

formance goals and abide by other terms and conditions pertinent to assistance received under this subchapter.

**(B) Performance goals**

Performance goals shall be negotiated between the Fund and each community development financial institution receiving assistance based upon the strategic plan submitted pursuant to section 4704(b)(2) of this title. Such goals may be modified with the consent of the parties, or as provided in subparagraph (C). Performance goals for insured community development financial institutions shall be determined in consultation with the appropriate Federal banking agency.

**(C) Sanctions**

The agreement shall provide that, in the event of fraud, mismanagement, noncompliance with this subchapter, or noncompliance with the terms of the agreement, the Fund, in its discretion, may—

- (i) require changes to the performance goals imposed pursuant to subparagraph (B);
- (ii) require changes to the strategic plan submitted pursuant to section 4704(b)(2) of this title;
- (iii) revoke approval of the application;
- (iv) reduce or terminate assistance;
- (v) require repayment of assistance;
- (vi) bar an applicant from reapplying for assistance from the Fund; and
- (vii) take such other actions as the Fund deems appropriate.

**(D) Consultation with tribal governments**

In reviewing the performance of any assisted community development financial institution, the investment area of which includes an Indian reservation, or the targeted population of which includes an Indian tribe, the Fund shall consult with, and seek input from, any appropriate tribal government.

**(g) Authority to sell equity investments and loans**

The Fund may, at any time, sell its equity investments and loans, but the Fund shall retain the power to enforce limitations on assistance entered into in accordance with the requirements of this subchapter until the performance goals related to the investment or loan have been met.

**(h) No authority to limit supervision and regulation**

Nothing in this subchapter shall affect any authority of the appropriate Federal banking agency to supervise and regulate any institution or company.

(Pub. L. 103-325, title I, § 108, Sept. 23, 1994, 108 Stat. 2172.)

REFERENCES IN TEXT

The Housing and Community Development Act of 1974, referred to in subsec. (e)(4), is Pub. L. 93-383, Aug. 22, 1974, 88 Stat. 633, as amended. For complete classification of this Act to the Code, see Short Title note set out under section 5301 of Title 42, The Public Health and Welfare, and Tables.

**§ 4708. Training**

**(a) In general**

The Fund may operate a training program to increase the capacity and expertise of community development financial institutions and other members of the financial services industry to undertake community development finance activities.

**(b) Program activities**

The training program shall provide educational programs to assist community development financial institutions and other members of the financial services industry in developing lending and investment products, underwriting and servicing loans, managing equity investments, and providing development services targeted to areas of economic distress, low-income persons, and persons who lack adequate access to loans and equity investments.

**(c) Participation**

The training program shall be made available to community development financial institutions and other members of the financial services industry that serve or seek to serve areas of economic distress, low-income persons, and persons who lack adequate access to loans and equity investments.

**(d) Contracting**

The Fund may offer the training program described in this section directly or through a contract with other organizations. The Fund may contract to provide the training program through organizations that possess special expertise in community development, without regard to whether the organizations receive or are eligible to receive assistance under this subchapter.

**(e) Coordination**

The Fund shall coordinate with other appropriate Federal departments or agencies that operate similar training programs in order to prevent duplicative efforts.

**(f) Regulatory fee for providing training services**

**(1) General rule**

The Fund may, at the discretion of the Administrator and in accordance with this subsection, assess and collect regulatory fees solely to cover the costs of the Fund in providing training services under a training program operated in accordance with this section.

**(2) Persons subject to fee**

Fees may be assessed under paragraph (1) only on persons who participate in the training program.

**(3) Limitation on manner of collection**

Fees may be assessed and collected under this subsection only in such manner as may reasonably be expected to result in the collection of an aggregate amount of fees during any fiscal year which does not exceed the aggregate costs of the Fund for such year in providing training services under a training program operated in accordance with this section<sup>1</sup>

<sup>1</sup> So in original. Probably should be followed by a period.

**(4) Limitation on amount of fee**

The amount of any fee assessed under this subsection on any person may not exceed the amount which is reasonably based on the proportion of the training services provided under a training program operated in accordance with this section which relate to such person.

(Pub. L. 103-325, title I, §109, Sept. 23, 1994, 108 Stat. 2176.)

**§ 4709. Encouragement of private entities**

The Fund may facilitate the organization of corporations in which the Federal Government has no ownership interest. The purpose of any such entity shall be to assist community development financial institutions in a manner that is complementary to the activities of the Fund under this subchapter. Any such entity shall be managed exclusively by persons not employed by the Federal Government or any agency or instrumentality thereof, or by any State or local government or any agency or instrumentality thereof.

(Pub. L. 103-325, title I, §110, Sept. 23, 1994, 108 Stat. 2177.)

**§ 4710. Collection and compilation of information**

The Fund shall—

(1) collect and compile information pertinent to community development financial institutions that will assist in creating, developing, expanding, and preserving such institutions; and

(2) make such information available to promote the purposes of this subchapter.

(Pub. L. 103-325, title I, §111, Sept. 23, 1994, 108 Stat. 2177.)

**§ 4711. Investment of receipts and proceeds****(a) Establishment of account**

Any dividends on equity investments and proceeds from the disposition of investments, deposits, or credit union shares that are received by the Fund as a result of assistance provided pursuant to section 4707 or 4712 of this title, and any fees received pursuant to section 4708(f) of this title shall be deposited and accredited to an account of the Fund in the United States Treasury (hereafter in this section referred to as “the account”) established to carry out the purpose of this subchapter.

**(b) Investments**

Upon request of the Administrator, the Secretary of the Treasury shall invest amounts deposited in the account in public debt securities with maturities suitable to the needs of the Fund, as determined by the Administrator, and bearing interest at rates determined by the Secretary of the Treasury, comparable to current market yields on outstanding marketable obligations of the United States of similar maturities.

**(c) Availability**

Amounts deposited into the account and interest earned on such amounts pursuant to this section shall be available to the Fund until expended.

(Pub. L. 103-325, title I, §112, Sept. 23, 1994, 108 Stat. 2177.)

**§ 4712. Capitalization assistance to enhance liquidity****(a) Assistance****(1) In general**

The Fund may provide assistance for the purpose of providing capital to organizations to purchase loans or otherwise enhance the liquidity of community development financial institutions, if—

(A) the primary purpose of such organizations is to promote community development; and

(B) any assistance received is matched with funds—

(i) from sources other than the Federal Government;

(ii) on the basis of not less than one dollar for each dollar provided by the Fund; and

(iii) that are comparable in form and value to the assistance provided by the Fund.

**(2) Limitation on other assistance**

An organization that receives assistance under this section may not receive other financial or technical assistance under this subchapter.

**(3) Construction of Federal Government funds**

For purposes of this subsection, notwithstanding section 105(a)(9) of the Housing and Community Development Act of 1974 [42 U.S.C. 5305(a)(9)], funds provided pursuant to such Act shall be considered to be Federal Government funds.

**(b) Selection**

The selection of organizations to receive assistance under this section shall be at the discretion of the Fund and in accordance with criteria established by the Fund. In establishing such criteria, the Fund shall take into account the criteria contained in sections 4704(b) and 4706 of this title, as appropriate.

**(c) Amount of assistance**

The Fund may provide a total of not more than \$5,000,000 of assistance to an organization or its subsidiaries or affiliates under this section during any 3-year period. Assistance may be provided in a lump sum or over a period of time, as determined by the Fund.

**(d) Audit and report requirements**

Organizations that receive assistance from the Fund in accordance with this section shall—

(1) submit to the Fund, not less than once in every 18-month period, financial statements audited by an independent certified public accountant, as part of the report required by paragraph (2);

(2) submit an annual report on its activities; and

(3) keep such records as may be necessary to disclose the manner in which any assistance under this section is used.

**(e) Limitations on liability****(1) Liability of Fund**

The liability of the Fund and the United States Government arising out of the provi-