

or such greater sums as may be necessary to carry out this subchapter.

(2) Administrative expenses

(A) In general

Of amounts authorized to be appropriated to the Fund pursuant to this section, not more than \$5,550,000 may be used by the Fund in each fiscal year to pay the administrative costs and expenses of the Fund. Costs associated with the training program established under section 4708 of this title and the technical assistance program established under section 4707 of this title shall not be considered to be administrative expenses for purposes of this paragraph.

(B) Calculations

The amounts referred to in paragraphs (3) and (4) shall be calculated after subtracting the amount referred to in subparagraph (A) of this paragraph from the total amount appropriated to the Fund in accordance with paragraph (1) in any fiscal year.

(3) Capitalization assistance

Not more than 5 percent of the amounts authorized to be appropriated under paragraph (1) may be used as provided in section 4712 of this title.

(4) Availability for funding section 4713 of this title

33 $\frac{1}{3}$ percent of the amounts appropriated to the Fund for any fiscal year pursuant to the authorization in paragraph (1) shall be available for use in carrying out section 4713 of this title.

(5) Support of community development financial institutions

The Administrator shall allocate funds authorized under this section, to the maximum extent practicable, for the support of community development financial institutions.

(b) Community Development Credit Union Revolving Loan Fund

There are authorized to be appropriated for the purposes of the Community Development Credit Union Revolving Loan Fund—

- (1) \$4,000,000 for fiscal year 1995;
- (2) \$2,000,000 for fiscal year 1996;
- (3) \$2,000,000 for fiscal year 1997; and
- (4) \$2,000,000 for fiscal year 1998.

(c) Budgetary treatment

Amounts authorized to be appropriated under this section shall be subject to discretionary spending caps, as provided in section 665¹ of title 2, and therefore shall reduce by an equal amount funds made available for other discretionary spending programs.

(Pub. L. 103-325, title I, §121, Sept. 23, 1994, 108 Stat. 2189.)

REFERENCES IN TEXT

Section 665 of title 2, referred to in subsec. (c), was repealed by Pub. L. 105-33, title X, §10118(a), Aug. 5, 1997, 111 Stat. 695.

¹ See References in Text note below.

§ 4719. Grants to establish loan-loss reserve funds

(a) Purposes

The purposes of this section are—

(1) to make financial assistance available from the Fund in order to help community development financial institutions defray the costs of operating small dollar loan programs, by providing the amounts necessary for such institutions to establish their own loan loss reserve funds to mitigate some of the losses on such small dollar loan programs; and

(2) to encourage community development financial institutions to establish and maintain small dollar loan programs that would help give consumers access to mainstream financial institutions and combat high cost small dollar lending.

(b) Grants

(1) Loan-loss reserve fund grants

The Fund shall make grants to community development financial institutions or to any partnership between such community development financial institutions and any other federally insured depository institution with a primary mission to serve targeted investment areas, as such areas are defined under section 4702(16) of this title, to enable such institutions or any partnership of such institutions to establish a loan-loss reserve fund in order to defray the costs of a small dollar loan program established or maintained by such institution.

(2) Matching requirement

A community development financial institution or any partnership of institutions established pursuant to paragraph (1) shall provide non-Federal matching funds in an amount equal to 50 percent of the amount of any grant received under this section.

(3) Use of funds

Any grant amounts received by a community development financial institution or any partnership between or among such institutions under paragraph (1)—

(A) may not be used by such institution to provide direct loans to consumers;

(B) may be used by such institution to help recapture a portion or all of a defaulted loan made under the small dollar loan program of such institution; and

(C) may be used to designate and utilize a fiscal agent for services normally provided by such an agent.

(4) Technical assistance grants

The Fund shall make technical assistance grants to community development financial institutions or any partnership between or among such institutions to support and maintain a small dollar loan program. Any grant amounts received under this paragraph may be used for technology, staff support, and other costs associated with establishing a small dollar loan program.

(c) Definitions

For purposes of this section—

(1) the term “consumer reporting agency that compiles and maintains files on consum-

ers on a nationwide basis” has the same meaning given such term in section 1681a(p) of title 15; and

(2) the term “small dollar loan program” means a loan program wherein a community development financial institution or any partnership between or among such institutions offers loans to consumers that—

(A) are made in amounts not exceeding \$2,500;

(B) must be repaid in installments;

(C) have no pre-payment penalty;

(D) the institution has to report payments regarding the loan to at least 1 of the consumer reporting agencies that compiles and maintains files on consumers on a nationwide basis; and

(E) meet any other affordability requirements as may be established by the Administrator.

(Pub. L. 103-325, title I, §122, as added Pub. L. 111-203, title XII, §1206, July 21, 2010, 124 Stat. 2131.)

EFFECTIVE DATE

Section effective 1 day after July 21, 2010, except as otherwise provided, see section 4 of Pub. L. 111-203, set out as a note under section 5301 of this title.

SUBCHAPTER II—SMALL BUSINESS CAPITAL ENHANCEMENT

§ 4741. Findings and purposes

(a) Findings

The Congress finds that—

(1) small business concerns are a vital part of the economy, accounting for the majority of new jobs, new products, and new services created in the United States;

(2) adequate access to debt capital is a critical component for small business development, productivity, expansion, and success in the United States;

(3) commercial banks are the most important suppliers of debt capital to small business concerns in the United States;

(4) commercial banks and other depository institutions have various incentives to minimize their risk in financing small business concerns;

(5) as a result of such incentives, many small business concerns with economically sound financing needs are unable to obtain access to needed debt capital;

(6) the small business capital access programs implemented by certain States are a flexible and efficient tool to assist financial institutions in providing access to needed debt capital for many small business concerns in a manner consistent with safety and soundness regulations;

(7) a small business capital access program would complement other programs which assist small business concerns in obtaining access to capital; and

(8) Federal policy can stimulate and accelerate efforts by States to implement small business capital access programs by providing an incentive to States, while leaving the administration of such programs to each participating State.

(b) Purposes

By encouraging States to implement administratively efficient capital access programs that encourage commercial banks and other depository institutions to provide access to debt capital for a broad portfolio of small business concerns, and thereby promote a more efficient and effective debt market, the purposes of this subchapter are—

(1) to promote economic opportunity and growth;

(2) to create jobs;

(3) to promote economic efficiency;

(4) to enhance productivity; and

(5) to spur innovation.

(Pub. L. 103-325, title II, §251, Sept. 23, 1994, 108 Stat. 2203.)

EFFECTIVE DATE

Pub. L. 103-325, title II, §261, Sept. 23, 1994, 108 Stat. 2214, provided that: “This subtitle [subtitle B (§§251-261) of title II of Pub. L. 103-325, enacting this subchapter] shall become effective on January 6, 1996.”

SMALL BUSINESS LENDING FUND

Pub. L. 111-240, title IV, subtitle A, Sept. 27, 2010, 124 Stat. 2582, provided that:

“SEC. 4101. PURPOSE.

“The purpose of this subtitle is to address the ongoing effects of the financial crisis on small businesses by providing temporary authority to the Secretary of the Treasury to make capital investments in eligible institutions in order to increase the availability of credit for small businesses.

“SEC. 4102. DEFINITIONS.

“For purposes of this subtitle:

“(1) APPROPRIATE COMMITTEES OF CONGRESS.—The term ‘appropriate committees of Congress’ means—

“(A) the Committee on Small Business and Entrepreneurship, the Committee on Agriculture, Nutrition, and Forestry, the Committee on Banking, Housing, and Urban Affairs, the Committee on Finance, the Committee on the Budget, and the Committee on Appropriations of the Senate; and

“(B) the Committee on Small Business, the Committee on Agriculture, the Committee on Financial Services, the Committee on Ways and Means, the Committee on the Budget, and the Committee on Appropriations of the House of Representatives.

“(2) APPROPRIATE FEDERAL BANKING AGENCY.—The term ‘appropriate Federal banking agency’ has the meaning given such term under section 3(q) of the Federal Deposit Insurance Act (12 U.S.C. 1813(q)).

“(3) BANK HOLDING COMPANY.—The term ‘bank holding company’ has the meaning given such term under section 2(a)(1) of the Bank Holding Company Act of 1956 (12 U.S.C. 1841(2)(a)(1)).

“(4) CALL REPORT.—The term ‘call report’ means—

“(A) reports of Condition and Income submitted to the Office of the Comptroller of the Currency, the Board of Governors of the Federal Reserve System, and the Federal Deposit Insurance Corporation;

“(B) the Office of Thrift Supervision Thrift Financial Report;

“(C) any report that is designated by the Office of the Comptroller of the Currency, the Board of Governors of the Federal Reserve System, the Federal Deposit Insurance Corporation, or the Office of Thrift Supervision, as applicable, as a successor to any report referred to in subparagraph (A) or (B);

“(D) reports of Condition and Income as designated through guidance developed by the Secretary, in consultation with the Director of the Community Development Financial Institutions Fund; and