

115TH CONGRESS
1ST SESSION

H. R. 3741

To codify the Minority Bank Deposit Program, and for other purposes.

IN THE HOUSE OF REPRESENTATIVES

SEPTEMBER 12, 2017

Mr. MEEKS (for himself, Mr. EVANS, Mrs. BEATTY, Ms. MAXINE WATERS of California, Mr. CLAY, Mr. AL GREEN of Texas, Ms. SEWELL of Alabama, Ms. JACKSON LEE, Mr. LAWSON of Florida, and Mr. PAYNE) introduced the following bill; which was referred to the Committee on Financial Services

A BILL

To codify the Minority Bank Deposit Program, and for other purposes.

1 *Be it enacted by the Senate and House of Representa-*
2 *tives of the United States of America in Congress assembled,*

3 **SECTION 1. FINDINGS.**

4 Congress finds the following:

5 (1) On March 5, 1969, pursuant to Executive
6 Order 11458, the Minority Bank Deposit Program
7 was established as a national program supporting
8 minority-owned business enterprise. It was expanded
9 in 1971 under Executive Order 11625 and in 1979

1 under Executive Order 12138. The Competitive
2 Equality Banking Act of 1987 (Public Law 100–86)
3 and the Financial Institutions Reform, Recovery and
4 Enforcement Act of 1989 (Public Law 101–73) in-
5 clude provisions supporting the intent of the Minor-
6 ity Bank Deposit Program.

7 (2) Under the leadership of President Jimmy
8 Carter, on April 8, 1977, a memorandum for all
9 heads of Federal agencies and departments was
10 signed. This document promoted the use of minor-
11 ity-owned business enterprises by placing deposits in
12 minority banks. The agency assigned to head this
13 program was the Department of the Treasury.

14 (3) The Fiscal Assistant Secretary of the De-
15 partment of the Treasury is responsible for certi-
16 fying financial institutions that are eligible for par-
17 ticipation in the Minority Bank Deposit Program.

18 (4) Although the program continues today, the
19 overwhelming majority of financial institutions cer-
20 tified under the Minority Bank Deposit Program do
21 not have existing relationships with the Federal
22 agencies which suggests the need for reforms to in-
23 crease utilization of eligible institutions.

1 **SEC. 2. MINORITY BANK DEPOSIT PROGRAM.**

2 (a) IN GENERAL.—Section 1204 of the Financial In-
 3 stitutions Reform, Recovery, and Enforcement Act of
 4 1989 (12 U.S.C. 1811 note) is amended to read as follows:

5 **“SEC. 1204. EXPANSION OF USE OF MINORITY BANKS, WOM-**
 6 **EN’S BANKS, AND LOW-INCOME CREDIT**
 7 **UNIONS.**

8 “(a) MINORITY BANK DEPOSIT PROGRAM.—

9 “(1) ESTABLISHMENT.—There is established a
 10 program to be known as the ‘Minority Bank Deposit
 11 Program’ to expand the use of minority banks, wom-
 12 en’s banks, and low-income credit unions.

13 “(2) ADMINISTRATION.—The Secretary of the
 14 Treasury, acting through the Fiscal Service, shall—

15 “(A) on application by a depository institu-
 16 tion or credit union, certify whether such depos-
 17 itory institution or credit union is a minority
 18 bank, women’s bank, or low-income credit
 19 union;

20 “(B) maintain and publish a list of all de-
 21 pository institutions and credit unions that have
 22 been certified pursuant to subparagraph (A);
 23 and

24 “(C) periodically distribute the list de-
 25 scribed in subparagraph (B) to—

1 “(i) all Federal departments and
2 agencies;

3 “(ii) interested State and local govern-
4 ments; and

5 “(iii) interested private sector compa-
6 nies.

7 “(3) INCLUSION OF CERTAIN ENTITIES ON
8 LIST.—A depository institution or credit union that,
9 on the date of the enactment of this section, has a
10 current certification from the Secretary of the
11 Treasury stating that such depository institution or
12 credit union is a minority bank, women’s bank, or
13 low-income credit union shall be included on the list
14 described under paragraph (2)(B).

15 “(b) EXPANDED USE AMONG FEDERAL DEPART-
16 MENTS AND AGENCIES.—

17 “(1) IN GENERAL.—Not later than 1 year after
18 the establishment of the program described in sub-
19 section (a), the head of each Federal department or
20 agency shall develop and implement standards and
21 procedures to ensure, to the maximum extent pos-
22 sible as permitted by law, the use of minority banks,
23 women’s banks, and low-income credit unions to
24 serve the financial needs of each such department or
25 agency.

1 “(2) REPORT TO CONGRESS.—Not later than 2
2 years after the establishment of the program de-
3 scribed in subsection (a), and annually thereafter,
4 the head of each Federal department or agency shall
5 submit to Congress a report on the actions taken to
6 increase the use of minority banks, women’s banks,
7 and low-income credit unions to serve the financial
8 needs of each such department or agency.

9 “(c) DEFINITIONS.—For purposes of this section:

10 “(1) CREDIT UNION.—The term ‘credit union’
11 has the meaning given the term ‘insured credit
12 union’ in section 101 of the Federal Credit Union
13 Act (12 U.S.C. 1752).

14 “(2) DEPOSITORY INSTITUTION.—The term ‘de-
15 pository institution’ has the meaning given the term
16 ‘insured depository institution’ in section 3 of the
17 Federal Deposit Insurance Act (12 U.S.C. 1813).

18 “(3) LOW-INCOME CREDIT UNION.—The term
19 ‘low-income credit union’ means any entity described
20 in section 19(b)(1)(A)(iv) of the Federal Reserve
21 Act.

22 “(4) MINORITY.—The term ‘minority’ means
23 any Black American, Native American, Hispanic
24 American, or Asian American.

1 “(5) MINORITY BANK.—The term ‘minority
2 bank’ means any bank described in clause (i), (ii),
3 or (iii) of section 19(b)(1)(A) of the Federal Reserve
4 Act—

5 “(A) more than 50 percent of the out-
6 standing shares of which are held by 1 or more
7 minority individuals;

8 “(B) the majority of the directors on the
9 board of directors of which are minority individ-
10 uals; and

11 “(C) a significant percentage of senior
12 management positions of which are held by mi-
13 nority individuals.

14 “(6) WOMEN’S BANK.—The term ‘women’s
15 bank’ means any bank described in clause (i), (ii),
16 or (iii) of section 19(b)(1)(A) of the Federal Reserve
17 Act—

18 “(A) more than 50 percent of the out-
19 standing shares of which are held by 1 or more
20 women;

21 “(B) the majority of the directors on the
22 board of directors of which are women; and

23 “(C) a significant percentage of senior
24 management positions of which are held by
25 women.”.

1 (b) CONFORMING AMENDMENTS.—The following pro-
 2 visions are amended by striking “1204(c)(3)” and insert-
 3 ing “1204(c)”:

4 (1) Section 808(b)(3) of the Community Rein-
 5 vestment Act of 1977 (12 U.S.C. 2907(b)(3)).

6 (2) Section 40(g)(1)(B) of the Federal Deposit
 7 Insurance Act (12 U.S.C. 1831q(g)(1)(B)).

8 (3) Section 704B(h)(4) of the Equal Credit Op-
 9 portunity Act (15 U.S.C. 1691c–2(h)(4)).

10 **SEC. 3. AMENDMENTS TO THE COMMUNITY REINVESTMENT**
 11 **ACT.**

12 Section 804(b) of the Community Reinvestment Act
 13 of 1977 (12 U.S.C. 2903(b)) is amended to read as fol-
 14 lows:

15 “(b) COOPERATION WITH MINORITY BANKS,
 16 WOMEN’S BANKS, AND LOW-INCOME CREDIT UNIONS
 17 CONSIDERED.—

18 “(1) IN GENERAL.—In assessing and taking
 19 into account, under subsection (a), the record of a
 20 financial institution, the appropriate Federal finan-
 21 cial supervisory agency shall consider as a factor
 22 capital investment, loan participation, and other ven-
 23 tures undertaken by the institution in cooperation
 24 with minority banks, women’s banks, community de-
 25 velopment financial institutions, and low-income

credit unions provided that these activities help meet the credit needs of local communities in which such institutions and credit unions are chartered.

“(2) DEFINITIONS.—

“(A) FIRREA DEFINITIONS.—The terms ‘low-income credit union’, ‘minority bank’, and ‘women’s bank’ have the meanings given such terms, respectively, in section 1204(c) of the Financial Institutions Reform, Recovery, and Enforcement Act of 1989 (12 U.S.C. 1811 note).

“(B) COMMUNITY DEVELOPMENT FINANCIAL INSTITUTION.—The term ‘community development financial institution’ has the meaning given in section 103(5) of the Riegle Community Development and Regulatory Improvement Act of 1994 (12 U.S.C. 4702(5)).”.

SEC. 4. CONSIDERATIONS WHEN ASSESSING FINANCIAL INCLUSION FOR FEDERALLY CHARTERED FINANCIAL INSTITUTIONS.

(a) IN GENERAL.—In assessing and taking into account the record of a federally chartered financial institution under any financial inclusion assessment process created by the Comptroller of the Currency in any rule relating to the chartering of a financial institution, the Comptroller shall consider as a factor capital investment, loan

1 participation, and other ventures undertaken by the bank
2 in cooperation with minority banks, women’s banks, com-
3 munity development financial institutions, and low-income
4 credit unions, provided that these activities help meet the
5 financial needs of local communities in which the federally
6 chartered financial institution provides financial products
7 or services.

8 (b) DEFINITIONS.—For purposes of this section:

9 (1) COMMUNITY DEVELOPMENT FINANCIAL IN-
10 STITUTION.—The term “community development fi-
11 nancial institution” has the meaning given in section
12 103(5) of the Riegle Community Development and
13 Regulatory Improvement Act of 1994 (12 U.S.C.
14 4702(5)).

15 (2) FINANCIAL INCLUSION ASSESSMENT PROC-
16 ESS.—The term “financial inclusion assessment
17 process” means any process relating to the char-
18 tering of a financial institution whereby the Comp-
19 troller of the Currency assesses and takes into ac-
20 count the financial institution’s record of meeting
21 the financial needs of the bank’s entire community,
22 including low- and moderate-income neighborhoods,
23 consistent with the safe and sound operation of such
24 bank.

1 (3) FINANCIAL PRODUCT OR SERVICE.—The
2 term “financial product or service” has the meaning
3 given such term in section 1002 of the Dodd-Frank
4 Wall Street Reform and Consumer Protection Act
5 (12 U.S.C. 5481).

6 (4) FIRREA DEFINITIONS.—The terms “low-
7 income credit union”, “minority bank”, and “wom-
8 en’s bank” have the meanings given such terms, re-
9 spectively, in section 1204(c) of the Financial Insti-
10 tutions Reform, Recovery, and Enforcement Act of
11 1989 (12 U.S.C. 1811 note).

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