC SECTOR DEVELOPMENT.

The Assistant Secretary shall, whenever the Assistant Secretary determines such action is necessary or appropriate—

(1) consult and cooperate with public sector entities for the purpose of leveraging resources available in the jurisdictions of those public sector entities to promote the position of minority business enterprises in the local economies of those public sector
entities, including by assisting public sector entities
to establish or enhance—

(A) programs to procure goods and serv-
ices through minority business enterprises and
goals for that procurement;

(B) programs offering assistance relating
to—

(i) management;
(ii) technology;
(iii) financing;
(iv) marketing; and
(v) workforce development; and

(C) informational programs designed to in-
form minority business enterprises located in
the jurisdictions of those public sector entities
about the availability of programs described in
this section;

(2) meet with leaders and officials of public sec-
tor entities for the purpose of recommending and
promoting local administrative and legislative initia-
tives needed to advance the position of minority
business enterprises in the local economies of those
public sector entities; and
(3) facilitate the efforts of public sector entities and Federal agencies to advance the growth of minority business enterprises.

SEC. 723. RESEARCH AND INFORMATION.

(a) IN GENERAL.—In order to achieve the purposes of this subtitle, the Assistant Secretary—

(1) shall—

(A) collect and analyze data, including data relating to the causes of the success or failure of minority business enterprises;

(B) perform evaluations of programs carried out by Federal agencies with an emphasis on increasing coordination between Federal agencies with respect to the development of minority business enterprises; and

(C) conduct research, studies, and surveys of—

(i) economic conditions generally in the United States; and

(ii) how the conditions described in clause (i) particularly affect the development of minority business enterprises; and

(2) may, at the request of a public sector entity or a private sector entity, perform an evaluation of programs carried out by the entity that are designed
to assist the development of minority business enterprises.

(b) Information Clearinghouse.—The Assistant Secretary shall—

(1) establish and maintain an information clearinghouse for the collection and dissemination of demographic, economic, financial, managerial, and technical data relating to minority business enterprises; and

(2) take such steps as the Assistant Secretary may determine to be necessary and desirable to search for, collect, classify, coordinate, integrate, record, and catalog the data described in paragraph (1).

Subpart B—Minority Business Development Center Program

Sec. 731. Purpose.

The purpose of the MBDC Program shall be to create a national network of public-private partnerships that—

(1) assist minority business enterprises to—

(A) access capital and contracts; and

(B) create and maintain jobs;

(2) provide counseling and mentoring to minority business enterprises; and
(3) facilitate the growth of minority business enterprises by promoting trade.

SEC. 732. DEFINITIONS.

In this subpart:

(1) CENTER.—The term “Center” means an eligible entity that enters into an MBDC agreement with the Assistant Secretary.

(2) ELIGIBLE ENTITY.—Except as otherwise expressly provided, the term “eligible entity”—

(A) means—

(i) a private sector entity; or

(ii) a public sector entity; and

(B) includes an institution of higher education.

(3) MBDC AGREEMENT.—The term “MBDC agreement” means a collaborative agreement entered into between the Assistant Secretary and a Center under the MBDC Program.

(4) MBDC PROGRAM.—The term “MBDC Program” means the program established under section 733.

SEC. 733. ESTABLISHMENT.

(a) IN GENERAL.—Subject to subsection (b), there is established in the Agency a program—
(1) that shall be known as the Minority Business Development Centers Program;

(2) that shall be separate and distinct from the efforts of the Assistant Secretary under section 721; and

(3) under which the Assistant Secretary shall enter into cooperative agreements with eligible entities under which, in accordance with section 734—

(A) the eligible entities shall provide technical assistance and business development services to minority business enterprises; and

(B) the Assistant Secretary shall provide financial assistance to the eligible entities to carry out the activities described in subparagraph (A).

(b) Coverage.—The Assistant Secretary shall take all necessary actions to ensure that the MBDC Program, in accordance with section 734, offers the services described in subsection (a)(3)(A) in all regions of the United States.

(c) Scope of Authority.—The authority of the Assistant Secretary to enter into MBDC agreements shall be effective each fiscal year only to the extent that amounts are made available to the Assistant Secretary under applicable appropriations Acts.
SEC. 734. COOPERATIVE AGREEMENTS.

(a) REQUIREMENTS.—A Center shall, using financial assistance awarded to the Center under an MBDC agreement—

(1) provide to minority business enterprises programs and services determined to be appropriate by the Assistant Secretary, which—

(A) shall include referral services to meet the needs of minority business enterprises; and

(B) may include programs and services to accomplish the goals described in section 721(1);

(2) develop, cultivate, and maintain a network of strategic partnerships with organizations that foster access by minority business enterprises to economic markets or contracts;

(3) continue to upgrade and modify the services provided by the Center, as necessary, in order to meet the changing and evolving needs of the business community;

(4) collaborate with other Centers; and

(5) in providing programs and services under the MBDC agreement—

(A) operate on a fee-for-service basis; and

(B) generate income through the collection of—
(i) client fees;
(ii) membership fees;
(iii) success fees; and
(iv) any other appropriate fees proposed by the Center in the application submitted by the Center for the MBDC agreement.

(b) **TERM.**—Subject to subsection (g), the term of an MBDC agreement shall be 3 years.

(c) **FINANCIAL ASSISTANCE.**—

(1) **MINIMUM AMOUNT.**—Subject to paragraph (2), the amount of financial assistance provided by the Assistant Secretary under an MBDC agreement shall be not less than $250,000 for the term of the MBDC agreement.

(2) **ADDITIONAL AMOUNTS.**—In determining whether to award financial assistance under an MBDC agreement to a Center in an amount greater than $250,000, the Assistant Secretary shall take into consideration the cost of living and the size of the population in the area in which the Center is located.

(3) **MATCHING REQUIREMENT.**—

(A) **IN GENERAL.**—A Center shall match not less than $\frac{1}{3}$ of the amount of the financial
assistance awarded to the Center under an MBDC agreement.

(B) Form of Funds.—A Center may meet the matching requirement under subparagraph (A) using cash or in-kind contributions, without regard to whether the contribution is made by a third party.

(4) Use of Financial Assistance and Program Income.—A Center shall use—

(A) all financial assistance awarded to the Center under an MBDC agreement to carry out the requirements under subsection (a); and

(B) all income that the Center generates in carrying out the requirements under subsection (a)—

(i) to meet the matching requirement under paragraph (3) of this subsection; and

(ii) if the Center meets the matching requirement under paragraph (3) of this subsection, to carry out the requirements under subsection (a).

(d) Criteria for Selection.—The Assistant Secretary shall—

(1) establish—
(A) criteria that—

(i) the Assistant Secretary shall use in determining whether to enter into an MBDC agreement with an eligible entity; and

(ii) may include criteria relating to whether an eligible entity is located in—

(I) an area, the population of which is composed of not less than 51 percent socially disadvantaged individuals;

(II) a federally recognized area of economic distress; or

(III) a State that is underserved with respect to the MBDC program, as defined by the Assistant Secretary; and

(B) standards relating to the consideration given to the criteria established under subparagraph (A); and

(2) make the criteria and standards established under paragraph (1) publicly available, including—

(A) on the website of the Agency; and

(B) in each solicitation for applications for MBDC agreements.
(c) Applications.—An eligible entity desiring to enter into an MBDC agreement shall submit to the Assistant Secretary an application that includes—

(1) a statement of—

(A) how the eligible entity will meet the requirements under subsection (a); and

(B) any experience of the eligible entity in—

(i) assisting minority business enterprises to—

(I) obtain—

(aa) large-scale contracts or procurements; or

(bb) financing;

(II) access established supply chains; and

(III) engage in—

(aa) joint ventures, teaming arrangements, and mergers and acquisitions; or

(bb) large-scale transactions in global markets; and

(ii) advocating for minority business enterprises; and


(2) the budget and corresponding budget narrative that the eligible entity will use in carrying out the requirements under subsection (a) during the term of the MBDC agreement.

(f) NOTIFICATION.—If the Assistant Secretary grants an application of an eligible entity submitted under subsection (e), the Assistant Secretary shall notify the eligible entity that the application has been granted not later than 150 days after the last day on which an application may be submitted under that subsection.

(g) PROGRAM EXAMINATION; ACCREDITATION; EXTENSIONS.—

(1) EXAMINATION.—Not later than 180 days after the date of enactment of this Act, and biennially thereafter, the Assistant Secretary shall conduct a programmatic financial examination of each Center.

(2) ACCREDITATION.—The Assistant Secretary may provide financial support, by contract or otherwise, to an association, not less than 51 percent of the members of which are Centers, to—

(A) pursue matters of common concern with respect to Centers; and

(B) develop an accreditation program with respect to Centers.
(3) Extensions.—

(A) In General.—The Assistant Secretary may extend the term under subsection (b) of an MBDC agreement to which a Center is a party to a term of 5 years, if the Center consents to the extension.

(B) Financial Assistance.—If the Assistant Secretary extends the term of an MBDC agreement under paragraph (1), the Assistant Secretary shall, in the same manner and amount in which financial assistance was provided during the initial term of the MBDC agreement, provide financial assistance under the MBDC agreement during the extended term of the MBDC agreement.

(h) Priority.—In entering into MBDC agreements under the MBDC Program and extending MBDC agreements under subsection (g)(3), the Assistant Secretary shall give priority to extending MBDC agreements under subsection (g)(3).

(i) Suspension, Termination, and Refusal to Extend.—

(1) In General.—

(A) In General.—The Assistant Secretary may suspend, terminate, or refuse to ex-
tend the term of an MBDC agreement on the basis of the poor performance by a Center in meeting the performance goals established by the Secretary under subparagraph (B).

(B) PERFORMANCE GOALS.—The Assistant Secretary shall establish performance goals by which to evaluate the performance of a Center in meeting the requirements under subsection (a).

(2) NOTICE.—Before suspending, terminating, or refusing to extend the term of an MBDC agreement under paragraph (1), the Assistant Secretary shall provide to the relevant Center—

(A) a written notice of the reasons for the suspension, termination, or refusal; and

(B) an opportunity for a hearing, appeal, or other administrative proceeding to contest the suspension, termination, or refusal.

(j) MBDA INVOLVEMENT.—The Assistant Secretary shall ensure that the Agency is substantially involved in the activities of Centers in carrying out the requirements under subsection (a), including by—

(1) providing to each Center training relating to the MBDC Program;
(2) requiring that the operator and staff of each Center—

(A) attend—

(i) a conference with the Agency to establish the services and programs that the Center will provide in carrying out the requirements before the date on which the Center begins providing those services and programs; and

(ii) training provided under paragraph (1);

(B) receive necessary advising relating to carrying out the requirements under subsection (a); and

(C) work in coordination and collaboration with the Assistant Secretary to carry out the MBDC Program and other programs of the Agency;

(3) facilitating connections between Centers and—

(A) Federal agencies other than the Agency, including the Small Business Administration and the Economic Development Administration of the Department of Commerce; and
(B) other institutions or entities that use Federal resources, including—

(i) small business development centers, as that term is defined in section 3(t) of the Small Business Act (15 U.S.C. 632(t));

(ii) women’s business centers described in section 29 of the Small Business Act (15 U.S.C. 656);

(iii) eligible entities, as that term is defined in section 2411 of title 10, United States Code, that provide services under the program carried out under chapter 142 of that title; and

(iv) entities participating in the Hollings Manufacturing Extension Partnership Program established under section 25 of the National Institute of Standards and Technology Act (15 U.S.C. 278k);

(4) monitoring projects carried out by each Center; and

(5) establishing and enforcing administrative and reporting requirements for each Center to carry out the requirements under subsection (a).
(k) **Regulations.**—The Assistant Secretary shall issue and publish regulations that establish minimum standards regarding verification of minority business enterprise status for clients of entities operating under the MBDC Program.

**SEC. 735. MINIMIZING DISRUPTIONS TO EXISTING BUSINESS CENTERS PROGRAM.**

The Assistant Secretary shall ensure that each cooperative agreement entered into under the Business Centers program of the Agency that is in effect on the day before the date of enactment of this Act is carried out in a manner that, to the greatest extent practicable, prevents disruption of any activity carried out under the cooperative agreement.

**SEC. 736. PUBLICITY.**

In carrying out the MBDC Program, the Assistant Secretary shall widely publicize the MBDC Program, including—

1. on the website of the Agency; and
2. via social media outlets.

**SEC. 737. EMERGENCY APPROPRIATIONS.**

(a) **In General.**—There is appropriated, out of amounts in the Treasury not otherwise appropriated, for an additional amount for “Minority Business Development”, $25,000,000, for necessary expenses for the
MBDC Program, including the component of the program relating to Specialty Centers, including any cost sharing requirements that may exist, for assisting minority business enterprises to prevent, prepare for, and respond to coronavirus, including identifying and accessing local, State, and Federal government assistance related to such virus.

(b) Emergency Designation.—

(1) In general.—The amounts provided under this section are designated as an emergency requirement pursuant to section 4(g) of the Statutory Pay-As-You-Go Act of 2010 (2 U.S.C. 933(g)).

(2) Designation in Senate.—In the Senate, this section is designated as an emergency requirement pursuant to section 4112(a) of H. Con. Res. 71 (115th Congress), the concurrent resolution on the budget for fiscal year 2018.

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

SEC. 741. ANNUAL DIVERSE BUSINESS FORUM ON CAPITAL FORMATION.

(a) Responsibility of Agency.—Not later than 18 months after the date of enactment of this Act, and annually thereafter, the Agency shall conduct a Government-
business forum to review the current status of problems
and programs relating to capital formation by minority
business enterprises.

(b) Participation in Forum Planning.—The Assistant Secretary shall invite the heads of other Federal agencies, such as the Chairman of the Securities and Exchange Commission, the Secretary of the Treasury, and the Chairman of the Board of Governors of the Federal Reserve System, organizations representing State securities commissioners, representatives of leading minority chambers of commerce, business organizations, and professional organizations concerned with capital formation to participate in the planning of each forum conducted under subsection (a).

(c) Preparation of Statements and Reports.—

(1) Requests.—The Assistant Secretary may request that any head of a Federal department, agency, or organization, including those described in subsection (b), or any other group or individual, prepare a statement or report to be delivered at any forum conducted under subsection (a).

(2) Cooperation.—Any head of a Federal department, agency, or organization who receives a request under paragraph (1) shall, to the greatest ex-
tent practicable, cooperate with the Assistant Secretary to fulfill that request.

(d) Transmittal of Proceedings and Findings.—The Assistant Secretary shall—

(1) prepare a summary of the proceedings of each forum conducted under subsection (a), which shall include the findings and recommendations of the forum; and

(2) transmit the summary described in paragraph (1) with respect to each forum conducted under subsection (a) to—

(A) the participants in the forum;

(B) Congress; and

(C) the public, through a publicly available website.

(e) Review of Findings and Recommendations; Public Statements.—

(1) In general.—A Federal agency to which a finding or recommendation described in subsection (d)(1) relates shall—

(A) review that finding or recommendation; and

(B) promptly after the finding or recommendation is transmitted under paragraph
(2)(C) of subsection (d), issue a public statement—

(i) assessing the finding or recommendation; and

(ii) disclosing the action, if any, the Federal agency intends to take with respect to the finding or recommendation.

(2) JOINT STATEMENT PERMITTED.—If a finding or recommendation described in subsection (d)(1) relates to more than 1 Federal agency, the applicable Federal agencies may, for the purposes of the public statement required under paragraph (1)(B), issue a joint statement.

SEC. 742. AGENCY STUDY ON ALTERNATIVE FINANCING SOLUTIONS.

(a) PURPOSE.—The purpose of this section is to provide information relating to alternative financing solutions to minority business enterprises, as those business enterprises are more likely to struggle in accessing, particularly at affordable rates, traditional sources of capital.

(b) STUDY AND REPORT.—Not later than 1 year after the date of enactment of this Act, the Assistant Secretary shall—
(1) conduct a study on opportunities for providing alternative financing solutions to minority business enterprises; and

(2) submit to Congress, and publish on the website of the Agency, a report describing the findings of the study carried out under paragraph (1).

SEC. 743. EDUCATIONAL DEVELOPMENT RELATING TO MANAGEMENT AND ENTREPRENEURSHIP.

(a) DUTIES.—The Assistant Secretary shall, whenever the Assistant Secretary determines such action is necessary or appropriate—

(1) promote and provide assistance for the education and training of socially disadvantaged individuals in subjects directly relating to business administration and management;

(2) join with, and encourage, institutions of higher education, leaders in business and industry, and other public sector and private sector entities, particularly minority business enterprises, to—

(A) develop programs to offer scholarships and fellowships, apprenticeships, and internships relating to business to socially disadvantaged individuals; and
(B) sponsor seminars, conferences, and similar activities relating to business for the benefit of socially disadvantaged individuals;

(3) stimulate and accelerate curriculum design and improvement in support of development of minority business enterprises; and

(4) encourage and assist private institutions and organizations and public sector entities to undertake activities similar to the activities described in paragraphs (1), (2), and (3).

(b) Parren J. Mitchell Entrepreneurship Education Grants.—

(1) Definition.—In this subsection, the term “eligible institution” means an institution of higher education described in any of paragraphs (1) through (7) of section 371(a) of the Higher Education Act of 1965 (20 U.S.C. 1067q(a)).

(2) Grants.—The Assistant Secretary shall award grants to eligible institutions to develop and implement entrepreneurship curricula.

(3) Requirements.—An eligible institution that receives a grant awarded under this subsection shall use the grant funds to—
(A) develop a curriculum that includes training in various skill sets needed by contemporary successful entrepreneurs, including—

(i) business management and marketing;

(ii) financial management and accounting;

(iii) market analysis;

(iv) competitive analysis;

(v) innovation;

(vi) strategic planning; and

(vii) any other skill set that the eligible institution determines is necessary for the students served by the eligible institution and the community in which the eligible institution is located; and

(B) implement the curriculum developed under subparagraph (A) at the eligible institution.

(4) IMPLEMENTATION TIMELINE.—The Assistant Secretary shall establish and publish a timeline under which an eligible institution that receives a grant under this section shall carry out the requirements under paragraph (3).
(5) REPORTS.—Each year, the Assistant Secretary shall submit to the Committee on Commerce, Science, and Transportation of the Senate and the Committee on Energy and Commerce of the House of Representatives, as part of the annual budget submission of the President under section 1105(a) of title 31, United States Code, a report evaluating the awarding and use of grants under this subsection during the fiscal year immediately preceding the date on which the report is submitted, which shall include, with respect to that fiscal year—

(A) a description of each curriculum developed and implemented under each grant awarded under this section;

(B) the date on which each grant awarded under this section was awarded; and

(C) the number of eligible entities that were recipients of grants awarded under this section.

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

SEC. 751. ADMINISTRATIVE POWERS.

(a) IN GENERAL.—In carrying out this subtitle, the Assistant Secretary may—
(1) adopt and use a seal for the Agency, which shall be judicially noticed;

(2) hold hearings, sit and act, and take testimony as the Assistant Secretary may determine to be necessary or appropriate to carry out this subtitle;

(3) acquire, in any lawful manner, any property that the Assistant Secretary may determine to be necessary or appropriate to carry out this subtitle;

(4) make advance payments under grants, contracts, and cooperative agreements awarded under this subtitle;

(5) enter into agreements with other Federal agencies;

(6) coordinate with the heads of the Offices of Small and Disadvantaged Business Utilization of Federal agencies;

(7) require a coordinated review of all training and technical assistance activities that are proposed to be carried out by Federal agencies in direct support of the development of minority business enterprises to—

(A) ensure consistency with the purposes of this subtitle; and
(B) avoid duplication of existing efforts;

and

(8) prescribe such rules, regulations, and procedures as the Agency may determine to be necessary or appropriate to carry out this subtitle.

(b) Employment of Certain Experts and Consultants.—

(1) In General.—In carrying out this subtitle, the Assistant Secretary may procure by contract the temporary or intermittent services of experts or consultants or an organization thereof, as authorized under section 3109 of title 5, United States Code.

(2) Renewal of Contracts.—The Assistant Secretary may annually renew a contract entered into under paragraph (1).

(e) Donation of Property.—

(1) In General.—Subject to paragraph (2), in carrying out this subtitle, the Assistant Secretary may, without cost (except for costs of care and handling), donate for use by any public sector entity, or by any recipient nonprofit organization, for the purpose of the development of minority business enterprises, any real or tangible personal property acquired by the Agency in carrying out this subtitle.
(2) TERMS, CONDITIONS, RESERVATIONS, AND
RESTRICTIONS.—The Assistant Secretary may im-
pose reasonable terms, conditions, reservations, and
restrictions upon the use of any property donated
under paragraph (1).

SEC. 752. FINANCIAL ASSISTANCE.

(a) IN GENERAL.—

(1) PROVISION OF FINANCIAL ASSISTANCE.—To
carry out sections 721, 722, and 723(a), the Assist-
ant Secretary may provide financial assistance to
public sector entities and private sector entities in
the form of contracts, grants, or cooperative agree-
ments.

(2) NOTICE.—Not later than 120 days before
the first day of each fiscal year, the Assistant Sec-
retary shall, in accordance with subsection (b),
broadly publish a statement regarding financial as-
sistance that will, or may, be made available under
paragraph (1) in the first fiscal year that begins
after the date on which the statement is published,
including—

(A) the actual, or anticipated, amount of
financial assistance that will, or may, be made
available;
(B) the types of financial assistance that will, or may, be made available;

(C) the manner in which financial assistance will be allocated among public sector entities and private sector entities, as applicable; and

(D) the methodology used by the Assistant Secretary to make allocations under subparagraph (C).

(3) CONSULTATION.—The Assistant Secretary shall consult with public sector entities and private sector entities, as applicable, in deciding the amounts and types of financial assistance to make available under paragraph (1).

(b) PUBLICITY.—In carrying out this section, the Assistant Secretary shall broadly publicize all opportunities for financial assistance available under this section, including—

(1) on the website of the Agency; and

(2) via social media outlets.

SEC. 753. AUDITS.

(a) RECORDKEEPING REQUIREMENT.—Each recipient of assistance under this subtitle shall keep such records as the Assistant Secretary shall prescribe, includ-
ing records that fully disclose, with respect to the assistance received by the recipient under this subtitle—

1. the amount and nature of that assistance;
2. the disposition by the recipient of the proceeds of that assistance;
3. the total cost of the undertaking for which the assistance is given or used;
4. the amount and nature of the portion of the cost of the undertaking described in paragraph (3) that is supplied by a source other than the Agency; and
5. any other records that will facilitate an effective audit of the assistance.

(b) ACCESS BY GOVERNMENT OFFICIALS.—The Assistant Secretary, the Inspector General of the Department of Commerce, and the Comptroller General of the United States, or any duly authorized representative of any such individual, shall have access, for the purpose of audit, investigation, and examination, to any book, document, paper, record, or other material of a recipient of assistance under this subtitle that pertains to the assistance received by the recipient under this subtitle.
SEC. 754. REVIEW AND REPORT BY COMPTROLLER GENERAL.

Not later than 4 years after the date of enactment of this Act, the Comptroller General of the United States shall—

(1) conduct a thorough review of the programs carried out under this subtitle; and

(2) submit to Congress a detailed report of the findings of the Comptroller General of the United States under the review carried out under paragraph (1), which shall include—

(A) an evaluation of the effectiveness of the programs in achieving the purposes of this subtitle;

(B) a description of any failure by any recipient of assistance under this subtitle to comply with the requirements under this subtitle; and

(C) recommendations for any legislative or administrative action that should be taken to improve the achievement of the purposes of this subtitle.

SEC. 755. ANNUAL REPORTS; RECOMMENDATIONS.

(a) Annual Report.—Not later than 90 days after the last day of each fiscal year, the Assistant Secretary shall submit to Congress, and publish on the website of
the Agency, a report of each activity of the Agency carried
out under this subtitle during the fiscal year preceding the
date on which the report is submitted.

(b) RECOMMENDATIONS.—The Assistant Secretary
shall periodically submit to Congress and the President
recommendations for legislation or other actions that the
Assistant Secretary determines to be necessary or appro-
priate to promote the purposes of this subtitle.

SEC. 756. SEPARABILITY.

If a provision of this subtitle, or the application of
a provision of this subtitle to any person or circumstance,
is held by a court of competent jurisdiction to be invalid,
that judgment—

(1) shall not affect, impair, or invalidate—

(A) any other provision of this subtitle; or

(B) the application of this subtitle to any
other person or circumstance; and

(2) shall be confined in its operation to—

(A) the provision of this subtitle with re-
spect to which the judgment is rendered; or

(B) the application of the provision of this
subtitle to each person or circumstance directly
involved in the controversy in which the judg-
ment is rendered.
SEC. 757. EXECUTIVE ORDER 11625.

The powers and duties of the Agency shall be determined—

(1) in accordance with this subtitle and the requirements of this subtitle; and

(2) without regard to Executive Order 11625 (36 Fed Reg. 19967; relating to prescribing additional arrangements for developing and coordinating a national program for minority business enterprise).


Section 7104(c) of the Federal Acquisition Streamlining Act of 1994 (15 U.S.C. 644a(c)) is amended by striking paragraph (2) and inserting the following:

“(2) The Assistant Secretary of Commerce for Minority Business Development.”.

Subtitle B—Other Provisions

SEC. 761. EMERGENCY GRANTS TO MINORITY BUSINESS ENTERPRISES.

(a) GRANTS DURING THE COVID–19 PANDEMIC.—

The Agency shall provide grants to address the needs of minority business enterprises impacted by the COVID–19 pandemic.
(b) **RECIPIENTS.**—The Agency may make grants through nonprofit organizations or directly to minority business enterprises.

(e) **PRIORITY AREAS.**—In providing grants pursuant to subsection (a), the Agency shall prioritize providing assistance to—

(1) minority business enterprises that have been unable to obtain loans from the paycheck protection program under section 7(a)(36) of the Small Business Act (15 U.S.C. 636(a)(36)) and other programs established under the CARES Act (Public Law 116–136);

(2) minority business enterprises located in low-income areas or areas that have been significantly impacted by the COVID–19 pandemic; and

(3) minority business enterprises that do not have access to capital and whose business is substantially impaired because of the impact of stay-at-home orders implemented by State and local governments due to the COVID–19 pandemic.

(d) **TERMS AND CONDITIONS.**—

(1) **IN GENERAL.**—The Assistant Secretary shall set such terms and conditions for the grants made under this section as the Assistant Secretary determines appropriate.
(2) **NOTIFICATION.**—No later than 15 days prior to making any grants under this section, the Assistant Secretary shall provide the terms and conditions for grants made under this section to the Committee on Banking, Housing, and Urban Affairs of the Senate and the Committee on Financial Services of the House of Representatives.

(c) **GAO OVERSIGHT.**—Not later than 6 months after the date of enactment of this Act, the Comptroller General of the United States shall provide a report on the effectiveness of the grants made under this section, including the manner in which the Agency implemented the priorities described in subsection (c).

(f) **AUTHORIZATION OF APPROPRIATIONS.**—There are authorized to be appropriated $3,000,000,000 to carry out this section, to remain available until expended.

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

**SEC. 801. SHORT TITLE.**

This title may be cited as the “Promoting and Advancing Communities of Color through Inclusive Lending Act”.
SEC. 802. FINDINGS; SENSE OF CONGRESS.

(a) FINDINGS.—The Congress finds the following:

(1) The Coronavirus 2019 (COVID–19) pandemic and the resulting recession have led to—

(A) more than 4,800,000 cases and at least 157,000 deaths in the United States as of August 6, 2020;

(B) a 7.6 percent increase in the unemployment rate from February to June, or approximately 12,000,000 more persons who have lost their job; and

(C) an estimated 36 percent of renters and 4,100,000 homeowners who are struggling to pay their rent and mortgages.

(2) According to the Centers for Disease Control and Prevention, “long-standing systemic health and social inequities have put some members of racial and ethnic minority groups at increased risk of getting COVID–19 or experiencing severe illness”.

(3) Minority-owned businesses are also facing more difficult economic circumstances than others as a result of the COVID–19 pandemic. In April 2020, the Federal Reserve Bank of New York reported that minority- and women-owned businesses were not only more likely to show signs of limited financial health, but also twice as likely to be classified
as “at risk” or “distressed” than their non-minority counterparts.

(4) During the Coronavirus 2019 (COVID–19) pandemic, community development financial institutions (in this section referred to as “CDFIs”) and minority depository institutions (in this section referred to as “MDIs”) have delivered needed capital and relief to underserved communities, many of which have borne a disproportionate impact of the COVID–19 pandemic. Through August 8, 2020, CDFIs and MDIs have provided more than $16,400,000,000 in loans under the Paycheck Protection Program under section 7(a)(36) of the Small Business Act (15 U.S.C. 636(a)(36)) to small businesses with a smaller median loan size of about $74,000 compared to the overall program median loan size of $101,000.

(5) In addition to establishing relief funds and services for local businesses and individuals experiencing loss of income, CDFIs and MDIs have provided mortgage forbearances, loan deferments, and modifications to help address the needs of their borrowers. CDFIs and MDIs are reaching underserved communities and minority-owned businesses at a critical time.
(6) The Community Development Financial Institutions Fund (in this section referred to as the “CDFI Fund”) is an agency of the Department of the Treasury and was established by the Community Development Banking and Financial Institutions Act of 1994. The mission of the CDFI Fund is “to expand economic opportunity for underserved people and communities by supporting the growth and capacity of a national network of community development lenders, investors, and financial service providers”. As of September 15, 2020, there were 1,137 certified CDFIs in all 50 States, the District of Columbia, Guam, and the Commonwealth of Puerto Rico.

(7) Following the 2008 financial crisis and the disproportionate impact the Great Recession had on minority communities, the number of MDIs that are banks fell more than 30 percent over the following decade, to 143 as of the second quarter of 2020. Meanwhile, MDIs that are credit unions have seen similar declines, with more than one-third of such institutions disappearing since 2013.

(b) SENSE OF CONGRESS.—The following is the sense of the Congress:
(1) The Department of the Treasury, Board of Governors of the Federal Reserve System, Small Business Administration, Office of the Comptroller of the Currency, Federal Deposit Insurance Corporation, National Credit Union Administration, and other Federal agencies should take steps to support, engage with, and utilize MDIs and CDFIs in the near term, especially as they carry out programs to respond to the COVID–19 pandemic, and the long term.

(2) The Board of Governors of the Federal Reserve System should, consistent with its mandates, work to increase lending by MDIs and CDFIs to underserved communities, and when appropriate, should work with the Department of the Treasury to increase lending by MDIs and CDFIs to underserved communities.

(3) The Department of the Treasury and prudential regulators should establish a strategic plan identifying concrete steps that they can take to support existing MDIs, as well as the formation of new MDIs consistent with the goals established in section 308 of the Financial Institutions Reform, Recovery, and Enforcement Act of 1989 (12 U.S.C. 1463 note) to preserve and promote MDIs.
(4) Congress should increase funding and make other enhancements, including those provided by this legislation, to enhance the effectiveness of the CDFI Fund, especially reforms to support minority-owned and minority led CDFIs in times of crisis and beyond.

(5) Congress should conduct robust and ongoing oversight of the Department of the Treasury, the CDFI Fund, Federal prudential regulators, the Small Business Administration, and other Federal agencies to ensure they fulfill their obligations under the law as well as implement this title and other laws in a manner that supports and fully utilizes MDIs and community development financial institutions, as appropriate.

(6) The investments made by the Secretary of the Treasury under this title and the amendments made by this title should be designed to maximize the benefit to low- and moderate-income and minority communities and contemplate losses to capital of the Treasury.

SEC. 803. PURPOSES.

The purposes of this title are to—

(1) establish programs to revitalize and provide long-term financial products and service availability
for, and provide investments in, low- and moderate-income and minority communities;

(2) respond to the unprecedented loss of Black-owned businesses and unemployment; and

(3) otherwise enhance the stability, safety and soundness of community development financial institutions that support low- and moderate-income and minority communities.

SEC. 804. CONSIDERATIONS; REQUIREMENTS FOR CREDITORS.

(a) IN GENERAL.—In exercising the authorities under this title and the amendments made by this title, the Secretary of the Treasury shall take into consideration—

(1) increasing the availability of affordable credit for consumers, small businesses, and nonprofit organizations, including for projects supporting affordable housing, community-serving real estate, and other projects, that provide direct benefits to low- and moderate-income communities, low-income and underserved individuals, and minorities;

(2) providing funding to minority-owned or minority-led eligible institutions and other eligible institutions that have a strong track record of serving minority small businesses;
(3) protecting and increasing jobs in the United States;

(4) increasing the opportunity for small business, affordable housing and community development in geographic areas and demographic segments with poverty and high unemployment rates that exceed the average in the United States;

(5) ensuring that all low- and moderate-income community financial institutions may apply to participate in the programs established under this title and the amendments made by this title, without discrimination based on geography;

(6) providing transparency with respect to use of funds provided under this title and the amendments made by this title;

(7) promoting and engaging in financial education to would-be borrowers; and

(8) providing funding to eligible institutions that serve consumers, small businesses, and non-profit organizations to support affordable housing, community-serving real estate, and other projects that provide direct benefits to low- and moderate-income communities, low-income individuals, and minorities directly affected by the COVID-19 pandemic.
(b) **Requirement for Creditors.**—Any creditor participating in a program established under this title or the amendments made by this title shall fully comply with all applicable statutory and regulatory requirements relating to fair lending.

**Sec. 805. Neighborhood Capital Investment Program.**


(1) in section 4002 (15 U.S.C. 9041)—

(A) by redesignating paragraphs (7) through (10) as paragraphs (9) through (12), respectively; and

(B) by inserting after paragraph (6) the following:

“(7) **Low- and moderate-income community financial institution.**—The term ‘low- and moderate-income community financial institution’ means any financial institution that is—

“(A) a community development financial institution, as defined in section 103 of the Community Development Banking and Financial Institutions Act of 1994 (12 U.S.C. 4702); or

“(B) a minority depository institution.
“(8) MINORITY DEPOSITORY INSTITUTION.—

The term ‘minority depository institution’ means—

“(A) a depository institution described in section 308(b) of the Financial Institutions Reform, Recovery, and Enforcement Act of 1989 (12 U.S.C. 1463 note);

“(B) an entity considered to be a minority depository institution by—

“(i) the appropriate Federal banking agency (as defined under section 3 of the Federal Deposit Insurance Act (12 U.S.C. 1813); or

“(ii) the National Credit Union Administration, in the case of an insured credit union, as defined in section 101 of the Federal Credit Union Act (12 U.S.C. 1752);

“(C) an entity listed in the Minority Depository Institutions List published by the Federal Deposit Insurance Corporation for the Second Quarter 2020.”;

(2) in section 4003 (15 U.S.C. 9042), by adding at the end the following:

“(i) NEIGHBORHOOD CAPITAL INVESTMENT PROGRAM.—
“(1) DEFINITIONS.—In this subsection—

“(A) the terms ‘community development financial institution’, ‘insured community development financial institution’, and ‘minority lending institution’ have the meanings given such terms in section 103 of the Community Development Banking and Financial Institutions Act of 1994 (12 U.S.C. 4702);

“(B) the term ‘Fund’ means the Community Development Financial Institutions Fund established under section 104(a) of the Community Development Banking and Financial Institutions Act of 1994 (12 U.S.C. 4703(a));

“(C) the term ‘minority’ means any Black American, Native American, Hispanic American, or Asian American;

“(D) the term ‘Program’ means the Neighborhood Capital Investment Program established under paragraph (2); and

“(E) the term ‘Secretary’ means the Secretary of the Treasury.

“(2) ESTABLISHMENT.—The Secretary shall establish a Neighborhood Capital Investment Program to support the efforts of low- and moderate-income community financial institutions to, among other
things, provide loans and forbearances to small businesses, minority-owned businesses, and consumers, especially in low-income and underserved communities, by providing direct capital investments in low- and moderate-income community financial institutions.

“(3) APPLICATION.—

“(A) ACCEPTANCE.—The Secretary shall begin accepting applications for capital investments under the Program not later than the end of the 30-day period beginning on the date of enactment of this subsection, with priority in distribution given to low- and moderate-income community financial institutions that are minority lending institutions.

“(B) REQUIREMENT TO PROVIDE A NEIGHBORHOOD INVESTMENT LENDING PLAN.—

“(i) IN GENERAL.—At the time that an applicant submits an application to the Secretary for a capital investment under the Program, the applicant shall provide the Secretary, along with the appropriate Federal banking agency, an investment and lending plan that—
“(I) demonstrates that not less than 30 percent of the lending of the applicant over the past 2 fiscal years was made directly to low- and moderate income borrowers, to borrowers that create direct benefits for low- and moderate-income populations, to other targeted populations as defined by the Fund, or any combination thereof, as measured by the total number and dollar amount of loans;

“(II) describes how the business strategy and operating goals of the applicant will address community development needs, including the needs of small businesses, consumers, non-profit organizations, community development, and other projects providing direct benefits to low- and moderate-income communities, low-income individuals, and minorities within the minority, rural, and urban low-income and underserved areas served by the applicant;
“(III) includes a plan to provide linguistically and culturally appropriate outreach, where appropriate;

“(IV) includes an attestation by the applicant that the applicant does not own, service, or offer any financial products at an annual percentage rate of more than 36 percent interest, as defined in section 987(i)(4) of title 10, United States Code, and is compliant with State interest rate laws; and

“(V) includes details on how the applicant plans to expand or maintain significant lending or investment activity in low- or moderate-income minority communities, to historically disadvantaged borrowers, and to minorities that have significant unmet capital or financial services needs.

“(ii) Community development loan funds.—An applicant that is not an insured community development financial institution or otherwise regulated by a Federal financial regulator shall submit
the plan described in clause (i) only to the Secretary.

“(iii) DOCUMENTATION.—In the case of an applicant that is certified as a community development financial institution as of the date of enactment of this subsection, for purposes of clause (i)(I), the Secretary may rely on documentation submitted the Fund as part of certification compliance reporting.

“(4) INCENTIVES TO INCREASE LENDING AND PROVIDE AFFORDABLE CREDIT.—

“(A) REQUIREMENTS ON PREFERRED STOCK AND OTHER FINANCIAL INSTRUMENT.— Any financial instrument issued to the Secretary by a low- and moderate-income community financial institution under the Program shall comply with the following requirements:

“(i) No dividend, interest or other payment shall exceed 2 percent per annum.

“(ii) After the first 24 months after the date of the capital investment under the Program, annual payments may be required, as determined by the Secretary and in accordance with this section, and be ad-
justed downward based on the amount of
affordable credit provided by the low- and
moderate-income community financial in-
stitution to borrowers in minority, rural,
and urban low-income and underserved
communities.

“(iii) During any calendar quarter
after the initial 24-month period referred
to in clause (ii), the annual payment rate
of a low- and moderate-income community
financial institution shall be adjusted
downward to reflect the following schedule,
based on lending by the institution relative
to the baseline period:

“(I) If the institution in the most
recent annual period prior to the in-
vestment provides significant lending
or investment activity in low- or mod-
erate-income minority communities,
historically disadvantaged borrowers,
and to minorities that have significant
unmet capital or financial services,
the annual payment rate shall not ex-
ceed 0.5 percent per annum.
“(II) If the amount of lending within minority, rural, and urban low-income and underserved communities and to low- and moderate-income borrowers has increased dollar for dollar based on the amount of the capital investment, the annual payment rate shall not exceed 1 percent per annum.

“(III) If the amount of lending within minority, rural, and urban low-income and underserved communities and to low- and moderate-income borrowers has increased by twice the amount of the capital investment, the annual payment rate shall not exceed 0.5 percent per annum.

“(B) Contingency of payments based on certain financial criteria.—

“(i) Deferral.—Any annual payments under this subsection shall be deferred in any quarter or payment period if any of the following occur:

“(I) The low- and moderate-income community institution fails to meet the Tier 1 capital ratio or simi-
lar ratio as determined by the Secretary.

“(II) The low- and moderate-income community financial institution fails to achieve positive net income for the quarter or payment period.

“(III) The low- and moderate-income community financial institution determines that the payment would be detrimental to the financial health of the institution.

“(ii) Testing during next payment period.—Any deferred annual payment under this subsection shall—

“(I) be tested against the metrics described in clause (i) at the beginning of the next payment period; and

“(II) continue to be deferred until the metrics described in that clause are no longer applicable.

“(5) Restrictions.—

“(A) In general.—Each low- and moderate-income community financial institution may only issue financial instruments or senior
preferred stock under this subsection with an aggregate principal amount that is—

“(i) not more than 15 percent of risk-weighted assets for an institution with assets of more than $2,000,000,000;

“(ii) not more than 25 percent of risk-weighted assets for an institution with assets of not less than $500,000,000 and not more than $2,000,000,000; and

“(iii) not more than 30 percent of risk-weighted assets for an institution with assets of less than $500,000,000.

“(B) HOLDING OF INSTRUMENTS.—Holding any instrument of a low- and moderate-income community financial institution described in subparagraph (A) shall not give the Secretary or any successor that owns the instrument any rights over the management of the institution.

“(C) SALE OF INTEREST.—With respect to a capital investment made into a low- and moderate-income community financial institution under this subsection, the Secretary—

“(i) except as provided in clause (iv),

during the 10-year period beginning on the
date of the investment, may not sell the interest of the Secretary in the capital investment to a third party;

“(ii) shall provide the low- and moderate-income community financial institution a right of first refusal to buy back the investment under terms that do not exceed a value as determined by an independent third party; and

“(iii) may not sell more than a 5 percent ownership interest in the capital investment to a single third party; and

“(iv) with the permission of the institution, may gift or sell the interest of the Secretary in the capital investment for a de minimis amount to a mission aligned nonprofit affiliate of an applicant that is an insured community development financial institution.

“(v) Calculation of Ownership for Minority Depository Institutions.—The calculation and determination of ownership thresholds for a depository institution to qualify as a minority depository institution shall exclude any dilutive
effect of equity investments by the Federal Government, including under the Program or through the Fund.

“(6) AVAILABLE AMOUNTS.—In carrying out the Program, the Secretary shall use not more than $13,000,000,000, from amounts appropriated under section 4027, and shall use not less than $7,000,000,000 of such amount for direct capital investments under the Program.

“(7) TREATMENT OF CAPITAL INVESTMENTS.—In making any capital investment under the Program, the Secretary shall ensure that the terms of the investment are designed to ensure the investment receives Tier 1 capital treatment.

“(8) OUTREACH TO MINORITIES.—The Secretary shall require low- and moderate-income community financial institutions receiving capital investments under the Program to provide linguistically and culturally appropriate outreach and advertising describing the availability and application process of receiving loans made possible by the Program through organizations, trade associations, and individuals that represent or work within or are members of minority communities.

“(9) RESTRICTIONS.—
“(A) IN GENERAL.—Not later than the end of the 30-day period beginning on the date of enactment of this subsection, the Secretary shall issue rules setting restrictions on executive compensation, share buybacks, and dividend payments for recipients of capital investments under the Program.

“(B) RULE OF CONSTRUCTION.—The provisions of section 4019 apply to investments made under the Program.

“(10) TERMINATION OF INVESTMENT AUTHORITY.—The authority to make capital investments in low- and moderate-income community financial institutions, including commitments to purchase preferred stock or other instruments, provided under the Program shall terminate on the date that is 36 months after the date of enactment of this subsection.

“(11) COLLECTION OF DATA.—Notwithstanding the Equal Credit Opportunity Act (15 U.S.C. 1691 et seq.)—

“(A) any low- and moderate-income community financial institution may collect data described in section 701(a)(1) of that Act (15 U.S.C. 1691(a)(1)) from borrowers and appli-
cants for credit for the purpose of monitoring compliance under the plan required under paragraph (4)(B); and

“(B) a low- and moderate-income community financial institution that collects the data described in subparagraph (A) shall not be subject to adverse action related to that collection by the Bureau of Consumer Financial Protection or any other Federal agency.

“(12) DEPOSIT OF FUNDS.—All funds received by the Secretary in connection with purchases made pursuant this subsection, including interest payments, dividend payments, and proceeds from the sale of any financial instrument, shall be deposited into the Fund and used to provide financial and technical assistance pursuant to section 108 of the Community Development and Banking and Financial Institutions Act of 1994 (12 U.S.C. 4707), except that subsection (e) of that section shall be waived.

“(13) EQUITY EQUIVALENT INVESTMENT OPTION.—

“(A) IN GENERAL.—The Secretary shall establish an Equity Equivalent Investment Option, under which, with respect to a specific in-
investment in a low- and moderate-income community financial institution—

“(i) 80 percent of such investment is made by the Secretary under the Program; and

“(ii) 20 percent of such investment if made by a banking institution.

“(B) REQUIREMENT TO FOLLOW SIMILAR TERMS AND CONDITIONS.—The terms and conditions applicable to investments made by the Secretary under the Program shall apply to any investment made by a banking institution under this paragraph.

“(C) LIMITATIONS.—The amount of a specific investment described under subparagraph (A) may not exceed $10,000,000, but the receipt of an investment under subparagraph (A) shall not preclude the recipient from being eligible for other assistance under the Program.

“(D) BANKING INSTITUTION DEFINED.—In this paragraph, the term ‘banking institution’ means any entity with respect to which there is an appropriate Federal banking agency under section 3 of the Federal Deposit Insurance Act (12 U.S.C. 1813).
“(j) APPLICATION OF THE MILITARY LENDING ACT.—

“(1) IN GENERAL.—No low- and moderate-income community financial institution that receives an equity investment under subsection (i) shall, for so long as the investment or participation continues, make any loan at an annualized percentage rate above 36 percent, as determined in accordance with section 987(b) of title 10, United States Code (commonly known as the ‘Military Lending Act’).

“(2) NO EXEMPTIONS PERMITTED.—The exemption authority of the Bureau of Consumer Financial Protection under section 105(f) of the Truth in Lending Act (15 U.S.C. 1604(f)) shall not apply with respect to this subsection.”.

SEC. 806. EMERGENCY SUPPORT FOR CDFIS AND COMMUNITIES.

(a) Authorization of Appropriations.—There is authorized to be appropriated to the Fund $2,000,000,000 for fiscal year 2021, for providing financial assistance and technical assistance under subparagraphs (A) and (B) of section 108(a)(1) of the Community Development Banking and Financial Institutions Act of 1994 (12 U.S.C. 4707(a)(1)), except that subsections (d) and (e) of such section 108 shall not apply to the provision of such assist-
ance, for the Bank Enterprise Award program, and for
financial assistance, technical assistance, training, and
outreach programs designed to benefit Native American,
Native Hawaiian, and Alaska Native communities and
provided primarily through qualified community develop-
ment lender organizations with experience and expertise
in community development banking and lending in Indian
country, Native American organizations, Tribes and Trib-
al organizations, and other suitable providers.

(b) Set Asides.—Of the amounts appropriated pur-
suant to the authorization under subsection (a), the fol-
lowing amounts shall be set aside:

(1) Up to $400,000,000, to remain available
until expended, to provide grants to CDFIs—

(A) to expand lending or investment activ-
ity in low- or moderate-income minority commu-
nities and to minorities that have significant
unmet capital or financial services needs, of
which not less than $10,000,000 may be for
grants to benefit Native American, Native Ha-
waiian, and Alaska Native communities; and

(B) using a formula that takes into ac-
count criteria such as certification status, finan-
cial and compliance performance, portfolio and
balance sheet strength, a diversity of CDFI
business model types, and program capacity, as well as experience making loans and investments to those areas and populations identified in this paragraph.

(2) Up to $160,000,000, to remain available until expended, for technical assistance, technology, and training under sections 108(a)(1)(B) and 109, respectively, of the Community Development Banking and Financial Institutions Act of 1994 (12 U.S.C. 4707(a)(1)(B), 4708), with a preference for minority lending institutions.

(3) Up to $800,000,000, to remain available until expended, shall be for providing financial assistance, technical assistance, awards, training, and outreach programs described under subsection (a) to recipients that are minority lending institutions.

(c) Administrative Expenses.—Funds appropriated pursuant to the authorization under subsection (a) may be used for administrative expenses, including administration of Fund programs and the New Markets Tax Credit Program under section 45D of the Internal Revenue Code of 1986.

(d) Definitions.—In this section:

(1) CDFI.—The term “CDFI” means a community development financial institution, as defined

(2) Fund.—The term “Fund” means the Community Development Financial Institutions Fund established under section 104(a) of the Community Development Banking and Financial Institutions Act of 1994 (12 U.S.C. 4703(a)).

(3) Minority; minority lending institution.—The terms “minority” and “minority lending institution” have the meanings given those terms under section 103 of the Community Development Banking and Financial Institutions Act of 1994 (12 U.S.C. 4702), as amended by section 809 of this Act.

SEC. 807. ENSURING DIVERSITY IN COMMUNITY BANKING.

(a) Sense of Congress on funding the loan-loss reserve fund for small dollar loans.—The sense of Congress is the following:

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

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

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

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

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

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

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

(2) The Department of the Treasury is authorized to create multi-year grant programs designed to encourage low-to-moderate income individuals to establish accounts at federally insured banks, and to
improve low-to-moderate income individuals’ access
to such accounts on reasonable terms.

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

(4) Program participation is restricted to eligi-
ble institutions, which are limited to organizations
listed in section 501(c)(3) of the Internal Revenue
Code of 1986 and exempt from tax under 501(a) of
such Code, federally insured depository institutions,
community development financial institutions and
State, local, or Tribal government entities.

(5) Since its founding, the CDFI Fund has
awarded over $3,300,000,000 to CDFIs and CDEs
and has allocated $54,000,000,000 in tax credits
and $1,510,000,000 in bond guarantees. According
to the CDFI Fund, some programs attract as much
as $10 in private capital for every $1 invested by the
CDFI Fund. The Administration and the Congress
should prioritize appropriation of funds for the loan
loss reserve fund and technical assistance programs
administered by the Community Development Finan-
cial Institution Fund.

(b) DEFINITIONS.—In this section:

(1) COMMUNITY DEVELOPMENT FINANCIAL IN-
STITUTION.—The term “community development fi-
nancial institution” has the meaning given under
section 103 of the Community Development Banking
4702).

(2) MINORITY DEPOSITORY INSTITUTION.—The
term “minority depository institution” has the
meaning given under section 308 of the Financial
Institutions Reform, Recovery, and Enforcement Act

(c) ESTABLISHMENT OF IMPACT BANK DESIGNA-
TION.—

(1) IN GENERAL.—Each Federal banking agen-
cy shall establish a program under which a deposi-
tory institution with total consolidated assets of less than $10,000,000,000 may elect to be designated as an impact bank if the total dollar value of the loans extended by such depository institution to low-income borrowers is greater than or equal to 50 percent of the assets of such bank.

(2) Notification of Eligibility.—Based on data obtained through examinations of depository institutions, the appropriate Federal banking agency shall notify a depository institution if the institution is eligible to be designated as an impact bank.

(3) Application.—Regardless of whether or not it has received a notice of eligibility under paragraph (2), a depository institution may submit an application to the appropriate Federal banking agency—

(A) requesting to be designated as an impact bank; and

(B) demonstrating that the depository institution meets the applicable qualifications.

(4) Limitation on Additional Data Requirements.—The Federal banking agencies may only impose additional data collection requirements on a depository institution under this subsection if such data is—
(A) necessary to process an application submitted by the depository institution to be designated an impact bank; or

(B) with respect to a depository institution that is designated as an impact bank, necessary to ensure the depository institution’s ongoing qualifications to maintain such designation.

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

(6) RECONSIDERATION OF DESIGNATION; APPEALS.—Under such procedures as the Federal banking agencies may establish, a depository institution may—

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

(B) file an appeal of such determination.

(7) RULEMAKING.—Not later than 1 year after the date of the enactment of this Act, the Federal
banking agencies shall jointly issue rules to carry out the requirements of this subsection, including by providing a definition of a low-income borrower.

(8) REPORTS.—Each Federal banking agency shall submit an annual report to the Congress containing a description of actions taken to carry out this subsection.

(9) FEDERAL DEPOSIT INSURANCE ACT DEFINITIONS.—In this subsection, the terms “depository institution”, “appropriate Federal banking agency”, and “Federal banking agency” have the meanings given such terms, respectively, in section 3 of the Federal Deposit Insurance Act (12 U.S.C. 1813).

(d) MINORITY DEPOSITORIES ADVISORY COMMITTEES.—

(1) ESTABLISHMENT.—Each covered regulator shall establish an advisory committee to be called the “Minority Depositories Advisory Committee”.

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

(3) Membership.—

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

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

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

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

(B) DIVERSITY.—To the extent prac-
ticable, each covered regulator shall ensure that the members of the Minority Depositories Advisory Committee of such agency reflect the diversity of covered minority institutions.

(4) MEETINGS.—

(A) IN GENERAL.—Each Minority Depositories Advisory Committee shall meet not less frequently than twice each year.

(B) NOTICE AND INVITATIONS.—Each Mi-
nority Depositories Advisory Committee shall—

(i) notify the Committee on Financial Services of the House of Representatives and the Committee on Banking, Housing, and Urban Affairs of the Senate in ad-

(ii) invite the attendance at each meeting of the Minority Depositories Advisory Committee of—

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

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

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

(6) DEFINITIONS.—In this subsection:

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

(B) COVERED MINORITY INSTITUTION.—The term “covered minority institution” means a minority depository institution (as defined in section 308(b) of the Financial Institutions Re-
form, Recovery, and Enforcement Act of 1989
(12 U.S.C. 1463 note)).

(C) Depository Institution.—The term “depository institution” has the meaning given that term in section 3 of the Federal Deposit Insurance Act (12 U.S.C. 1813).

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

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

“(3) Depository Institution.—The term ‘depository institution’ means an ‘insured depository institution’ (as defined in section 3 of the Federal Deposit Insurance Act (12 U.S.C. 1813)) and an insured credit union (as defined in section 101 of the Federal Credit Union Act (12 U.S.C. 1752)).”.

(e) Federal Deposits in Minority Depository Institutions.—
(1) IN GENERAL.—Section 308 of the Financial Institutions Reform, Recovery, and Enforcement Act of 1989 (12 U.S.C. 1463 note) is amended—

(A) by adding at the end the following new subsection:

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

(B) in subsection (b), as amended by subsection (d)(7) of this section, by adding at the end the following new paragraph:

“(4) IMPACT BANK.—The term ‘impact bank’ means a depository institution designated by the appropriate Federal banking agency pursuant to section 807(c) of the Promoting and Advancing Communities of Color through Inclusive Lending Act.”.

(2) TECHNICAL AMENDMENTS.—Section 308(b) of the Financial Institutions Reform, Recovery, and Enforcement Act of 1989 (12 U.S.C. 1463 note) is amended—
(A) in the matter preceding paragraph (1), by striking “section—” and inserting “section:"; and

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

(f) MINORITY BANK DEPOSIT PROGRAM.—

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

“SEC. 1204. EXPANSION OF USE OF MINORITY DEPOSITORY INSTITUTIONS.

“(a) MINORITY BANK DEPOSIT PROGRAM.—

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

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

“(A) on application by a depository institution or credit union, certify whether such depository institution or credit union is a minority depository institution;
“(B) maintain and publish a list of all de-
pository institutions and credit unions that have
been certified pursuant to subparagraph (A);
and
“(C) periodically distribute the list de-
scribed in subparagraph (B) to—
“(i) all Federal departments and
agencies;
“(ii) interested State and local govern-
ments; and
“(iii) interested private sector compa-
nies.
“(3) Inclusion of certain entities on
list.—A depository institution or credit union that,
on the date of the enactment of the Promoting and
Advancing Communities of Color through Inclusive
Lending Act, has a current certification from the
Secretary of the Treasury stating that such deposi-
tory institution or credit union is a minority deposi-
tory institution shall be included on the list de-
scribed under paragraph (2)(B).
“(b) Expanded use among Federal Depart-
ments and Agencies.—
“(1) In General.—Not later than 1 year after
the establishment of the program described in sub-
section (a), the head of each Federal department or agency shall develop and implement standards and procedures to prioritize, to the maximum extent possible as permitted by law and consistent with principles of sound financial management, the use of minority depository institutions to hold the deposits of each such department or agency.

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

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

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

“(2) DEPOSITORY INSTITUTION.—The term ‘depository institution’ has the meaning given that term in section 3 of the Federal Deposit Insurance Act (12 U.S.C. 1813).
“(3) MINORITY DEPOSITORY INSTITUTION.—

The term ‘minority depository institution’ has the meaning given that term under section 308 of this Act.”.

(2) CONFORMING AMENDMENTS.—The following provisions are amended by inserting “, as in effect on the day before the date of enactment of the Promoting and Advancing Communities of Color through Inclusive Lending Act” after “section 1204(c)(3) of the Financial Institutions Reform, Recovery, and Enforcement Act of 1989”:

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

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

(C) Section 704B(h)(4) of the Equal Credit Opportunity Act (15 U.S.C. 1691c–2(h)(4)).

(g) DIVERSITY REPORT AND BEST PRACTICES.—

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

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

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

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

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

(2) BEST PRACTICES.—Each Office of Minority and Women Inclusion of a covered regulator shall develop, provide to the head of the covered regulator, and make publicly available best practices—

(A) for increasing the diversity of candidates applying for examiner positions, including through outreach efforts to recruit diverse
candidates to apply for entry-level examiner positions; and
(B) for retaining and providing fair consideration for promotions within the examiner staff for purposes of achieving diversity among examiners.

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

(h) INVESTMENTS IN MINORITY DEPOSITORY INSTITUTIONS AND IMPACT BANKS.—

(1) CONTROL FOR CERTAIN INSTITUTIONS.—
Section 7(j)(8)(B) of the Federal Deposit Insurance Act (12 U.S.C. 1817(j)(8)(B)) is amended to read as follows:
“(B) ‘control’ means the power, directly or indirectly—
“(i) to direct the management or policies of an insured depository institution; or
“(ii)(I) to vote 25 per centum or more of any class of voting securities of an insured depository institution; or
“(II) with respect to an insured depository institution that is an impact bank (as designated pursuant to section 807(c) of the Promoting and Advancing Communities of Color through Inclusive Lending Act) or a minority depository institution (as defined in section 308(b) of the Financial Institutions Reform, Recovery, and Enforcement Act of 1989 (12 U.S.C. 1463 note)), of an individual to vote 30 percent or more of any class of voting securities of such an impact bank or a minority depository institution.”.

(2) Rulemaking.—The Federal banking agencies (as defined in section 3 of the Federal Deposit Insurance Act (12 U.S.C. 1813)) shall jointly issue rules for de novo minority depository institutions to allow 3 years to meet the capital requirements otherwise applicable to minority depository institutions (as defined in section 308(b) of the Financial Institutions Reform, Recovery, and Enforcement Act of 1989 (12 U.S.C. 1463 note)).

(3) Report.—Not later than 1 year after the date of the enactment of this Act, the Federal banking agencies shall jointly submit to Congress a report on—
(A) the principal causes for the low number of de novo minority depository institutions during the 10-year period preceding the date of the report;

(B) the main challenges to the creation of de novo minority depository institutions; and

(C) regulatory and legislative considerations to promote the establishment of de novo minority depository institutions.

(i) **Report on Covered Mentor-Protege Programs.**—

(1) **Report.**—Not later than 6 months after the date of the enactment of this Act and annually thereafter, the Secretary of the Treasury shall submit to Congress a report on participants in a covered mentor-protege program, including—

(A) an analysis of outcomes of such program;

(B) the number of minority depository institutions that are eligible to participate in such program but do not have large financial institution mentors; and

(C) recommendations for how to match such minority depository institutions with large financial institution mentors.
(2) DEFINITIONS.—In this subsection:

(A) COVERED MENTOR-PROTEGE PROGRAM.—The term “covered mentor-protege program” means a mentor-protege program established by the Secretary of the Treasury pursuant to section 45 of the Small Business Act (15 U.S.C. 657r).

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

   (i) regulated by the Comptroller of the Currency, the Board of Governors of the Federal Reserve System, the Federal Deposit Insurance Corporation, or the National Credit Union Administration; and

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

(C) MINORITY DEPOSITORY INSTITUTION.—The term “minority depository institution” has the meaning given the term in section 308(b) of the Financial Institutions Reform, Recovery, and Enforcement Act of 1989 (12 U.S.C. 1463 note).
(j) Custodial Deposit Program for Covered Minority Depository Institutions and Impact Banks.—

(1) In general.—Not later than 1 year after the date of the enactment of this Act, the Secretary of the Treasury shall issue rules establishing a custodial deposit program under which a covered bank may receive deposits from a qualifying account.

(2) Requirements.—In issuing rules under paragraph (1), the Secretary of the Treasury shall—

(A) consult with the Federal banking agencies;

(B) ensure each covered bank participating in the program established under this subsection—

(i) has appropriate policies relating to management of assets, including measures to ensure the safety and soundness of each such covered bank; and

(ii) is compliant with applicable law;

and

(C) ensure, to the extent practicable, that the rules do not conflict with goals described in section 308(a) of the Financial Institutions Re-
form, Recovery, and Enforcement Act of 1989

(3) LIMITATIONS.—

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

(B) TOTAL DEPOSITS.—The total amount of funds deposited in a covered bank under the custodial deposit program described under this subsection may not exceed the lesser of—

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

(ii) $100,000,000 (as adjusted for inflation).

(4) REPORT.—Each quarter, the Secretary of the Treasury shall submit to Congress a report on the implementation of the program established under this subsection, including information identifying participating covered banks and the total amount of deposits received by covered banks under the program.

(5) DEFINITIONS.—In this subsection:
(A) **APPROPRIATE FEDERAL BANKING AGENCY:** The terms “appropriate Federal banking agency” and “Federal banking agencies” have the meanings given those terms in section 3 of the Federal Deposit Insurance Act (12 U.S.C. 1813).

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

(i) a minority depository institution that is well capitalized, as defined by the appropriate Federal banking agency; or

(ii) a depository institution designated pursuant to subsection (c) that is well capitalized, as defined by the appropriate Federal banking agency.

(C) **INSURED AMOUNT.** The term “insured amount” means the amount that is the greater of—

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

(ii) such higher amount negotiated between the Secretary of the Treasury and the Federal Deposit Insurance Corporation.
under which the Corporation will insure all
deposits of such higher amount.

(D) MINORITY DEPOSITORY INSTITU-
TION.—The term “minority depository institu-
tion” has the meaning given the term in section
308(b) of the Financial Institutions Reform,
Recovery, and Enforcement Act of 1989 (12

(E) QUALIFYING ACCOUNT.—The term
“qualifying account” means any account estab-
lished in the Department of the Treasury
that—

(i) is controlled by the Secretary; and

(ii) is expected to maintain a balance
greater than $200,000,000 for the fol-
lowing 24-month period.

(k) STREAMLINED COMMUNITY DEVELOPMENT FI-
NANCIAL INSTITUTION APPLICATIONS AND REPORTING.—

(1) APPLICATION PROCESSES.—Not later than
12 months after the date of the enactment of this
Act and with respect to any person having assets
under $3,000,000,000 that submits an application
for deposit insurance with the Federal Deposit In-
surance Corporation that could also become a com-
munity development financial institution (as defined
in section 103 of the Community Development Banking and Financial Institutions Act of 1994 (12 U.S.C. 4702)), the Federal Deposit Insurance Corporation, in consultation with the Administrator of the Community Development Financial Institutions Fund, shall—

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

(B) develop procedures to streamline the application and annual certification processes and to reduce costs for such person to become, and maintain certification as, a community development financial institution.

(2) Implementation report.—Not later than 18 months after the date of the enactment of this Act, the Federal Deposit Insurance Corporation shall submit to Congress a report describing the systems and procedures required under paragraph (1).

(3) Annual report.—

(A) In general.—Section 17(a)(1) of the Federal Deposit Insurance Act (12 U.S.C. 1827(a)(1)) is amended—
(i) in subparagraph (E), by striking “and” at the end;

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

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

“(F) applicants for deposit insurance that could also become a community development financial institution (as defined in section 103 of the Community Development Banking and Financial Institutions Act of 1994 (12 U.S.C. 4702)), a minority depository institution (as defined in section 308 of the Financial Institutions Reform, Recovery, and Enforcement Act of 1989 (12 U.S.C. 1463 note)), or an impact bank (as designated pursuant to section 807(e) of the Promoting and Advancing Communities of Color through Inclusive Lending Act); and”.

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

(1) TASK FORCE ON LENDING TO SMALL BUSINESS CONCERNS.—
(1) DEFINITIONS.—In this subsection:

(A) ADMINISTRATION; ADMINISTRATOR.—
The terms “Administration” and “Administrator” mean the Small Business Administration and the Administrator thereof, respectively.

(B) COMMUNITY DEVELOPMENT FINANCIAL INSTITUTION.—The term “community development financial institution” has the meaning given the term in section 103 of the Community Development Banking and Financial Institutions Act of 1994 (12 U.S.C. 4702).

(C) IMPACT BANK.—The term “impact bank” means a depository institution designated by the appropriate Federal banking agency pursuant to section 807(c) of the Promoting and Advancing Communities of Color through Inclusive Lending Act.

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

(E) SMALL BUSINESS CONCERN.—The term “small business concern” concern
has the meaning given the term in section 3(a) of the Small Business Act (15 U.S.C. 632(a))).

(2) TASK FORCE.—Not later than 6 months after the date of the enactment of this Act, the Administrator shall establish a task force to examine methods for improving relationships between the Administration and community development financial institutions, minority depository institutions, and impact banks to increase the volume of loans provided by such institutions to small business concerns.

(3) REPORT TO CONGRESS.—Not later than 18 months after the establishment of the task force described in paragraph (2), the Administrator shall submit to Congress a report on the findings of the task force.

SEC. 808. ESTABLISHMENT OF FINANCIAL AGENT PARTNERSHIP PROGRAM.

(a) IN GENERAL.—Section 308 of the Financial Institutions Reform, Recovery, and Enforcement Act of 1989 (12 U.S.C. 1463 note), as amended by section 806(e), is further amended by adding at the end the following new subsection:

“(e) FINANCIAL AGENT PARTNERSHIP PROGRAM.—

“(1) IN GENERAL.—The Secretary of the Treasury shall establish a program to be known as
the ‘Financial Agent Partnership Program’ (in this subsection referred to as the ‘Program’) under which a financial agent designated by the Secretary or a large financial institution may serve as a mentor, under guidance or regulations prescribed by the Secretary, to a small financial institution to allow such small financial institution—

“(A) to be prepared to perform as a financial agent; or

“(B) to improve capacity to provide services to the customers of the small financial institution.

“(2) Outreach.—The Secretary shall hold outreach events to promote the participation of financial agents, large financial institutions, and small financial institutions in the Program at least once a year.

“(3) Financial partnerships.—

“(A) In general.—Any large financial institution participating in a program with the Department of the Treasury, if not already required to include a small financial institution, shall offer not more than 5 percent of every contract under that program to a small financial institution.
“(B) Acceptance of risk.—As a requirement of participation in a contract described under subparagraph (A), a small financial institution shall accept the risk of the transaction equivalent to the percentage of any fee the institution receives under the contract.

“(C) Partner.—A large financial institution partner may work with small financial institutions, if necessary, to train professionals to understand any risks involved in a contract under the Program.

“(D) Increased limit for certain institutions.—With respect to a program described under subparagraph (A), if the Secretary of the Treasury determines that it would be appropriate and would encourage capacity building, the Secretary may alter the requirements under subparagraph (A) to require both—

“(i) a higher percentage of the contract be offered to a small financial institution; and

“(ii) require the small financial institution to be a community development fi-
financial institution or a minority depository institution.

“(4) EXCLUSION.—The Secretary shall issue guidance or regulations to establish a process under which a financial agent, large financial institution, or small financial institution may be excluded from participation in the Program.

“(5) REPORT.—The Office of Minority and Women Inclusion of the Department of the Treasury shall include in the report submitted to Congress under section 342(e) of the Dodd-Frank Wall Street Reform and Consumer Protection Act (12 U.S.C. 5452(e)) information pertaining to the Program, including—

“(A) the number of financial agents, large financial institutions, and small financial institutions participating in the Program; and

“(B) the number of outreach events described in paragraph (2) held during the year covered by such report.

“(6) DEFINITIONS.—In this subsection:

“(A) COMMUNITY DEVELOPMENT FINANCIAL INSTITUTION.—The term ‘community development financial institution’ has the meaning given that term under section 103 of the Com-

“(B) Financial agent.—The term ‘financial agent’ means any national banking association designated by the Secretary of the Treasury to be employed as a financial agent of the Government.

“(C) Large financial institution.—The term ‘large financial institution’ means any entity regulated by the Comptroller of the Currency, the Board of Governors of the Federal Reserve System, the Federal Deposit Insurance Corporation, or the National Credit Union Administration that has total consolidated assets greater than or equal to $50,000,000,000.

“(D) Small financial institution.—The term ‘small financial institution’ means—

“(i) any entity regulated by the Comptroller of the Currency, the Board of Governors of the Federal Reserve System, the Federal Deposit Insurance Corporation, or the National Credit Union Administration that has total consolidated assets of not more than $2,000,000,000; or
“(ii) a minority depository institution.”.

(b) Effective Date.—This section and the amendments made by this section shall take effect 90 days after the date of the enactment of this Act.

SEC. 809. STRENGTHENING MINORITY LENDING INSTITUTIONS.

(a) Minority Lending Institution Set-aside in Providing Assistance.—

(1) In general.—Section 108 of the Community Development Banking and Financial Institutions Act of 1994 (12 U.S.C. 4707) is amended by adding at the end the following:

“(i) Minority Lending Institution Set-aside in Providing Assistance.—Notwithstanding any other provision of law, in providing any assistance, the Fund shall reserve 40 percent of such assistance for minority lending institutions.”.

(2) Definitions.—

(A) In general.—Section 103 of the Community Development Banking and Financial Institutions Act of 1994 (12 U.S.C. 4702) is amended by adding at the end the following:

“(22) Minority Lending Institution Definitions.—
“(A) MINORITY.—The term ‘minority’ means any Black American, Hispanic American, Asian American, Native American, Native Alaskan, Native Hawaiian, or Pacific Islander.

“(B) MINORITY LENDING INSTITUTION.—The term ‘minority lending institution’ means a community development financial institution—

“(i) with respect to which a majority of the total number of loans and a majority of the value of investments of the community development financial institution are directed at minorities and other targeted populations;

“(ii) that is a minority depository institution, as defined under section 308 of the Financial Institutions Reform, Recovery, and Enforcement Act of 1989 (12 U.S.C. 1463 note), or otherwise considered to be a minority depository institution by the appropriate Federal banking agency; or

“(iii) that is 51 percent owned by 1 or more socially and economically disadvantaged individuals.

“(C) ADDITIONAL DEFINITIONS.—In this paragraph, the terms ‘other targeted popu-
lations’ and ‘socially and economically disadvan-
taged individual’ shall have the meaning given
those terms by the Administrator.”.

(B) Temporary safe harbor for cer-
tain institutions.—A community develop-
ment financial institution that is a minority de-
pository institution listed in the Federal De-
posit Insurance Corporation’s Minority Depos-
itory Institutions List published for the Second
Quarter 2020 shall be deemed a “minority lend-
ing institution” under paragraph (22) of section
103 of the Community Development Banking
and Financial Institutions Act of 1994 (12
U.S.C. 4702), as added by subparagraph (A),
for purposes of—

(i) any program carried out using ap-
propriations authorized for the Community
Development Financial Institutions Fund
under section 806; and

(ii) the Neighborhood Capital Invest-
ment Program established under section
4003(i) of the CARES Act.

(b) Office of Minority Lending Institu-
tions.—Section 104 of the Community Development
Banking and Financial Institutions Act of 1994 (12
U.S.C. 4703) is amended by adding at the end the following:

“(1) Office of Minority Lending Institutions.—

“(1) Establishment.—There is established within the Fund an Office of Minority Lending Institutions, which shall oversee assistance provided by the Fund to minority lending institutions.

“(2) Deputy Director.—The head of the Office shall be the Deputy Director of Minority Lending Institutions, who shall report directly to the Administrator.”.

(c) Reporting on Minority Lending Institutions.—Section 117 of the Community Development Banking and Financial Institutions Act of 1994 (12 U.S.C. 4716) is amended by adding at the end the following:

“(g) Reporting on Minority Lending Institutions.—Each report required under subsection (a) shall include a description of the extent to which assistance from the Fund is provided to minority lending institutions.”.

(d) Submission of Data Relating to Diversity by Community Development Financial Institutions.—Section 104 of the Community Development
Banking and Financial Institutions Act of 1994 (12 U.S.C. 4703) is amended by adding at the end the following:

“(1) Submission of Data Relating to Diversity.—

“(1) Definitions.—In this subsection—

“(A) the term ‘executive officer’ has the meaning given that term in section 230.501(f) of title 17, Code of Federal Regulations, as in effect on the date of enactment of this subsection; and

“(B) the term ‘veteran’ has the meaning given that term in section 101 of title 38, United States Code.

“(2) Submission of disclosure.—Each Fund applicant and recipient shall provide the following:

“(A) Data, based on voluntary self-identification, on the racial, ethnic, and gender composition of—

“(i) the board of directors of the institution;

“(ii) nominees for the board of directors of the institution; and

“(iii) the executive officers of the institution.
“(B) The status of any member of the board of directors of the institution, any nominee for the board of directors of the institution, or any executive officer of the institution, based on voluntary self-identification, as a veteran.

“(C) Whether the board of directors of the institution, or any committee of that board of directors, has, as of the date on which the institution makes a disclosure under this paragraph, adopted any policy, plan, or strategy to promote racial, ethnic, and gender diversity among—

“(i) the board of directors of the institution;

“(ii) nominees for the board of directors of the institution; or

“(iii) the executive officers of the institution.

“(3) ANNUAL REPORT.—Not later than 18 months after the date of enactment of this subsection, and annually thereafter, the Fund shall submit to the Committee on Banking, Housing, and Urban Affairs of the Senate and the Committee on Financial Services of the House of Representatives, and make publicly available on the website of the Fund, a report—
“(A) on the data and trends of the diversity information made available pursuant to paragraph (2); and

“(B) containing all administrative or legislative recommendations of the Fund to enhance the implementation of this title or to promote diversity and inclusion within community development financial institutions.”.

**SEC. 810. CDFI BOND GUARANTEE REFORM.**

Effective October 1, 2020, section 114A(e)(2)(B) of the Community Development Banking and Financial Institutions Act of 1994 (12 U.S.C. 4713a(e)(2)(B)) is amended by striking “$100,000,000” and inserting “$50,000,000”.

**SEC. 811. REPORTS.**

(a) In General.—The Secretary of the Treasury shall provide to the appropriate committees of Congress—

(1) within 30 days of the end of each month commencing with the first month in which transactions are made under a program established under this title or the amendments made by this title, a written report describing all of the transactions made during the reporting period pursuant to the authorities granted under this title or the amendments made by this title; and
(2) after the end of March and the end of September, commencing March 31, 2021, a written report on all projected costs and liabilities, all operating expenses, including compensation for financial agents, and all transactions made by the Community Development Financial Institutions Fund, including participating institutions and amounts each institution has received under each program described in paragraph (1).

(b) Breakdown of Funds.—Each report required under subsection (a) shall specify the amount of funds under each program described under subsection (a)(1) that went to—

(1) minority depository institutions that are depository institutions;

(2) minority depository institutions that are credit unions;

(3) minority lending institutions;

(4) community development financial institution loan funds;

(5) community development financial institutions that are depository institutions; and

(6) community development financial institutions that are credit unions.

(c) Definitions.—In this section:
(1) APPROPRIATE COMMITTEES OF CONGRESS.—The term “appropriate committees of Congress” means the Committee on Financial Services of the House of Representatives and the Committee on Banking, Housing, and Urban Affairs of the Senate.

(2) COMMUNITY DEVELOPMENT FINANCIAL INSTITUTION.—The term “community development financial institution” has the meaning given that term under section 103 of the Community Development Banking and Financial Institutions Act of 1994 (12 U.S.C. 4702).

(3) CREDIT UNION.—The term “credit union” means a State credit union or a Federal credit union, as such terms are defined, respectively, under section 101 of the Federal Credit Union Act (12 U.S.C. 1752).

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

(5) MINORITY DEPOSITORY INSTITUTION.—The term “minority depository institution” has the meaning given under section 308(b) of the Financial

(6) MINORITY LENDING INSTITUTION.—The term “minority lending institution” has the meaning given that term under section 103 of the Community Development Banking and Financial Institutions Act of 1994, as amended by section 809 of this Act.

SEC. 812. INSPECTOR GENERAL OVERSIGHT.

(a) IN GENERAL.—The Inspector General of the Department of the Treasury shall conduct, supervise, and coordinate audits and investigations of any program established under this title or the amendments made by this title.

(b) REPORTING.—The Inspector General of the Department of the Treasury shall issue a report not less frequently than 2 times per year to Congress and the Secretary of the Treasury relating to the oversight provided by the Office of the Inspector General, including any recommendations for improvements to the programs described in subsection (a).

SEC. 813. STUDY AND REPORT WITH RESPECT TO IMPACT OF PROGRAMS ON LOW- AND MODERATE-INCOME AND MINORITY COMMUNITIES.

(a) Study.—The Secretary of the Treasury shall conduct a study of the impact of the programs established
under this title or any amendment made by this title on low- and moderate-income and minority communities.

(b) Report.—Not later than 18 months after the date of enactment of this Act, the Secretary shall submit to Congress a report on the results of the study conducted pursuant to subsection (a), which shall include, to the extent possible, the results of the study disaggregated by ethnic group.

(e) Information Provided to the Secretary.—Eligible institutions that participate in any of the programs described in subsection (a) shall provide the Secretary of the Treasury with such information as the Secretary may require to carry out the study required by this section.

SEC. 814. COMMUNITY DEVELOPMENT FINANCIAL INSTITUTIONS FUND.

(a) Direct Appropriations.—There is appropriated, out of amounts in the Treasury not otherwise appropriated, for an additional amount for the “Community Development Financial Institutions Fund Program Account” for the fiscal year ending September 30, 2021, $1,000,000,000 to prevent, prepare for, and response to coronavirus, domestically or internationally.

(b) Criteria.—The Community Development Financial Institutions Fund (in this section referred to as the
“Fund”) shall, using amounts provided under subsection (a), provide grants using a formula that takes into account criteria such as certification status, financial and compliance performance, portfolio and balance sheet strength, and program capacity.

(c) SET ASIDE.—Of amounts appropriated under subsection (a), not less than $25,000,000 shall be for financial assistance, technical assistance, and training and outreach programs designed to benefit Native American, Native Hawaiian, and Alaska Native communities.

(d) DEADLINE.—The Fund shall make amounts provided under this section available to grantees not later than 60 days after the date of enactment of this Act.

(e) ADMINISTRATIVE EXPENSES.—The Fund may use amounts appropriated under subsection (a) for administrative expenses, including the administration of programs of the Fund and the New Markets Tax Credit Program under section 45D of the Internal Revenue Code of 1986.

(f) EMERGENCY DESIGNATION.—

(1) IN GENERAL.—The amounts provided under this section are designated as an emergency requirement pursuant to section 4(g) of the Statutory Pay-As-You-Go Act of 2010 (2 U.S.C. 933(g)).
(2) DESIGNATION IN SENATE.—In the Senate, this section is designated as an emergency requirement pursuant to section 4112(a) of H. Con. Res. 71 (115th Congress), the concurrent resolution on the budget for fiscal year 2018.