

ON THE INTRODUCTION (BY REQUEST) OF THE COMMUNITY DEVELOPMENT FINANCIAL INSTITUTIONS FUND AMENDMENTS OF 1998

**HON. BRUCE F. VENTO**

OF MINNESOTA

IN THE HOUSE OF REPRESENTATIVES

*Wednesday, April 1, 1998*

Mr. VENTO. Mr. Speaker, today I am introducing by request of the Administration, along with the Chairwoman of the Financial Institutions and Consumer Credit Subcommittee, Mrs. ROUKEMA, the Community Development Financial Institutions Fund Amendments of 1998.

The reauthorization of the Community Development Financial Institutions Fund should be an important part of the Financial Institutions and Consumer Credit agenda this year. The CDFI fund was established to increase access to credit in distressed areas and to provide community development and financial services opportunities to disadvantaged people. Created in 1994, funds allocated to the CDFI Fund help leverage additional private capital used by CDFIs to revitalize neighborhoods, encourage and promote entrepreneurs, restore private market activity in distressed communities and empower local residents. The Administration's FY 1999 budget has requested \$125 million for the CDFI program and in concert with a reauthorization effort, we can improve and further empower the CDFI funded programs.

Demand for the CDFI funded programs has exceeded expectations. The Treasury Department has reported that requests for assistance in the first two rounds have been approximately \$500 million. Of the \$125 million requested by the Administration in FY 1998, only \$80 million was appropriated. This, along with the earlier appropriations, has barely scratched the surface of the need for the unique activities of the CDFI Fund and its sister program, funded with one-third of the appropriations, the Bank Enterprise Act (BEA).

I look forward to working with the Administration, Chairwoman ROUKEMA and other Members of the Banking Committee on a reauthorization of the CDFI. We do need to act soon to help the CDFI and BEA programs to go forward in the future with new initiatives that can expand the CDFI Fund's tools for assisting community development financial institutions. CDFI provides seed money for the creation of jobs, brings capital into distressed communities, and lifts people out of poverty. With our efforts this year, we can maximize the benefits CDFIs can provide to underserved communities across the country.

A section-by-section of the bill follows:

COMMUNITY DEVELOPMENT FINANCIAL INSTITUTIONS FUND AMENDMENTS ACT OF 1998—SECTION-BY-SECTION ANALYSIS

SECTION 1. SHORT TITLE; TABLE OF CONTENTS.

This section designates this legislation as the Community Development Financial Institutions Fund Amendments Act of 1998 and provides a table of contents.

SECTION 2. TECHNICAL CORRECTIONS TO REFLECT STATUS OF THE FUND WITHIN THE TREASURY DEPARTMENT; MISCELLANEOUS TECHNICAL CORRECTIONS.

Subsection (a) amends the purpose section of the Community Development Banking and

Financial Institutions Act of 1994 (the Act) to add language that clarifies that the purpose of the Act is to promote economic revitalization and community development not only through investment in community development financial institutions (CDFIs), but also through incentives to insured depository institutions under the Bank Enterprise Act of 1991.

Subsections (b) and (c) amend the Act to reflect the intent of subsequent appropriations provisions that made the Community Development Financial Institutions Fund (CDFI Fund) a wholly owned government corporation within the Treasury Department. Technical amendments to the Act eliminate the concept of a presidentially appointed Administrator of the CDFI Fund, and, as with other Treasury programs, vest all of the duties and responsibilities of the CDFI Fund in the Secretary of the Treasury (subject to existing statutory delegation authority). The Secretary may appoint all officers and employees of the CDFI Fund, including a Director.

Subsection (c) also makes technical changes to clarify that the Inspector General of the Treasury Department is the Inspector General of the CDFI Fund.

SECTION 3. AMENDMENTS TO PROGRAMS ADMINISTERED BY THE FUND.

Subsection (a) makes minor changes to the Community Development Financial Institutions Awards Program (CDFI Program) administered by the CDFI Fund. The amendments provide that, for the training and technical assistance programs already authorized by the Act, the Fund may enter into cooperative agreements in addition to the other methods described.

Subsection (b) contains amendments clarifying the Bank Enterprise Act (BEA) Awards Program for insured depository institutions. The subsection provides technical amendments and clarifies that the Fund may provide assessment credits to insured depository institutions for increases in loans and other assistance provided to CDFIs. The provisions clarify the manner in which the Fund may take account of forms of assistance provided by insured depository institutions. In addition, the provisions permit the Fund to use alternative eligibility requirements to determine the definition of a "qualified distressed community." Current criteria are difficult to interpret and may exclude some insured depository institutions, particularly those serving rural areas, from participation in the BEA Program.

SECTION 4. EXTENSION OF AUTHORIZATION.

This section authorizes appropriations in such amounts as may be necessary for the CDFI Fund to carry out its responsibilities under the Act.

SECTION 5. AMENDMENTS TO THE SMALL BUSINESS CAPITAL ENHANCEMENT PROGRAM.

Subtitle B of Title II of the Act currently provides the CDFI Fund with authority to administer a program to encourage states to implement small business "capital access programs" with participation of certain depository institutions. These "capital access programs" expand access to small business loans by creating a loan loss reserve, funded by the depository institution, the borrower, and the state. This reserve fund allows banks to make more difficult small business loans. The Fund, under the Small Business Capital Enhancement (SBCE) Program, could reimburse participating states for a portion of funds contributed to these loan loss reserve accounts.

The amendments made by section 5 remove statutory barriers that currently block the

CDFI Fund from administering the SBCE Program. Subsection (a) allows CDFIs to participate in the SBCE Program. Subsection (b) removes the requirement that the SBCE Program receive a threshold appropriation before beginning operations. Finally, this section will allow the CDFI Fund (if the SBCE Program is operating) to reimburse participating states according to criteria established by the CDFI Fund in an amount up to 50 percent of the amount of contributions by the states, until funds made available for this purpose are expended. This permits the Fund to target reimbursements to states that have not yet established these programs or that have insufficient funds for effective programs.

BRONX COMMUNITY COLLEGE'S  
20TH ANNUAL HALL OF FAME  
10K RUN

**HON. JOSÉ E. SERRANO**

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

*Wednesday, April 1, 1998*

Mr. SERRANO. Mr. Speaker, it is with joy that I rise to pay tribute to Bronx Community College, which will hold its 20th Anniversary Hall of Fame 10K Run on Saturday, May 2, 1998.

The Hall of Fame 10K Run was founded in 1978 by Bronx Community College's third President, Dr. Roscoe C. Brown. Its mission is to highlight the Hall of Fame for Great Americans, a national institution dedicated to those who have helped make America great.

The tradition continues, first under the leadership of Acting President, Dr. Leo A. Corbie and now under Dr. Carolyn G. Williams, the first woman President of Bronx Community College. Both Dr. Corbie and Dr. Williams have endorsed and follow the commitment made by Dr. Brown to promote physical well-being as well as higher education.

As one who has run the Hall of Fame 10K Run, I can attest that the excitement it generates brings the entire City together. It is a celebration and an affirmation of life. It feels wonderful to enable more than 400 people to have this experience—one that will change the lives of many of them. It is an honor for me to join once again the hundreds of joyful people who will run along the Grand Concourse, University Avenue and West 181 Street and to savor the variety of their celebrations. There's no better way to see our Bronx community.

For its entire 19 years, Professor Henry A. Skinner has coordinated the Bronx Community College Hall of Fame 10K race, a healthy competition which brings together runners of all ages from the five boroughs of New York City. He is also the President of Unity and Strength, the organization of minority faculty, staff and administrators of Bronx Community College.

Mr. Speaker, I ask my colleagues to join me in recognizing the individuals and participants who are making the Bronx Community College's 20th annual Hall of Fame 10K Run possible.