

coordinated development strategies, intensive supportive services, and increased access to equity investments and loans for development activities, including investment in businesses, housing, commercial real estate, human development, and other activities that promote the long-term economic and social viability of the community; and

(3) community development financial institutions have proven their ability to identify and respond to community needs for equity investments, loans, and development services.

**(b) Purpose**

The purpose of this subchapter is to create a Community Development Financial Institutions Fund to promote economic revitalization and community development through investment in and assistance to community development financial institutions, including enhancing the liquidity of community development financial institutions.

(Pub. L. 103-325, title I, §102, Sept. 23, 1994, 108 Stat. 2163.)

REFERENCES IN TEXT

This subchapter, referred to in subsec. (b), was in original "this subtitle", meaning subtitle A of title I of Pub. L. 103-325, Sept. 23, 1994, 108 Stat. 2163, which is classified principally to this subchapter. For complete classification of this subtitle to the Code, see Short Title note below and Tables.

SHORT TITLE

Section 1(a) of Pub. L. 103-325 provided that: "This Act [see Tables for classification] may be cited as the 'Riegle Community Development and Regulatory Improvement Act of 1994'."

Section 101 of title I of Pub. L. 103-325 provided that: "This subtitle [subtitle A (§§101-121) of title I of Pub. L. 103-325, enacting this subchapter and section 1772c-1 of this title, amending sections 1766 and 1834a of this title, section 5313 of Title 5, Government Organization and Employees, section 11 of Pub. L. 95-452 set out in the Appendix to Title 5, section 657 of Title 18, Crimes and Criminal Procedure, and section 9101 of Title 31, Money and Finance, and enacting provisions set out as a note under section 11 of Pub. L. 95-452 set out in the Appendix to Title 5] may be cited as the 'Community Development Banking and Financial Institutions Act of 1994'."

**§ 4702. Definitions**

For purposes of this subchapter, the following definitions shall apply:

**(1) Administrator**

The term "Administrator" means the Administrator of the Fund appointed under section 4703(b) of this title.

**(2) Appropriate Federal banking agency**

The term "appropriate Federal banking agency" has the same meaning as in section 1813 of this title, and also includes the National Credit Union Administration Board with respect to insured credit unions.

**(3) Affiliate**

The term "affiliate" has the same meaning as in section 1841(k) of this title.

**(4) Board**

The term "Board" means the Community Development Advisory Board established under section 4703(d) of this title.

**(5) Community development financial institution**

**(A) In general**

The term "community development financial institution" means a person (other than an individual) that—

(i) has a primary mission of promoting community development;

(ii) serves an investment area or targeted population;

(iii) provides development services in conjunction with equity investments or loans, directly or through a subsidiary or affiliate;

(iv) maintains, through representation on its governing board or otherwise, accountability to residents of its investment area or targeted population; and

(v) is not an agency or instrumentality of the United States, or of any State or political subdivision of a State.

**(B) Conditions for qualification of holding companies**

**(i) Consolidated treatment**

A depository institution holding company may qualify as a community development financial institution only if the holding company and the subsidiaries and affiliates of the holding company collectively satisfy the requirements of subparagraph (A).

**(ii) Exclusion of subsidiary or affiliate for failure to meet consolidated treatment rule**

No subsidiary or affiliate of a depository institution holding company may qualify as a community development financial institution if the holding company and the subsidiaries and affiliates of the holding company do not collectively meet the requirements of subparagraph (A).

**(C) Conditions for subsidiaries**

No subsidiary of an insured depository institution may qualify as a community development financial institution if the insured depository institution and its subsidiaries do not collectively meet the requirements of subparagraph (A).

**(6) Community partner**

The term "community partner" means a person (other than an individual) that provides loans, equity investments, or development services, including a depository institution holding company, an insured depository institution, an insured credit union, a non-profit organization, a State or local government agency, a quasi-governmental entity, and an investment company authorized to operate pursuant to the Small Business Investment Act of 1958 [15 U.S.C. 661 et seq.].

**(7) Community partnership**

The term "community partnership" means an agreement between a community development financial institution and a community partner to provide development services, loans, or equity investments, to an investment area or targeted population.

**(8) Depository institution holding company**

The term “depository institution holding company” has the same meaning as in section 1813 of this title.

**(9) Development services**

The term “development services” means activities that promote community development and are integral to lending or investment activities, including—

- (A) business planning;
- (B) financial and credit counseling; and
- (C) marketing and management assistance.

**(10) Fund**

The term “Fund” means the Community Development Financial Institutions Fund established under section 4703(a) of this title.

**(11) Indian reservation**

The term “Indian reservation” has the same meaning as in section 1903(10) of title 25, and shall include land held by incorporated Native groups, regional corporations, and village corporations, as defined in or established pursuant to the Alaska Native Claims Settlement Act [43 U.S.C. 1601 et seq.], public domain Indian allotments, and former Indian reservations in the State of Oklahoma.

**(12) Indian tribe**

The term “Indian tribe” means any Indian tribe, band, pueblo, nation, or other organized group or community, including any Alaska Native village or regional or village corporation, as defined in or established pursuant to the Alaska Native Claims Settlement Act [43 U.S.C. 1601 et seq.], which is recognized as eligible for the special programs and services provided by the United States to Indians because of their status as Indians.

**(13) Insured community development financial institution**

The term “insured community development financial institution” means any community development financial institution that is an insured depository institution or an insured credit union.

**(14) Insured credit union**

The term “insured credit union” has the same meaning as in section 1752(7) of this title.

**(15) Insured depository institution**

The term “insured depository institution” has the same meaning as in section 1813 of this title.

**(16) Investment area**

The term “investment area” means a geographic area (or areas) including an Indian reservation that—

- (A)(i) meets objective criteria of economic distress developed by the Fund, which may include the percentage of low-income families or the extent of poverty, the rate of unemployment or underemployment, rural population outmigration, lag in population growth, and extent of blight and disinvestment; and

- (ii) has significant unmet needs for loans or equity investments; or

- (B) encompasses or is located in an empowerment zone or enterprise community designated under section 1391 of title 26.

**(17) Low-income**

The term “low-income” means having an income, adjusted for family size, of not more than—

- (A) for metropolitan areas, 80 percent of the area median income; and

- (B) for nonmetropolitan areas, the greater of—

- (i) 80 percent of the area median income; or

- (ii) 80 percent of the statewide nonmetropolitan area median income.

**(18) State**

The term “State” has the same meaning as in section 1813 of this title.

**(19) Subsidiary**

The term “subsidiary” has the same meaning as in section 1813 of this title, except that a community development financial institution that is a corporation shall not be considered to be a subsidiary of any insured depository institution or depository institution holding company that controls less than 25 percent of any class of the voting shares of such corporation, and does not otherwise control in any manner the election of a majority of the directors of the corporation.

**(20) Targeted population**

The term “targeted population” means individuals, or an identifiable group of individuals, including an Indian tribe, who—

- (A) are low-income persons; or

- (B) otherwise lack adequate access to loans or equity investments.

**(21) Training program**

The term “training program” means the training program operated by the Fund under section 4708 of this title.

(Pub. L. 103-325, title I, § 103, Sept. 23, 1994, 108 Stat. 2163.)

## REFERENCES IN TEXT

The Small Business Investment Act of 1958, referred to in par. (6), is Pub. L. 85-699, Aug. 21, 1958, 72 Stat. 689, as amended, which is classified principally to chapter 14B (§ 661 et seq.) of Title 15, Commerce and Trade. For complete classification of this Act to the Code, see Short Title note set out under section 661 of Title 15 and Tables.

The Alaska Native Claims Settlement Act, referred to in pars. (11) and (12), is Pub. L. 92-203, Dec. 18, 1971, 85 Stat. 688, as amended, which is classified generally to chapter 33 (§ 1601 et seq.) of Title 43, Public Lands. For complete classification of this Act to the Code, see Short Title note set out under section 1601 of Title 43 and Tables.

**§ 4703. Establishment of national Fund for community development banking****(a) Establishment****(1) In general**

There is established a corporation to be known as the Community Development Finan-