

Subsec. (a)(3)(A). Pub. L. 109-173, §3(a)(9)(C), added subpar. (A) and struck out heading and text of former subpar. (A). Text read as follows: “The term ‘Board’ means the Board of Governors of the Federal Reserve System.”

Subsec. (a)(3)(C). Pub. L. 109-173, §3(a)(9)(D), substituted “Corporation” for “Board”.

1996—Subsec. (a)(1). Pub. L. 104-208, §2704(d)(16), which directed substitution of “section 1817(b)(2)(G) of this title” for “section 1817(b)(2)(H) of this title”, was repealed by Pub. L. 109-171. See Effective Date of 1996 Amendment note below.

1992—Subsec. (a)(1). Pub. L. 102-558, §303(b)(4), substituted “section 1817(b)(2)(H)” for “section 1817(b)(10)”. Pub. L. 102-550, §1605(a)(3), which made an identical amendment, was repealed, effective Oct. 28, 1992, by Pub. L. 102-558, §305, set out as a Repeal of Duplicative Provisions note under section 1815 of this title.

Subsec. (b). Pub. L. 102-558, §303(b)(1), made technical correction to directory language of subsec. (b)(1). See Codification note above. Pub. L. 102-550, §1604(b)(1), which made a similar amendment, was repealed, effective Oct. 28, 1992, by Pub. L. 102-558, §305, set out as a Repeal of Duplicative Provisions note under section 1815 of this title.

#### EFFECTIVE DATE OF 2010 AMENDMENT

Amendment by Pub. L. 111-203 effective on the transfer date, see section 351 of Pub. L. 111-203, set out as a note under section 906 of Title 2, The Congress.

#### EFFECTIVE DATE OF 2006 AMENDMENT

Amendment by Pub. L. 109-173 effective Jan. 1, 2007, see section 3(b) of Pub. L. 109-173, set out as a note under section 1817 of this title.

Amendment by Pub. L. 109-171 effective no later than the first day of the first calendar quarter that begins after the end of the 90-day period beginning Feb. 8, 2006, see section 2102(c) of Pub. L. 109-171, set out as a Merger of BIF and SAIF note under section 1821 of this title.

#### EFFECTIVE DATE OF 1996 AMENDMENT

Amendment by Pub. L. 104-208 effective Jan. 1, 1999, if no insured depository institution is a savings association on that date, see section 2704(c) of Pub. L. 104-208, formerly set out as a note under section 1821 of this title.

#### EFFECTIVE DATE OF 1992 AMENDMENTS

Pub. L. 102-558, title III, §303(b)(4), Oct. 28, 1992, 106 Stat. 4225, provided that the amendment made by that section is effective on the effective date of the amendment made by section 302(a) of Pub. L. 102-242 [see section 302(g) of Pub. L. 102-242, set out as a note under section 1817 of this title].

Pub. L. 102-550, title XVI, §1605(a)(3), Oct. 28, 1992, 106 Stat. 4085, which provided effective date provisions for the amendment made by that section, was repealed, effective Oct. 28, 1992, by section 305 of Pub. L. 102-558, set out as a Repeal of Duplicative Provisions note under section 1815 of this title.

### § 1834a. Assessment credits for qualifying activities relating to distressed communities

#### (a) Determination of credits for increases in community enterprise activities

##### (1) In general

The Community Enterprise Assessment Credit Board established under subsection (d) shall issue guidelines for insured depository institutions eligible under this subsection for any community enterprise assessment credit with respect to any semiannual period. Such guidelines shall—

(A) designate the eligibility requirements for any institution meeting applicable cap-

ital standards to receive an assessment credit under section 1817(b)(7) of this title; and

(B) determine the community enterprise assessment credit available to any eligible institution under paragraph (3).

#### (2) Qualifying activities

An insured depository institution may apply for for<sup>1</sup> any community enterprise assessment credit for any semiannual period for—

(A) the amount, during such period, of new originations of qualified loans and other assistance provided for low- and moderate-income persons in distressed communities, or enterprises integrally involved with such neighborhoods, which the Board determines are qualified to be taken into account for purposes of this subsection;

(B) the amount, during such period, of deposits accepted from persons domiciled in the distressed community, at any office of the institution (including any branch) located in any qualified distressed community, and new originations of any loans and other financial assistance made within that community, except that in no case shall the credit for deposits at any institution or branch exceed the credit for loans and other financial assistance by the bank or branch in the distressed community; and

(C) any increase during the period in the amount of new equity investments in community development financial institutions.

#### (3) Amount of assessment credit

The amount of any community enterprise assessment credit available under section 1817(b)(7) of this title for any insured depository institution, or a qualified portion thereof, shall be the amount which is equal to 5 percent, in the case of an institution which does not meet the community development organization requirements under section 1834b of this title, and 15 percent, in the case of an institution, or a qualified portion thereof, which meets such requirements (or any percentage designated under paragraph (5)) of—

(A) for the first full semiannual period in which community enterprise assessment credits are available, the sum of—

(i) the amounts of assets described in paragraph (2)(A); and

(ii) the amounts of deposits, loans, and other financial assistance described in paragraph (2)(B); and

(B) for any subsequent semiannual period, the sum of—

(i) any increase during such period in the amount of assets described in paragraph (2)(A) that has been deemed eligible for credit by the Board; and

(ii) any increase during such period in the amounts of deposits, loans, and other financial assistance described in paragraph (2)(B) that has been deemed eligible for credit by the Board.

#### (4) Determination of qualified loans and other financial assistance

Except as provided in paragraph (6), the types of loans and other assistance which the

<sup>1</sup> So in original.

Board may determine to be qualified to be taken into account under paragraph (2)(A) for purposes of the community enterprise assessment credit, may include the following:

(A) Loans insured or guaranteed by the Secretary of Housing and Urban Development, the Secretary of the Department of Veterans Affairs, the Administrator of the Small Business Administration, and the Secretary of Agriculture.

(B) Loans or financing provided in connection with activities assisted by the Administrator of the Small Business Administration or any small business investment company and investments in small business investment companies.

(C) Loans or financing provided in connection with any neighborhood housing service program assisted under the Neighborhood Reinvestment Corporation Act [42 U.S.C. 8101 et seq.].

(D) Loans or financing provided in connection with any activities assisted under the community development block grant program under title I of the Housing and Community Development Act of 1974 [42 U.S.C. 5301 et seq.].

(E) Loans or financing provided in connection with activities assisted under title II of the Cranston-Gonzalez National Affordable Housing Act [42 U.S.C. 12721 et seq.].

(F) Loans or financing provided in connection with a homeownership program assisted under title III of the United States Housing Act of 1937 [42 U.S.C. 1437aaa et seq.] or subtitle B or C of title IV of the Cranston-Gonzalez National Affordable Housing Act [42 U.S.C. 12871 et seq., 12891 et seq.].

(G) Financial assistance provided through community development corporations.

(H) Federal and State programs providing interest rate assistance for homeowners.

(I) Extensions of credit to nonprofit developers or purchasers of low-income housing and small business developments.

(J) In the case of members of any Federal home loan bank, participation in the community investment fund program established by the Federal home loan banks.

(K) Conventional mortgages targeted to low- or moderate-income persons.

(L) Loans made for the purpose of developing or supporting—

(i) commercial facilities that enhance revitalization, community stability, or job creation and retention efforts;

(ii) business creation and expansion efforts that—

(I) create or retain jobs for low-income people;

(II) enhance the availability of products and services to low-income people; or

(III) create or retain businesses owned by low-income people or residents of a targeted area;

(iii) community facilities that provide benefits to low-income people or enhance community stability;

(iv) home ownership opportunities that are affordable to low-income households;

(v) rental housing that is principally affordable to low-income households; and

(vi) other activities deemed appropriate by the Board.

(M) The provision of technical assistance to residents of qualified distressed communities in managing their personal finances through consumer education programs either sponsored or offered by insured depository institutions.

(N) The provision of technical assistance and consulting services to newly formed small businesses located in qualified distressed communities.

(O) The provision of technical assistance to, or servicing the loans of low- or moderate-income homeowners and homeowners located in qualified distressed communities.

#### **(5) Adjustment of percentage**

The Board may increase or decrease the percentage referred to in paragraph (3)(A) for determining the amount of any community enterprise assessment credit pursuant to such paragraph, except that the percentage established for insured depository institutions which meet the community development organization requirements under section 1834b of this title shall not be less than 3 times the amount of the percentage applicable for insured depository institutions which do not meet such requirements.

#### **(6) Certain investments not eligible to be taken into account**

Loans, financial assistance, and equity investments made by any insured depository institution that are not the result of originations by the institution shall not be taken into account for purposes of determining the amount of any credit pursuant to this subsection.

#### **(7) Quantitative analysis of technical assistance**

The Board may establish guidelines for analyzing the technical assistance described in subparagraphs (M), (N), and (O) of paragraph (4) for the purpose of quantifying the results of such assistance in determining the amount of any community assessment credit under this subsection.

#### **(b) “Qualified distressed community” defined**

##### **(1) In general**

For purposes of this section, the term “qualified distressed community” means any neighborhood or community which—

(A) meets the minimum area requirements under paragraph (3) and the eligibility requirements of paragraph (4); and

(B) is designated as a distressed community by any insured depository institution in accordance with paragraph (2) and such designation is not disapproved under such paragraph.

##### **(2) Designation requirements**

###### **(A) Notice of designation**

###### **(i) Notice to agency**

Upon designating an area as a qualified distressed community, an insured depository

tory institution shall notify the appropriate Federal banking agency of the designation.

**(ii) Public notice**

Upon the effective date of any designation of an area as a qualified distressed community, an insured depository institution shall publish a notice of such designation in major newspapers and other community publications which serve such area.

**(B) Agency duties relating to designations**

**(i) Providing information**

At the request of any insured depository institution, the appropriate Federal banking agency shall provide to the institution appropriate information to assist the institution to identify and designate a qualified distressed community.

**(ii) Period for disapproval**

Any notice received by the appropriate Federal banking agency from any insured depository institution under subparagraph (A)(i) shall take effect at the end of the 90-day period beginning on the date such notice is received unless written notice of the approval or disapproval of the application by the agency is provided to the institution before the end of such period.

**(3) Minimum area requirements**

For purposes of this subsection, an area meets the requirements of this paragraph if—

(A) the area is within the jurisdiction of 1 unit of general local government;

(B) the boundary of the area is contiguous; and

(C) the area—

(i) has a population, as determined by the most recent census data available, of not less than—

(I) 4,000, if any portion of such area is located within a metropolitan statistical area (as designated by the Director of the Office of Management and Budget) with a population of 50,000 or more; or

(II) 1,000, in any other case; or

(ii) is entirely within an Indian reservation (as determined by the Secretary of the Interior).

**(4) Eligibility requirements**

For purposes of this subsection, an area meets the requirements of this paragraph if the following criteria are met:

(A) At least 30 percent of the residents residing in the area have incomes which are less than the national poverty level.

(B) The unemployment rate for the area is 1½ times greater than the national average (as determined by the Bureau of Labor Statistics' most recent figures).

(C) Such additional eligibility requirements as the Board may, in its discretion, deem necessary to carry out the provisions of this subtitle.

**(c) Omitted**

**(d) Community Enterprise Assessment Credit Board**

**(1) Establishment**

There is hereby established the "Community Enterprise Assessment Credit Board".

**(2) Number and appointment**

The Board shall be composed of 5 members as follows:

(A) The Secretary of the Treasury or a designee of the Secretary.

(B) The Secretary of Housing and Urban Development or a designee of the Secretary.

(C) The Chairperson of the Federal Deposit Insurance Corporation or a designee of the Chairperson.

(D) 2 individuals appointed by the President from among individuals who represent community organizations.

**(3) Terms**

**(A) Appointed members**

Each appointed member shall be appointed for a term of 5 years.

**(B) Interim appointment**

Any member appointed to fill a vacancy occurring before the expiration of the term to which such member's predecessor was appointed shall be appointed only for the remainder of such term.

**(C) Continuation of service**

Each appointed member may continue to serve after the expiration of the period to which such member was appointed until a successor has been appointed.

**(4) Chairperson**

The Secretary of the Treasury shall serve as the Chairperson of the Board.

**(5) No pay**

No members of the Commission may receive any pay for service on the Board.

**(6) Travel expenses**

Each member shall receive travel expenses, including per diem in lieu of subsistence, in accordance with sections 5702 and 5703 of title 5.

**(7) Meetings**

The Board shall meet at the call of the Chairperson or a majority of the Board's members.

**(e) Duties of Board**

**(1) Procedure for determining community enterprise assessment credits**

The Board shall establish procedures for accepting and considering applications by insured depository institutions under subsection (a)(1) for community enterprise assessment credits and making determinations with respect to such applications.

**(2) Notice to FDIC**

The Board shall notify the applicant and the Federal Deposit Insurance Corporation of any determination of the Board with respect to

any application referred to in paragraph (1) in sufficient time for the Corporation to include the amount of such credit in the computation of the semiannual assessment to which such credit is applicable.

**(f) Availability of funds**

The provisions of this section shall not take effect until appropriations are specifically provided in advance. There are hereby authorized to be appropriated such sums as may be necessary to carry out the provisions of this section.

**(g) Prohibition on double funding for same activities**

No community development financial institution may receive a community enterprise assessment credit if such institution, either directly or through a community partnership—

(1) has received assistance within the preceding 12-month period, or has an application for assistance pending, under section 4704 of this title; or

(2) has ever received assistance, under section 4707 of this title, for the same activity during the same semiannual period for which the institution seeks a community enterprise assessment credit under this section.

**(h) Priority of awards**

**(1) Qualifying loans and services**

**(A) In general**

If the amount of funds appropriated for purposes of carrying out this section for any fiscal year are insufficient to award the amount of assessment credits for which insured depository institutions have applied and are eligible under this section, the Board shall, in awarding community enterprise assessment credits for qualifying activities under subparagraphs (A) and (B) of subsection (a)(2) for any semiannual period for which such appropriation is available, determine which institutions shall receive an award.

**(B) Priority for support of efforts of CDFI**

The Board shall give priority to institutions that have supported the efforts of community development financial institutions in the qualified distressed community.

**(C) Other factors**

The Board may also consider the following factors:

**(i) Degree of difficulty**

The degree of difficulty in carrying out the activities that form the basis for the institution's application.

**(ii) Community impact**

The extent to which the activities that form the basis for the institution's application have benefited the qualified distressed community.

**(iii) Innovation**

The degree to which the activities that form the basis for the institution's application have incorporated innovative methods for meeting community needs.

**(iv) Leverage**

The leverage ratio between the dollar amount of the activities that form the

basis for the institution's application and the amount of the assessment credit calculated in accordance with this section for such activities.

**(v) Size**

The amount of total assets of the institution.

**(vi) New entry**

Whether the institution had provided financial services in the designated distressed community before such semiannual period.

**(vii) Need for subsidy**

The degree to which the qualified activity which forms the basis for the application needs enhancement through an assessment credit.

**(viii) Extent of distress in community**

The degree of poverty and unemployment in the designated distressed community, the proportion of the total population of the community which are low-income families and unrelated individuals, and the extent of other adverse economic conditions in such community.

**(2) Qualifying investments**

If the amount of funds appropriated for purposes of carrying out this section for any fiscal year are insufficient to award the amount of assessment credits for which insured depository institutions have applied and are eligible under this section, the Board shall, in awarding community enterprise assessment credits for qualifying activities under subsection (a)(2)(C) for any semiannual period for which such appropriation is available, determine which institutions shall receive an award based on the leverage ratio between the dollar amount of the activities that form the basis for the institution's application and the amount of the assessment credit calculated in accordance with this section for such activities.

**(i) Determination of amount of assessment credit**

Notwithstanding any other provision of this section, the determination of the amount of any community enterprise assessment credit under subsection (a)(3) for any insured depository institution for any semiannual period shall be made solely at the discretion of the Board. No insured depository institution shall be awarded community enterprise assessment credits for any semiannual period in excess of an amount determined by the Board.

**(j) Definitions**

For purposes of this section—

**(1) Appropriate Federal banking agency**

The term "appropriate Federal banking agency" has the meaning given to such term in section 1813(q) of this title.

**(2) Board**

The term "Board" means the Community Enterprise Assessment Credit Board established under the amendment made<sup>2</sup> by subsection (d).

<sup>2</sup>So in original. The words "under the amendment made" probably should not appear.

**(3) Insured depository institution**

The term “insured depository institution” has the meaning given to such term in section 1813(c)(2) of this title.

**(4) Community development financial institution**

The term “community development financial institution” has the same meaning as in section 4702(5) of this title.

**(5) Affiliate**

The term “affiliate” has the same meaning as in section 1841 of this title.

(Pub. L. 102-242, title II, § 233, Dec. 19, 1991, 105 Stat. 2311; Pub. L. 102-550, title IX, § 931(c)-(e), title XVI, §§ 1604(b)(2), 1605(a)(7), Oct. 28, 1992, 106 Stat. 3888, 3889, 4083, 4086; Pub. L. 102-558, title III, §§ 303(b)(2), (9), 305, Oct. 28, 1992, 106 Stat. 4224, 4226; Pub. L. 103-325, title I, § 114(c), Sept. 23, 1994, 108 Stat. 2181.)

## REFERENCES IN TEXT

The Neighborhood Reinvestment Corporation Act, referred to in subsec. (a)(4)(C), is title VI of Pub. L. 95-557, Oct. 31, 1978, 92 Stat. 2115, which is classified to subchapter I (§ 8101 et seq.) of chapter 90 of Title 42, The Public Health and Welfare. For complete classification of this Act to the Code, see section 601 of Pub. L. 95-557, set out as a Short Title note under section 8101 of Title 42 and Tables.

The Housing and Community Development Act of 1974, referred to in subsec. (a)(4)(D), is Pub. L. 93-383, Aug. 22, 1974, 88 Stat. 633, as amended. Title I of the Act is classified principally to chapter 69 (§ 5301 et seq.) of Title 42. For complete classification of this Act to the Code, see Short Title note set out under section 5301 of Title 42 and Tables.

The Cranston-Gonzalez National Affordable Housing Act, referred to in subsec. (a)(4)(E), (F), is Pub. L. 101-625, Nov. 28, 1990, 104 Stat. 4079. Title II of the Act, also known as the “HOME Investment Partnerships Act”, is classified principally to subchapter II (§ 12721 et seq.) of chapter 130 of Title 42. Subtitles B and C of title IV of the Act are classified respectively to parts A (§ 12871 et seq.) and B (§ 12891 et seq.) of subchapter IV of chapter 130 of Title 42. For complete classification of this Act to the Code, see Short Title note set out under section 12701 of Title 42 and Tables.

The United States Housing Act of 1937, referred to in subsec. (a)(4)(F), is act Sept. 1, 1937, ch. 896, as revised generally by Pub. L. 93-383, title II, § 201(a), Aug. 22, 1974, 88 Stat. 653. Title III of the Act is classified generally to subchapter II-A (§ 1437aaa et seq.) of Title 42. For complete classification of this Act to the Code, see Short Title note set out under section 1437 of Title 42 and Tables.

This subtitle, referred to in subsec. (b)(4)(C), is subtitle C (§§ 231-234) of title II of Pub. L. 102-242, Dec. 19, 1991, 105 Stat. 2308, known as the Bank Enterprise Act of 1991, which enacted this section and sections 1834 and 1834b of this title, amended section 1817 of this title, and enacted provisions set out as a note under section 1811 of this title. For complete classification of subtitle C to the Code, see section 231 of Pub. L. 102-242, set out as a Short Title of 1991 Amendment note under section 1811 of this title and Tables.

## CODIFICATION

Section was enacted as part of the Bank Enterprise Act of 1991, and also as part of the Foreign Bank Supervision Enhancement Act of 1991 and as part of the Federal Deposit Insurance Corporation Improvement Act of 1991, and not as part of the Federal Deposit Insurance Act which comprises this chapter.

Section is comprised of section 233 of Pub. L. 102-242. Subsec. (c) of section 233 of Pub. L. 102-242 amended section 1817 of this title.

## AMENDMENTS

1994—Subsec. (a)(2). Pub. L. 103-325, § 114(c)(1)(A), substituted “may apply for” for “shall be eligible” in introductory provisions.

Subsec. (a)(2)(A). Pub. L. 103-325, § 114(c)(1)(B), substituted “assistance” for “financial assistance”.

Subsec. (a)(2)(C). Pub. L. 103-325, § 114(c)(1)(C) to (E), added subpar. (C).

Subsec. (a)(4). Pub. L. 103-325, § 114(c)(2)(A), struck out “financial” before “assistance” in introductory provisions.

Subsec. (a)(4)(L) to (O). Pub. L. 103-325, § 114(c)(2)(B), added subpars. (L) to (O).

Subsec. (a)(5). Pub. L. 103-325, § 114(c)(3), substituted “paragraph (3)(A)” for “paragraph (3)”.

Subsec. (a)(6). Pub. L. 103-325, § 114(c)(4), substituted “Loans, financial assistance, and equity investments made by any insured depository institution” for “Investments by any insured depository institution in loans and securities”.

Subsec. (a)(7). Pub. L. 103-325, § 114(c)(5), added par. (7).

Subsec. (g). Pub. L. 103-325, § 114(c)(6), added subsec. (g) and redesignated former subsec. (g) as (j).

Subsecs. (h), (i). Pub. L. 103-325, § 114(c)(7), added subsecs. (h) and (i).

Subsec. (j). Pub. L. 103-325, § 114(c)(6)(A), redesignated subsec. (g) as (j).

Subsec. (j)(4), (5). Pub. L. 103-325, § 114(a)(8), added pars. (4) and (5).

1992—Subsec. (a)(1)(A). Pub. L. 102-558, § 303(b)(9)(A), substituted “section 1817(b)(7)” for “section 1817(d)(4)”. Pub. L. 102-550, § 1605(a)(7)(A), which contained an identical amendment, was repealed, effective Oct. 28, 1992, by Pub. L. 102-558, § 305, set out as a Repeal of Duplicative Provisions note under section 1815 of this title.

Subsec. (a)(2). Pub. L. 102-550, § 931(c), amended par. (2) generally. Prior to amendment, par. (2) read as follows: “An insured depository institution shall be eligible for any community enterprise assessment credit for any semiannual period for—

“(A) any increase during such period in the amount of new originations of qualified loans and other financial assistance provided for low- and moderate-income persons in distressed communities, or enterprises integrally involved with such neighborhoods, which the Board determines are qualified to be taken into account for purposes of this subsection; and

“(B) any increase during such period in the amount of deposits accepted from persons domiciled in the distressed community, at any office of the institution (including any branch) located in any qualified distressed community, and any increase during such period in the amount of new originations of loans and other financial assistance made within that community, except that in no case shall the credit for increased deposits at any institution or branch exceed the credit for increased loan and other financial assistance by the bank or branch in the distressed community.”

Subsec. (a)(3). Pub. L. 102-558, § 303(b)(9)(B), substituted “section 1817(b)(7)” for “section 1817(d)(4)”. Pub. L. 102-550, § 1605(a)(7)(B), which contained an identical amendment, was repealed, effective Oct. 28, 1992, by Pub. L. 102-558, § 305, set out as a Repeal of Duplicative Provisions note under section 1815 of this title.

Pub. L. 102-558, § 303(b)(2), which directed technical amendment to reference to section 1834b of this title to correct reference to corresponding section of original act, could not be executed because of prior general amendment by Pub. L. 102-550, § 931(d). See below. Pub. L. 102-550, § 1604(b)(2), which contained an identical amendment, was repealed, effective Oct. 28, 1992, by Pub. L. 102-558, § 305, set out as a Repeal of Duplicative Provisions note under section 1815 of this title.

Pub. L. 102-550, § 931(d), amended par. (3) generally. Prior to amendment, par. (3) read as follows: “The amount of any community enterprise assessment credit available under section 1817(d)(4) of this title for any

insured depository institution, or a qualified portion thereof, for any semiannual period shall be the amount which is equal to 5 percent, in the case of an institution which does not meet the community development organization requirements under section 1834b of this title, and 15 percent, in the case of an institution, or a qualified portion thereof, which meets such requirements (or any percentage designated under paragraph (5)) of the sum of—

“(A) the amounts of assets described in paragraph (2)(A); and

“(B) the amounts of deposits, loans, and other extensions of credit described in paragraph (2)(B).”

Subsec. (a)(5). Pub. L. 102-558, §303(b)(2), made technical amendment to reference to section 1834b of this title to correct reference to corresponding section of original act. Pub. L. 102-550, §1604(b)(2), which made identical amendment, was repealed, effective Oct. 28, 1992, by Pub. L. 102-558, §305, set out as a Repeal of Duplicative Provisions note under section 1815 of this title.

Subsec. (b)(4). Pub. L. 102-550, §931(e), amended par. (4) generally. Prior to amendment, par. (4) read as follows: “For purposes of this subsection, an area meets the requirements of this paragraph if at least 2 of the following criteria are met:

“(A) INCOME.—At least 70 percent of the families and unrelated individuals residing in the area have incomes of less than 80 percent of the median income of the area.

“(B) POVERTY.—At least 20 percent of the residents residing in the area have incomes which are less than the national poverty level (as determined pursuant to criteria established by the Director of the Office of Management and Budget).

“(C) UNEMPLOYMENT.—The unemployment rate for the area is one and one-half times greater than the national average (as determined by the Bureau of Labor Statistic’s most recent figures).”

Subsec. (e)(2). Pub. L. 102-558, §303(b)(9)(C), substituted “of the semiannual assessment to which such credit is applicable” for “made for purposes of the notification required under section 1817(d)(1)(B) of this title”. Pub. L. 102-550, §1605(a)(7)(C), which contained an identical amendment, was repealed, effective Oct. 28, 1992, by Pub. L. 102-558, §305, set out as a Repeal of Duplicative Provisions note under section 1815 of this title.

#### EFFECTIVE DATE OF 1992 AMENDMENT

Amendment by section 303(b)(2) of Pub. L. 102-558 deemed to have become effective Mar. 1, 1992, see section 304 of Pub. L. 102-558, set out as a note under section 4502 of Title 50, War and National Defense.

Pub. L. 102-558, title III, §303(b)(9), Oct. 28, 1992, 106 Stat. 4226, provided that the amendment made by that section is effective on the effective date of the amendment made by section 302(e)(4) of Pub. L. 102-242 [see section 302(g) of Pub. L. 102-242, set out as a note under section 1817 of this title].

Pub. L. 102-550, title XVI, §1605(a)(7), Oct. 28, 1992, 106 Stat. 4086, which provided effective date provisions for the amendment made by that section, was repealed, effective Oct. 28, 1992, by section 305 of Pub. L. 102-558, set out as a Repeal of Duplicative Provisions note under section 1815 of this title.

### § 1834b. Community development organizations

#### (a) Community development organizations described

For purposes of this subtitle, any insured depository institution, or a qualified portion thereof, shall be treated as meeting the community development organization requirements of this section if—

(1) the institution—

(A) is a community development bank, or controls any community development bank,

which meets the requirements of subsection (b);

(B) controls any community development corporation, or maintains any community development unit within the institution, which meets the requirements of subsection (c);

(C) invests in accounts in any community development credit union designated as a low-income credit union, subject to restrictions established for such credit unions by the National Credit Union Administration Board; or

(D) invests in a community development organization jointly controlled by two or more institutions;

(2) except in the case of an institution which is a community development bank, the amount of the capital invested, in the form of debt or equity, by the institution in the community development organization referred to in paragraph (1) (or, in the case of any community development unit, the amount which the institution irrevocably makes available to such unit for the purposes described in paragraph (3)) is not less than the greater of—

(A) ½ of 1 percent of the capital, as defined by generally accepted accounting principles, of the institution; or

(B) the sum of the amounts invested in such community development organization; and

(3) the community development organization provides loans for residential mortgages, home improvement, and community development and other financial services, other than financing for the purchase of automobiles or extension of credit under any open-end credit plan (as defined in section 1602(i)<sup>1</sup> of title 15), to low- and moderate-income persons, non-profit organizations, and small businesses located in qualified distressed communities in a manner consistent with the intent of this subtitle.

#### (b) Community development bank requirements

A community development bank meets the requirements of this subsection if—

(1) the community development bank has a 15-member advisory board designated as the “Community Investment Board” and consisting entirely of community leaders who—

(A) shall be appointed initially by the board of directors of the community development bank and thereafter by the Community Investment Board from nominations received from the community; and

(B) are appointed for a single term of 2 years, except that, of the initial members appointed to the Community Investment Board, ⅓ shall be appointed for a term of 8 months, ⅓ shall be appointed for a term of 16 months, and ⅓ shall be appointed for a term of 24 months, as designated by the board of directors of the community development bank at the time of the appointment;

(2) ⅓ of the members of the community development bank’s board of directors are ap-

<sup>1</sup> See References in Text note below.