II

117TH CONGRESS
2D SESSION

S. 4532

To amend the Community Reinvestment Act of 1977 to provide financial institutions with credit for providing community business development referrals or resources, and for other purposes.

IN THE SENATE OF THE UNITED STATES

JULY 14, 2022

Ms. HASSAN introduced the following bill; which was read twice and referred to the Committee on Banking, Housing, and Urban Affairs

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A BILL

To amend the Community Reinvestment Act of 1977 to provide financial institutions with credit for providing community business development referrals or resources, and for other purposes.

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. SHORT TITLE.

This Act may be cited as the ''Strengthening Community Business Development Act''.

SEC. 2. CRA CREDIT FOR PROVIDING COMMUNITY BUSINESS DEVELOPMENT REFERRALS OR RESOURCES.

Section 804 of the Community Reinvestment Act of 1977 (12 U.S.C. 2903) is amended by adding at the end the following:

"(e) REFERRALS TO COMMUNITY BUSINESS DEVELOPMENT ORGANIZATIONS.—

"(1) DEFINITION.—In this subsection, the term 'community business development organization'—

"(A) means an organization that provides low- and moderate-income borrowers with business development resources, including—

"(i) credit improvement programs;

"(ii) business counseling and mentoring;

"(iii) financial literacy programs; and

"(iv) business development courses; and

"(B) includes—

"(i) a district office of the Small Business Administration;

"(ii) a small business development center described in section 21 of the Small Business Act (15 U.S.C. 648);

"(iii) a women's business center described in section 29 of the Small Business Act (15 U.S.C. 649);

"(iv) an entrepreneurial center that offers business development resources, including—

"(I) workshops, training, educational programs, and other business development services; and

"(II) mentorship and business counseling services;

"(v) the Service Corps of Retired Executives authorized under section 8(b)(1)(B) of the Small Business Act (15 U.S.C. 637(b)(1)(B)); and

"(vi) a Veteran Business Outreach Center described in section 32 of the Small Business Act (15 U.S.C. 657b).

"(2) REQUIREMENT.—In assessing and taking into account, under subsection (a), the record of a financial institution, the appropriate Federal financial supervisory agency may consider, as a factor, efforts of the financial institution to—

"(A) refer low- and moderate-income borrowers to whom they have denied business loans to community business development organizations; or

"(B) directly provide low- and moderate-income borrowers with business development resources.

"(3) GUIDANCE.—

"(A) IN GENERAL.—Not later than 60 days after the date of enactment of this subsection, the appropriate Federal financial supervisory agencies shall issue guidance to carry out this subsection.

"(B) CONSIDERATION OF SMALL FINANCIAL INSTITUTIONS.—In issuing the guidance required under subparagraph (A), the appropriate Federal financial supervisory agencies shall consider ways for small financial institutions to receive credit for referrals and resources provided under paragraph (2).

"(C) ADDITIONAL GUIDANCE.—The Secretary of the Treasury shall issue guidance for financial institutions on the process of referring a borrower to a community business development organization in a manner that responds to community needs.".

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