

tions, civil rights organizations, consumer organizations, financial organizations, and such representatives of agencies or other persons, at the discretion of the Fund.

**(f) Examination and audit**

The financial statements of the Fund shall be audited in accordance with section 9105 of title 31, except that audits required by section 9105(a) of such title shall be performed annually.

(Pub. L. 103-325, title I, § 117, Sept. 23, 1994, 108 Stat. 2187; Pub. L. 110-289, div. A, title II, § 1216(b), July 30, 2008, 122 Stat. 2792.)

AMENDMENTS

2008—Subsec. (e), Pub. L. 110-289 substituted “Federal Housing Finance Agency” for “Federal Housing Finance Board”.

**§ 4717. Enforcement**

**(a) Regulations**

**(1) In general**

Not later than 180 days after the appointment and qualification of the Administrator, the Fund shall promulgate such regulations as may be necessary to carry out this subchapter.

**(2) Regulations required**

The regulations promulgated under paragraph (1) shall include regulations applicable to community development financial institutions that are not insured depository institutions to—

(A) prevent conflicts of interest on the part of directors, officers, and employees of community development financial institutions as the Fund determines to be appropriate; and

(B) establish such standards with respect to loans by a community development financial institution to any director, officer, or employee of such institution as the Fund determines to be appropriate, including loan amount limitations.

**(b) Administrative enforcement**

The provisions of this subchapter, and regulations prescribed and agreements entered into under this subchapter, shall be enforced under section 8 of the Federal Deposit Insurance Act [12 U.S.C. 1818] by the appropriate Federal banking agency, in the case of an insured community development financial institution. A violation of this subchapter, or any regulation prescribed under or any agreement entered into under this subchapter, shall be treated as a violation of the Federal Deposit Insurance Act [12 U.S.C. 1811 et seq.].

(Pub. L. 103-325, title I, § 119, Sept. 23, 1994, 108 Stat. 2188.)

REFERENCES IN TEXT

The Federal Deposit Insurance Act, referred to in subsec. (b), is act Sept. 21, 1950, ch. 967, § 2, 64 Stat. 873, as amended, which is classified generally to chapter 16 (§ 1811 et seq.) of this title. For complete classification of this Act to the Code, see Short Title note set out under section 1811 of this title and Tables.

CODIFICATION

Section is comprised of section 119 of Pub. L. 103-325. Subsec. (c) of section 119 of Pub. L. 103-325 amended section 657 of Title 18, Crimes and Criminal Procedure.

**§ 4718. Authorization of appropriations**

**(a) Fund authorization**

**(1) In general**

To carry out this subchapter, there are authorized to be appropriated to the Fund, to remain available until expended—

- (A) \$60,000,000 for fiscal year 1995;
- (B) \$104,000,000 for fiscal year 1996;
- (C) \$107,000,000 for fiscal year 1997; and
- (D) \$111,000,000 for fiscal year 1998;

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**

33½ 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 665<sup>1</sup> of title

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

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.

**§ 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 consumers 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