

117TH CONGRESS  
2D SESSION

# S. 4165

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

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## IN THE SENATE OF THE UNITED STATES

MAY 9, 2022

Mr. SCHATZ (for himself, Ms. BALDWIN, Mr. VAN HOLLEN, Mrs. GILLIBRAND, Mr. WYDEN, Ms. WARREN, Mrs. FEINSTEIN, Mr. BLUMENTHAL, Mr. SANDERS, Mr. HEINRICH, Mr. MERKLEY, and Mr. WARNER) 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 Development Banking and Financial Institutions Act of 1994 to establish a CDFI National Crisis Fund, and for other purposes.

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

3 **SECTION 1. SHORT TITLE.**

4 This Act may be cited as the “CDFI Crisis Fund  
5 Act”.

6 **SEC. 2. CDFI NATIONAL CRISIS FUND.**

7 (a) IN GENERAL.—The Community Development  
8 Banking and Financial Institutions Act of 1994 (12

1 U.S.C. 4701 et seq.) is amended by inserting after section  
2 122 (12 U.S.C. 4719) the following:

3 **“SEC. 123. CDFI CRISIS FUND.**

4 “(a) DEFINITIONS.—In this section:

5 “(1) AFFECTED AREA.—The term ‘affected  
6 area’ means—

7 “(A) a State that is subject to a covered  
8 crisis;

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

11 “(C) a Tribal government that is—

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

14 “(ii) subject to a covered crisis.

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

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

23 “(A) the emergency involving Federal pri-  
24 mary responsibility determined to exist by the  
25 President under section 501(b) of the Robert T.

1           Stafford Disaster Relief and Emergency Assist-  
2           ance Act (42 U.S.C. 5191(b)) with respect to  
3           the Coronavirus disease 2019 (COVID-19);

4           “(B) a major disaster exists in the State  
5           for which assistance is authorized under section  
6           408 of the Robert T. Stafford Disaster Relief  
7           and Emergency Assistance Act (42 U.S.C.  
8           5174) for a county;

9           “(C) a major disaster exists in the State  
10          for which assistance is authorized under section  
11          408 of the Robert T. Stafford Disaster Relief  
12          and Emergency Assistance Act (42 U.S.C.  
13          5174) for individuals who live in an area of the  
14          State in which a majority of the residents of the  
15          State reside;

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

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

1           “(4) CRISIS FUND.—The term ‘Crisis Fund’  
2 means the CDFI National Crisis Fund established  
3 under this section.

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

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

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

11                           “(i) less than 80 percent of the area  
12 median income; or

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

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

19                   “(A) if a privately-owned institution, 51  
20 percent is owned by one or more socially and  
21 economically disadvantaged individuals;

22                   “(B) if publicly-owned, 51 percent of the  
23 stock is owned by one or more socially and eco-  
24 nomically disadvantaged individuals; and

1           “(C) in the case of a mutual institution,  
2           where the majority of the Board of Directors,  
3           account holders, and the community which the  
4           institution services is predominantly Black  
5           American, Native American, Hispanic Amer-  
6           ican, or Asian American.

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

9           “(A) IN GENERAL.—The term ‘Native  
10          community development financial institution’  
11          means a community development financial insti-  
12          tution—

13                 “(i) the activities of which not less  
14                 than 51 percent serve Native Americans;  
15                 or

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

18          “(B) NATIVE AMERICANS.—In this para-  
19          graph, the term ‘Native Americans’ has the  
20          meaning given the term in section 3765 of title  
21          38, United States Code.

22          “(8) STATE.—The term ‘State’ means any  
23          State of the United States, the District of Columbia,  
24          the Commonwealth of Puerto Rico, the Virgin Is-

1 lands, Guam, American Samoa, and the Common-  
2 wealth of the Northern Mariana Islands.

3 “(9) TRIBAL GOVERNMENT.—The term ‘Tribal  
4 government’ has the meaning given the term ‘Indian  
5 tribal government’ in section 102 of the Robert T.  
6 Stafford Disaster Relief and Emergency Assistance  
7 Act (42 U.S.C. 5122).

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

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

13 “(B) for nonmetropolitan areas, the great-  
14 er of—

15 “(i) less than 50 percent of the area  
16 median income; or

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

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

1       “(c) ESTABLISHMENT.—There is established in the  
2 Treasury the CDFI National Crisis Fund, which shall be  
3 within the Fund.

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

8       “(e) GRANTS.—

9           “(1) IN GENERAL.—The Crisis Fund shall be  
10 authorized to make grants to community develop-  
11 ment financial institutions to enable those institu-  
12 tions to provide emergency assistance in the form of  
13 financial products and services to help small busi-  
14 nesses and low-income and very low-income popu-  
15 lations respond to and recover from covered crises in  
16 the affected area.

17           “(2) APPLICATION.—

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

19                   “(i) accept applications during the pe-  
20 riod beginning upon notification of a cov-  
21 ered crisis under subsection (f) and ending  
22 on the date that is 6 months after the date  
23 of the notification;

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

4           “(iii) upon request by an applicant for  
5 a grant under paragraph (1), provide tech-  
6 nical assistance for the applicant.

7           “(B) SELECTION FORMULA.—

8           “(i) IN GENERAL.—Not later than  
9 180 days after the date of enactment of  
10 this section, the Fund shall—

11           “(I) develop a selection formula  
12 as may be necessary for the selection  
13 of community development financial  
14 institutions to receive assistance  
15 under this section and guidance to aid  
16 those institutions in meeting the for-  
17 mula; and

18           “(II) post the information de-  
19 scribed in subclause (I) on a publicly  
20 available website.

21           “(ii) CONSIDERATIONS.—In estab-  
22 lishing the selection formula under clause  
23 (i), the Fund shall take into account—

24           “(I) the program capacity of a  
25 community development financial in-



1                   stitution to provide emergency assist-  
2                   ance in the form of financial products  
3                   and services to help targeted popu-  
4                   lations or populations in investment  
5                   areas recover from covered crises in  
6                   the affected area; and

7                   “**(II)** the need for simplicity in  
8                   the selection formula given the vary-  
9                   ing capacities of community develop-  
10                  ment financial institutions and the  
11                  time frames required under this sec-  
12                  tion.

13                  “**(3)** AMOUNT OF GRANTS.—

14                  “**(A)** DETERMINATION OF AMOUNT.—The  
15                  amount of a grant made to a community devel-  
16                  opment financial institution under this section  
17                  shall be determined based on the previously  
18                  demonstrated capacity of the community devel-  
19                  opment financial institution to make impactful  
20                  financial services and products available, as de-  
21                  termined by the Secretary of the Treasury.

22                  “**(B)** GRANT AMOUNT.—

23                  “**(i)** MAXIMUM.—With respect to  
24                  grants made under this section, the grant  
25                  shall be in an amount that is not more

1 than 10 percent of the total amount in the  
2 Crisis Fund for each fiscal year in which  
3 the community development financial insti-  
4 tution receives a grant.

5 “(ii) MINIMUM.—The Fund shall es-  
6 tablish minimum grant amounts under this  
7 section for each fiscal year in which a com-  
8 munity development financial institution  
9 receives a grant under this section based  
10 on the demonstrated capacity of and the  
11 cost of grant requirements for the appli-  
12 cant.

13 “(C) LIMITATION OF ASSISTANCE.—The  
14 total aggregate amount outstanding and com-  
15 mitted to any community development financial  
16 institution in grants under this section in any  
17 fiscal year shall not exceed 15 percent of the  
18 total amount of the Crisis Fund.

19 “(D) DISTRIBUTION OF ASSISTANCE.—The  
20 Secretary shall disburse the full amount of a  
21 grant under this section to an approved appli-  
22 cant not later than 30 days after the date on  
23 which the application is approved.

24 “(E) SET ASIDES.—

1           “(i) NATIVE CDFIS.—Of the amounts  
2           in the Crisis Fund, 10 percent shall be set  
3           aside for grants made to Native commu-  
4           nity development financial institutions,  
5           which set aside may also qualify under  
6           clause (ii).

7           “(ii) MINORITY COMMUNITY DEVEL-  
8           OPMENT FINANCIAL INSTITUTIONS.—Of  
9           the amounts in the Crisis Fund, 30 per-  
10          cent shall be set aside for grants made to  
11          minority community development financial  
12          institutions.

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

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

20                 “(A) shall use—

21                         “(i) not less than 90 percent of the  
22                         grant funds for activities described in  
23                         paragraph (1) in the affected area of the  
24                         covered crisis;

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

5           “(iii) not less than 15 percent of the  
6           grant funds for activities described in  
7           paragraph (1) that benefit individuals with  
8           incomes of not more than 30 percent of  
9           the area median income, which set aside  
10          may also qualify under clause (ii);

11          “(B) may use not more than 10 percent of  
12          the grant funds for administrative costs, costs  
13          related to outreach and partnership building,  
14          and financial products and services to areas  
15          surrounding the affected area; and

16          “(C) may use any remaining grant funds  
17          approved for a covered crisis in an affected area  
18          for another covered crisis in an affected area  
19          occurring after the grant was made, if the Sec-  
20          retary approves the use of those funds under  
21          paragraph (3)(F).

22          “(5) UNEMPLOYMENT MEASURES FOR TRIBAL  
23          GOVERNMENTS.—The Commissioner of the Bureau  
24          of Labor Statistics shall coordinate with the Assist-  
25          ant Secretary of Indian Affairs to develop reliable

1 unemployment measures for American Indian, Na-  
2 tive Alaskan, and Native Hawaiian communities in  
3 order to understand when the requirements for a  
4 covered crisis under subsection (a)(1)(C) are met  
5 with respect to a Tribal government.

6 “(f) NOTIFICATION OF COVERED CRISIS.—

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

15 “(2) UNEMPLOYMENT.—The Secretary of  
16 Labor, through the Secretary of the Treasury, shall  
17 notify the Crisis Fund when the requirements for a  
18 covered crisis under subsection (a)(1)(C) are met,  
19 which shall include the date on which the require-  
20 ments are met and the relevant affected areas, in-  
21 cluding for Tribal governments.

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

23 “(1) the disbursements of funds from the Crisis  
24 Fund, including the distribution of funds going to  
25 low-income and very low-income populations and de-

1 demographic data regarding the areas and populations  
2 receiving funds from the Crisis Fund; and

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

5 “(h) REPOSITORY OF BEST PRACTICES.—Based on  
6 the recommendations of the Comptroller General of the  
7 United States and data that the Secretary of the Treasury  
8 may collect from recipients of grants under this section,  
9 the Secretary of the Treasury shall—

10 “(1) develop a publicly accessible database of  
11 best practices for effective use of those grants, in-  
12 cluding past case studies of success and other useful  
13 information; and

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

16 “(i) AUTHORIZATION OF APPROPRIATIONS.—

17 “(1) CRISIS FUND AUTHORIZATION.—To carry  
18 out this section, there are authorized to be appro-  
19 priated to the Crisis Fund \$2,000,000,000 for fiscal  
20 year 2023, to remain available until expended.

21 “(2) FUTURE FISCAL YEARS.—For every fiscal  
22 year following fiscal year 2023, there is authorized  
23 to be appropriated to the Crisis Fund an amount  
24 equal to the amount by which—

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

4           “(B) the balance of the Crisis Fund as of  
5 the last day of the fiscal year preceding the fis-  
6 cal year involved.

7           “(3) INFLATION ADJUSTMENT.—

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

11                   “(i) \$2,000,000,000; and

12                   “(ii) the quotient obtained by divid-  
13 ing—

14                           “(I) the Consumer Price Index  
15 for all-urban consumers published by  
16 the Department of Labor for the 12-  
17 month period ending with September  
18 of the preceding fiscal year; and

19                           “(II) the Consumer Price Index  
20 for All-Urban Consumers published by  
21 the Department of Labor for the 12-  
22 month period ending with September  
23 2019.

24           “(B) RULE OF APPLICATION.—In no case  
25 shall the application of this paragraph result in

1           the application under paragraph (2)(A) of an  
2           amount for a fiscal year that is less than the  
3           amount that applied under such paragraph  
4           (2)(A) for the preceding fiscal year.

5           “(4) ADMINISTRATIVE EXPENSES.—Of the  
6           amounts made available under paragraph (1), the  
7           Crisis Fund may use not more than 0.5 percent for  
8           administrative costs and expenses.

9           “(j) REGULATIONS.—The Secretary of the Treasury  
10          may prescribe such regulations as necessary to carry out  
11          this section.

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

16                 “(1) evaluating the impact of this section in  
17                 meeting intended outcomes, focusing on the use of  
18                 the Crisis Fund in aiding community development fi-  
19                 nancial institutions to support their communities  
20                 and helping them respond to and recover from nat-  
21                 ural disasters and economic crises; and

22                 “(2) making recommendations to the Fund and  
23                 to Congress.”.

24          (b) TECHNICAL AND CONFORMING AMENDMENT.—  
25          The table of contents in section 1(b) of the Riegle Commu-



1 nity Development and Regulatory Improvement Act of  
 2 1994 (Public Law 103–325; 108 Stat. 2160) is amended  
 3 by inserting after the item relating to section 121 the fol-  
 4 lowing:

“Sec. 122. Grants to establish loan-loss reserve funds.  
 “Sec. 123. CDFI Crisis Fund.”.

5 **SEC. 3. RESILIENCE GRANTS.**

6 Section 108 of the Community Development Banking  
 7 and Financial Institutions Act of 1994 (12 U.S.C. 4707)  
 8 is amended—

9 (1) in subsection (a)(1)—

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

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

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

15 “(C) grants to community development fi-  
 16 nancial institutions (as defined in section 123)  
 17 to improve resilience to the impacts of covered  
 18 crises (as defined in section 123) in any State  
 19 (as defined in section 123).”;

20 (2) in subsection (d)—

21 (A) in paragraph (1), by striking “para-  
 22 graph (2)” and inserting “paragraphs (2) and  
 23 (3)”;

1 (B) by redesignating paragraph (3) as  
2 paragraph (4);

3 (C) by inserting after paragraph (2) the  
4 following:

5 “(3) RESILIENCE GRANTS.—With respect to re-  
6 silience grants described in subsection (a)(1)(C),  
7 each grant made in a fiscal year shall be in an  
8 amount that is not more than 10 percent of the total  
9 amount appropriated for resilience grants for that  
10 fiscal year.”; and

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

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

16 (4) by inserting after subsection (d) the fol-  
17 lowing:

18 “(e) RESILIENCE GRANTS.—

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

23 “(A) making awards for projects that the  
24 Fund determines will have the greatest impact

1 in improving resilience for low-income popu-  
2 lations; and

3 “(B) coordinating with the Federal Emer-  
4 gency Management Agency, the Department of  
5 Housing and Urban Development, and with the  
6 Small Business Administration, as relevant, to  
7 ensure that the awards meet unmet resilience  
8 needs.

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

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

15 “(B) not less than 15 percent of the grant  
16 funds for activities described in paragraph (1)  
17 that benefit individuals with incomes of not  
18 more than 30 percent of the area median in-  
19 come.

20 “(3) SET ASIDES.—

21 “(A) NATIVE CDFIS.—Of the amounts  
22 made available under this subsection, 10 per-  
23 cent shall be set aside for resilience grants  
24 made to Native community development finan-

1           cial institutions, which set aside may also qual-  
2           ify under subparagraph (ii).

3           “(B) MINORITY COMMUNITY DEVELOP-  
4           MENT FINANCIAL INSTITUTIONS.—Of the  
5           amounts made available under this subsection,  
6           30 percent shall be set aside for grants made  
7           to minority community development financial  
8           institutions.

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

15               “(A) develop a publicly accessible database  
16               of best practices for effective use of those  
17               grants, including past case studies of success  
18               and other useful information; and

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

21          “(5) AUTHORIZATION OF APPROPRIATIONS.—  
22          To provide resilience grants described in subsection  
23          (a)(1)(C), there is authorized to be appropriated to  
24          the Fund \$30,000,000 for fiscal year 2023, to re-  
25          main available until expended.

1           “(6) DEFINITIONS.—In this subsection, the  
2 terms ‘low-income’, ‘minority community develop-  
3 ment financial institution’, ‘Native community devel-  
4 opment financial institution’, and ‘very low-income’  
5 have the meanings given those terms in section  
6 123.”.

○