

116TH CONGRESS  
2D SESSION

# H. R. 6888

To modify requirements relating to the participation of community development financial institutions in the paycheck protection program of the Small Business Administration, and for other purposes.

---

## IN THE HOUSE OF REPRESENTATIVES

MAY 15, 2020

Ms. ADAMS (for herself and Ms. WATERS) introduced the following bill; which was referred to the Committee on Small Business

---

## A BILL

To modify requirements relating to the participation of community development financial institutions in the paycheck protection program of the Small Business Administration, and for other purposes.

1       *Be it enacted by the Senate and House of Representa-*  
2       *tives of the United States of America in Congress assembled,*

3       **SECTION 1. PARTICIPATION OF COMMUNITY DEVELOP-**  
4                               **MENT FINANCIAL INSTITUTIONS IN THE PAY-**  
5                               **CHECK PROTECTION PROGRAM.**

6       (a) DELEGATED AUTHORITY.—Section 7(a)(36)(F)  
7 of the Small Business Act (15 U.S.C. 636(a)(36)(F)) is  
8 amended—

1 (1) in clause (ii)(I), by inserting “and a com-  
2 munity development financial institution” after  
3 “under this subsection”;

4 (2) in clause (iii), by striking “shall be extended  
5 to additional lenders” and inserting the following:  
6 “shall be extended—

7 “(I) to community development  
8 financial institutions; and

9 “(II) to additional lenders”; and

10 (3) by adding at the end the following new  
11 clause:

12 “(vi) REVOCATION OF LENDERS.—

13 The authority of a lender to make loans  
14 under this paragraph may be revoked upon  
15 a joint determination by the Administrator  
16 and the Secretary of the Treasury that—

17 “(I) such lender has had recent  
18 compliance shortcomings or other ma-  
19 terial operational shortcomings that  
20 warrant such a revocation; and

21 “(II) such a revocation is con-  
22 sistent with the purpose of this para-  
23 graph.”.

24 (b) EXISTING CUSTOMERS OF NON-BANK CDFIs.—

25 The Secretary of the Treasury and the Administrator of

1 the Small Business Administration shall revise any rules  
2 or guidance issued to carry out section 7(a)(36) of the  
3 Small Business Act (15 U.S.C. 636(a)(36)) to specify that  
4 a non-bank CDFI does not have to go through a  
5 reverification of information about an existing customer  
6 for purposes of the Bank Secrecy Act, if the non-bank  
7 CDFI has maintained an ongoing financial relationship  
8 with the customer that is well documented, and there is  
9 no need for further due diligence based on the non-bank  
10 CDFI’s risk-based approach to Bank Secrecy Act compli-  
11 ance.

12 (c) DEFINITIONS.—In this Act:

13 (1) BANK SECRECY ACT.—The term “Bank Se-  
14 crecy Act” means—

15 (A) section 21 of the Federal Deposit In-  
16 surance Act (12 U.S.C. 1829b);

17 (B) chapter 2 of title I of Public Law 91–  
18 508 (12 U.S.C. 1951 et seq.); and

19 (C) subchapter II of chapter 53 of title 31,  
20 United States Code;

21 (2) COMMUNITY DEVELOPMENT FINANCIAL IN-  
22 STITUTION.—The term “community development fi-  
23 nancial institution” has the meaning given that term  
24 under section 103 of the Riegle Community Develop-

1       ment and Regulatory Improvement Act of 1994 (12  
2       U.S.C. 4702).

3               (3) NON-BANK CDFI.—the term “non-bank  
4       CDFI” means a community development financial  
5       institution that is not an insured depository institu-  
6       tion or insured credit union.

○