

United States House of Representatives  
Committee on Financial Services  
2129 Rayburn House Office Building  
Washington, D.C. 20515

June 17, 2021

## Memorandum

**To:** Members, Committee on Financial Services  
**From:** FSC Majority Staff  
**Subject:** June 23, Full Committee Markup

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The full Committee will convene to mark up the following measures, in an order to be determined by the Chairwoman at 10am on Wednesday, June 23, 2021 and subsequent days if necessary, in a hybrid format in room 2128 of the Rayburn House Office Building as well as on the WebEx platform.

1. **Amendment in the Nature of a Substitute to H.R. 2689, the Minority Business Resiliency Act (Green)**

**Summary:** The bill supersedes Executive Order 11625, which created the original Minority Business Development Agency (MBDA), and codifies the agency into law to promote and administer programs to assist the development and resiliency of minority business enterprises (MBEs). MBEs are defined as firms that are at least 51 percent owned by one or more socially disadvantaged individuals and whose management and daily business operations are controlled by one or more socially disadvantaged individuals. Additionally, this bill establishes business centers in areas that primarily serve rural minority business enterprises. The bill is broken out into four titles – (Title I) Existing Initiatives; (Title II) New Initiatives to Promote Economic Resiliency for Minority Businesses (Title III), Rural Minority Business Center Program; and (Title IV) Administrative and Other Powers of the Agency; Miscellaneous Provisions.

**Background:** In 1969, MBDA was created through Executive Order 11625<sup>1</sup> as an agency within the Department of Commerce and was charged with promoting the establishment and successful operation of minority business enterprises (MBEs), which includes the facilitation of financing, grants and technical services. Despite having a 50-year record of working for communities of color, MBDA does not have a formal authorizing statute, so its ability to assist minority business enterprises is dependent upon the annual appropriations process.

Over the last 10 years, MBEs comprised approximately 50 percent of the two million new businesses started in the United States and created 4.7 million jobs.<sup>2</sup> Currently, there are four million minority-owned companies in the United States with annual sales of close to \$700 billion.<sup>3</sup> However, MBEs face unique and disparate barriers to market entry, including limited access to capital and persistent discrimination when compared to majority-owned firms.<sup>4</sup> Technical assistance provided by MBDA, which includes

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<sup>1</sup> Executive Order 11625, <https://www.archives.gov/federal-register/codification/executive-order/11625.html>

<sup>2</sup> Senate Small Business Committee, “Minority Entrepreneurs” accessed March 23, 2021, <https://www.sbc.senate.gov/public/index.cfm/minorityentrepreneurs>.

<sup>3</sup> Ibid.

<sup>4</sup> Barr, Michael S. Minority and Women Entrepreneurs: Building Capital, Networks, and Skills. Hamilton Project, March 2015 [https://www.brookings.edu/wp-content/uploads/2016/07/minority\\_women\\_entrepreneurs\\_building\\_skills\\_barr.pdf](https://www.brookings.edu/wp-content/uploads/2016/07/minority_women_entrepreneurs_building_skills_barr.pdf).

business consulting, sharing information on capital access programs, facilitating strategic partnerships, and language access, has helped minority-owned businesses navigate funding and other opportunities to alleviate the negative economic impacts of the COVID-19 pandemic on their businesses. Senator Ben Cardin (D-MD) is the lead sponsor and Senator Maria Cantwell (D-WA), Senator Tim Scott (R-SC), and Senator Roger Wicker (R-MS) are original cosponsors to the Senate companion to this bill.

This bill is endorsed by the National Urban League, U.S. Black Chambers (USBC), Small Business Majority, Association Enterprise for Opportunity (AEO), National Asian Pacific Islander American Chamber of Commerce and Entrepreneurship (National ACE), the Page 30 Coalition, and Local Initiatives Support Coalition (LISC).

## **2. Amendment in the Nature of a Substitute to H.R. 3948, The Greater Supervision in Banking (G-SIB) Act (Pressley)**

**Summary:** This bill requires U.S. global systemically important bank holding companies (G-SIBs) to present detailed annual reports to the Board of Governors of the Federal Reserve System. The reports must describe details about the G-SIBs' size and complexity, enforcement actions taken against the G-SIB over the past year, executive and average worker compensation, support for MDIs and CDFIs, steps being taken to reach climate emissions reduction targets, diversity of the G-SIBs' board, and more.

**Background:** Since the 2008 financial crisis, the G-SIBs have all grown in size and complexity. Following the acquisition of E\*Trade by Morgan Stanley in 2020, each of the six largest G-SIBs now have over \$1 trillion in assets. As of December 2020, these six banks held a combined \$12.7 trillion in total assets, which is more than half the total assets held by all 5,001 federally-insured banks.<sup>5</sup> Despite their outsized role in the U.S. economy and their large systemic imprint, the G-SIBs are not required to publicly disclose detailed information about the social impact of their operations or the systemic implications of their investments and profits. For example, although public reporting revealed that Morgan Stanley experienced nearly \$1 billion in trading losses following the collapse of the family office Archegos,<sup>6</sup> Morgan Stanley is not required to publicly release extensive details about their capital market activities. And while each of the G-SIBs have committed to aligning their finances with the goals of the Paris climate agreement and achieving net zero greenhouse gas emissions by 2050, none of them have indicated the interim steps they plan to take to achieve that goal.<sup>7</sup>

In 2019, 2020, and again this year, the CEOs of G-SIBs have testified before the House Financial Services Committee.<sup>8</sup> While these companies are subject to SEC and other reporting requirements, this bill would help provide regular disclosure of the kind of relevant public information the Committee's hearings have compelled. This bill assures greater transparency and accountability for U.S. G-SIBs, which enjoy numerous benefits as federally insured and chartered banking institutions that play a dominant role in our economic landscape. H.R.3948 is supported by Public Citizen, Americans for Financial Reform, National

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<sup>5</sup> House Financial Services Committee hearing entitled, [Holding Megabanks Accountable: An Update on Banking Practices, Programs and Policies](#) (May 27, 2021).

<sup>6</sup> Reuters, [Morgan Stanley reveals \\$911 million Archegos loss as profit jumps](#) (Apr. 16, 2021)

<sup>7</sup> Rainforest Action Network, [An Essay from Banking on Climate Chaos](#), (Apr. 16, 2021).

<sup>8</sup> See House Financial Services Committee hearings entitled [Holding Megabanks Accountable: An Examination of Wells Fargo's Pattern of Consumer Abuses](#) (Mar. 12, 2019); [Holding Megabanks Accountable: A Review of Global Systemically Important Banks 10 years after the Financial Crisis](#) (Apr. 10, 2019); [Holding Wells Fargo Accountable: CEO Perspectives on Next Steps for the Bank that Broke America's Trust](#) (Mar. 10, 2020); [Holding Wells Fargo Accountable: Examining the Role of the Board of Directors in the Bank's Egregious Pattern of Consumer Abuses](#) (Mar. 11, 2020); and [Holding Megabanks Accountable: An Update on Banking Practices, Programs and Policies](#) (May 27, 2021).

Community Reinvestment Coalition, American Economic Liberties Project, Fight Corporate Monopolies, and the California Reinvestment Coalition.

### **3. Amendment in the Nature of a Substitute to H.R. 3958, The Central Liquidity Facility Enhancement Act (Waters)**

**Summary:** This bill would permanently extend enhancements for the National Credit Union Administration's (NCUA) Central Liquidity Facility (CLF) made in the CARES Act. The bill would also require a GAO study to analyze the impact of the enhancements.

**Background:** The CLF provides credit unions with a contingent source of funds to assist credit unions experiencing liquidity shortfalls during individual or system-wide liquidity events, similar to the Federal Reserve's discount window for depository institutions.<sup>9</sup> The CLF also serves as an additional liquidity source for NCUA's Share Insurance Fund, which insures deposits for federally insured credit unions. In light of the severe economic effects of the COVID-19 pandemic, Section 4016 of the CARES Act temporarily expanded access to the CLF for a larger group of credit unions, and increased the CLF's borrowing authority, to help meet liquidity needs in times of distress.<sup>10</sup> Section 4016 increased the CLF's authority to borrow from 12 times to 16 times the CLF's total capital (credit unions are required to contribute capital to the CLF to be a member). The CARES act originally expired at the end of 2020, but was extended to December 31, 2021 through the Consolidated Appropriations Act, 2021 when it is currently set to expire.

Previously, corporate credit unions were excluded from participating in the CLF, and there were 283 consumer credit unions that were members as of April 2020. Following the expansion of CLF that allowed corporate credit unions to participate, allowing their member credit unions to participate through them as an agent member, there are now 4,110 credit unions, or 81 percent of all federally insured credit unions, that have access to the CLF.<sup>11</sup> The CLF's borrowing authority grew to \$36.1 billion, an increase of more than \$25 billion since April 2020. NCUA Chairman Todd Harper testified before the Committee, requesting a permanent extension, "I now respectfully request that these reforms be made permanent to better protect the credit union system from future liquidity events."<sup>12</sup> The National Association of Federal Credit Unions (NAFCU) and Credit Union National Association (CUNA) support the bill as well.<sup>13</sup>

### **4. Amendment in the Nature of a Substitute to H.R. 3968, The Municipal I.D.'s Acceptance Act (Torres)**

**Summary:** This bill directs the federal financial regulators and the Financial Crime Enforcement Network (FinCEN) to update the guidance on the Customer Identification Program (CIP)<sup>14</sup> to clarify that banks may incorporate municipal-issued identification (ID) into the financial institution's risk-based approach.<sup>15</sup>

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<sup>9</sup> NCUA, [Central Liquidity Facility](#) (accessed June 16, 2021)

<sup>10</sup> CRS, [The CARES Act \(P.L. 116-136\): Provisions Designed to Help Banks and Credit Unions](#) (Jan 11, 2021)

<sup>11</sup> [Testimony](#) of the Honorable Todd Harper Chairman, NCUA before the Committee on Financial Services on May 19, 2021.

<sup>12</sup> *Id.*

<sup>13</sup> NAFCU and CUNA letters to the House Financial Services Committee regarding the hearing entitled, [Oversight of Prudential Regulators: Ensuring the Safety, Soundness, Diversity, and Accountability of Depository Institutions](#) (May 19, 2021).

<sup>14</sup> Idology.com, [Customer Identification Program \(CIP\)](#) (Last accessed Jun 17, 2021).

<sup>15</sup> The Fed, FDIC, FinCEN, NCUA, and OCC, [Joint Statement on Risk-Focused Bank Secrecy Act/Anti-Money Laundering Supervision](#) (Jul 22, 2019).

**Background:** The CIP rule requires that financial institutions verify a customer’s identification by collecting mandated information from customers who are opening new accounts.<sup>16</sup> This generally includes government-issued documentation such as a driver’s license and passport, but the rule does not specify exactly which documents may be used.<sup>17</sup> Instead, the CIP rule provides discretion to each institution to design programs and processes appropriate for that institution’s individualized and customer-focused financial crimes risk tolerance (called the “risk-based approach”). The guidance defining these requirements is almost 20 years old.<sup>18</sup>

Since that guidance was issued, municipalities have begun to provide identification to residents who may not have a driver’s license or passport, including those who are elderly, those experiencing homelessness, minors, and immigrants.<sup>19</sup> Using these IDs, millions of residents of cities like Chicago, New York, Oakland, and Detroit can access food and housing assistance, library services, and pet licenses; interact with law enforcement and city services; take advantage of prescription drug benefits; and, where the security behind the particular ID program is sufficient, apply for banking services.<sup>20</sup>

While there is nothing in the CIP rule that prevents financial institutions from accepting municipal IDs as a valid form of ID, banks often do not because they are worried that these are not in compliance with the CIP rule.<sup>21</sup> Regulators have addressed this question at regulator-hosted industry events<sup>22</sup> and in a formal letter,<sup>23</sup> confirming that municipal IDs may be accepted within the bounds of a financial institution’s risk-based approach, but they have not provided formal guidance.

H.R. 3968, which was featured at a Committee hearing on May 27<sup>th</sup>, 2021,<sup>24</sup> directs the appropriate regulators to update the guidance to affirm their existing, unofficial policy that municipal IDs can be accepted for identification purposes. This bill would help provide certainty for financial institutions regarding any legal risks with using such IDs, and in so doing, help expand banking access for those who are currently unbanked or underbanked.

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<sup>16</sup> Boston Alliance for Economic Inclusion and FDIC, [Five Things You Should Know About... Customer Identification Program](#) (Feb 2012).

<sup>17</sup> *Id.*

<sup>18</sup> FinCEN, the Fed, FDIC, NCUA, [FAQs: Final CIP Rule](#) (Apr 28, 2005); FinCEN, the Fed, FDIC, NCUA, OCC, OTS, and Treasury, [FAQs: Final CIP Rule](#) (Apr 28, 2005)

<sup>19</sup> The Center for Popular Democracy, [Building Identity: A Toolkit for Designing and Implementing a Successful Municipal ID Program](#) (Nov 2015)

<sup>20</sup> GovTech.com, [Municipal ID Card Programs Take Hold in U.S. Cities](#) (Mar 2019).

<sup>21</sup> New York Times, M Corkery & J Silver-Greenberg, [Banks Reject New York City IDs, Leaving ‘Unbanked’ on Sidelines](#) (Dec. 23, 2015).

<sup>22</sup> Transcript, FDIC-hosted event, [Economic Inclusion Summit Strategies to Bring Consumers Into the Financial Mainstream 2017, Panel on "Insights from Research"](#) (Apr 26, 2017).

<sup>23</sup> New York Times, M Corkery & J Silver-Greenberg, [Banks Reject New York City IDs, Leaving ‘Unbanked’ on Sidelines](#) (Dec. 23, 2015).

<sup>24</sup> House Financial Services Committee hearing entitled, [Holding Megabanks Accountable: An Update on Banking Practices, Programs and Policies](#) (May 27, 2021).

**Appendix A:** Section-by-Section for ANS to H.R. 3968, The Municipal I.D.'s Acceptance Act (Torres)

**Section 1. Short title.**

- This section establishes the short title of the bill as the “Municipal IDs Acceptance Act”.

**Section 2. Findings.**

- This section details the reasons the federal financial regulators and FinCEN should update the guidance on the Customer Identification Program (CIP) rule to affirmatively state that municipal identifications can be an acceptable form of identification, should a financial institution choose to incorporate them into their risk-based programs.

**Section 3. Updating Guidance On Customer Identification Regulations.**

- This section requires the federal financial regulators and FinCEN to update the 2004 guidance on the CIP to state that an identification card issued by a municipality may be used by a bank to verify the identity of a customer if such identification card enables the bank to form a reasonable belief that the bank knows the true identity of the customer.

**Appendix B:** Section-by-Section for ANS to H.R. 3958, Central Liquidity Facility Enhancement Act (Waters)

Section 1. Short title.

- This section establishes the short title of the bill as the "Central Liquidity Facility Enhancement Act"

Section 2. Permanent Extension of Certain Enhancements.

- This section amends section 4016 of the CARES Act as well as the Federal Credit Union Act to eliminate the sunset of the enhancements to NCUA's Credit Liquidity Facility initially authorized in the CARES Act, and subsequently extended to December 31, 2021. The effect would be to permanently extend the CLF enhancements, including expanding access by allowing corporate credit unions to participate and serve as an agent member for other credit unions, and expanding support capacity by allowing CLF to borrow 16 times its total capital, compared to 12 times.

Section 3. GAO Study.

- This section requires the Government Accountability Office (GAO) to conduct a study on the impact of the CLF enhancements made by the CARES Act and extended by Section 2 of this legislation. The GAO is required to issue a report within 1 year to Congress with findings and any administrative or legislative recommendations to improve the effectiveness of the CLF.

**Appendix C:** Section-by-Section for ANS to H.R. 3948, The Greater Supervision in Banking (G-SIB) Act (Pressley)

**Section 1. Short title.**

- This section establishes the short title of the bill as The Greater Supervision in Banking (G-SIB) Act

**Section 2. GSIB annual reports:** This section requires each of the firms defined as G-SIBs under the Bank Holding Company Act to compile an annual report to the Board of Governors of the Federal Reserve System, which must be made publicly available via the Board's website. The report must contain a description of:

- The company's size, complexity, and relationship with any subsidiary business lines
- The number and geographic distribution of branches for each of the firms' subsidiary depository institutions
- A list of enforcement actions taken against the company, including quantitative data about the employees, consumers, and investors harmed, and corrective actions taken by the company in response.
- Information about the company's capital market activities, including trading losses and profits.
- Information about forced arbitration clauses used by the company in contracts with consumers, employees, investors, and contractors.
- Information about the company's compensation policies, including a comparison of the executive compensation to the median wage earned by employee's, information about the minimum wage paid by the firm, as well as a description of how these policies are intended to promote accountability among the firm's executives.
- An accounting of the diversity of the company's board of directors and senior executive team.
- A description of the company's approach to cybersecurity and data protection.
- A list of whistleblower and ethics complaints filed against the company.
- A detailed description of the company's actions on climate risk, including any goals to align the company's financing with the targets of the Paris climate agreement, interim steps taken to achieve those goals, reliance on offsets to achieve those targets, and projections about the estimated impact of 3 degrees Celsius warming above pre-industrial levels.
- Information about the company's environmental and racial justice impact, including financing for deforestation or mining on indigenous lands.
- Information about the company's investments in minority depository institutions and community financial development institutions
- A detailed description of any merger or acquisition (M&A) completed by the company over the past year, including the impact of the M&A activity on branch closures, regional market concentration, company size and complexity, and regional share of deposits.

## **Appendix D:** Section-by-Section for ANS to H.R. 2689, the Minority Business Resiliency Act (Green)

### Section 1. Short title.

- This section establishes the short title of the bill as the “Minority Business Resiliency Act of 2021”

### Section 2. Findings.

- This section details the challenges of minority business enterprises (MBEs) and describes the purpose of the Act as to promoting programs in the public and private sectors to assist the development of MBEs.

### Section 3. Definitions

- This section provides various definitions.

### Section 4. Minority Business Development Agency.

- This section appoints an Assistant Secretary of Commerce for Minority Business Development, details reporting duties for the Agency, establishes an Office of Business Centers within the Agency, and establishes regional offices.

## **Title I – Existing Initiatives**

### Subtitle A—Market Development, Research, and Information

#### Section 101. Private Sector Development.

- This section directs the Assistant Secretary to make available to MBEs (either directly or in cooperation with the private sector) resources related to management, technological assistance, and financial and marketing services. The Assistant Secretary may also encourage joint ventures between different MBEs, as well as between MBEs and other parts of the private sector.

#### Section 102. Public Sector Development.

- This section directs the Assistant Secretary to consult with other public sector entities, and their leaders, to establish or enhance programming for MBEs and facilitate the efforts of the public sector and Federal agencies to advance the growth of MBEs.

#### Section 103. Research and Information.

- This section consolidates national information and data about MBEs by directing the Assistant Secretary to:
  - Collect and analyze data about MBEs;
  - Perform evaluations of programs created in the private and public sector intended to help MBEs; and
  - Establish and maintain a database for the collection and dissemination of demographic, economic, financial, managerial, and technical data relating to MBEs.

### Subtitle B—Minority Business Development Agency Business Centers Program

#### Section 110. Definitions

- This section defines “MBDA Business Center Program”.

#### Section 111. Purpose



- This section describes the purpose of the MBDA Business Center Program.

#### Section 112. Establishment

- This section formally establishes the MBDA Business Center Program.

#### Section 113. Grants and cooperative agreements.

- This section provides criteria for selection of Minority Business Development Centers and provides details for maintaining cooperative agreements, including: a minimum cooperative agreement amount of \$250,000 (or additional amounts at the discretion of the Assistant Secretary); agreement terms of three years with an option to extend; a 1/3 non-Federal matching requirement; and provides application requirements and notification timeline.

#### Section 114. Minimizing disruptions to existing MBDA Business Center program.

- This section requires that Assistant Secretary shall ensure that each Federal assistance award made under the Business Centers program of the Agency, as is in effect on the day before the date of enactment of this Act to prevent disruption of exiting Business Centers.

#### Section 115. Publicity.

- This section requires the Agency to widely publicize the MBDA Business Center Program.

#### Section 116. Funding.

- This section requires the Assistant Secretary to use at least 50 percent of the amount made available to carry out this Act in each of fiscal years 2021 through 2024 to carry out the MBDA Business Center Program.

### **Title II – New Initiatives to Promote Economic Resiliency for Minority Businesses.**

#### Section 201. Annual Diverse Business Forum on Capital Formation.

- This section instructs the MBDA to create an annual government-business forum within 18 months of the enactment of the Act focused on MBEs. Participants will include other Federal Agencies, such as the Department of Treasury, as well as minority business organizations. The MBDA must transmit the proceedings and findings of the forum to its participants, Congress, and the public. Federal agencies involved must also review the findings and recommendations and produce a public statement on any that directly relate to their agencies (statements may be joint).

#### Section 202. Agency Study on Alternative Financing Solutions.

- Directs the Assistant Secretary to study and publicly produce a report on opportunities for providing alternative financing solutions to MBEs.

#### Section 203. Educational Development Relating to Management and Entrepreneurship.

- Increases MBDA's direct impact by allowing the Assistant Secretary to promote and provide assistance to accredited colleges and universities, leaders in business and industry, and other public and private sector entities to help them provide entrepreneurial development training to minority business owners as well as internship, scholarship, and fellowship opportunities relating to business for minorities. The Assistant Secretary may also sponsor seminars, conferences, and similar activities relating to business for minorities. This section also establishes the Parren J. Mitchell Entrepreneurship Education Grants Program, authorizing the Assistant Secretary to give grants to historically black colleges and universities (HBCUs) and minority serving institutions

(MSIs) in order to help them start entrepreneurship curriculums. MBDA shall report annually on the program.

### **Title III – Rural Minority Businesses**

#### **Section 301. Definitions**

- This section defines provides definitions for Title III.

#### **Section 302. Business Centers**

- This section directs the Assistant Secretary to establish not more than 10 rural business centers that primarily serve rural minority business enterprises or MBE's that are located within 50 miles from an MBDA center and establish partnerships with a MBDC. The partnership must be 3 years, with the opportunity for extension. This section also directs, within 90 days of this Act's enactment, the Assistant Secretary to issue a Notice of Funding Opportunity requesting applications from eligible rural business centers who wish to enter into MBDA Rural Business Center agreements with the Assistant Secretary.

#### **Section 303. Report to Congress.**

- This section directs that, within one year of the enactment of this Act, the Assistant Secretary must submit a report to the appropriate committees that summarizes their efforts to provide services to minority business enterprises located in States that lack an MBDA center and provide recommendations for extending outreach of the agency to underserved agencies.

#### **Section 304. Study and Report.**

- This section directs the Assistant Secretary, in coordination with relevant Agency leadership within the Commerce Department and outside of the Commerce, to conduct study that addresses the ways in which minority business enterprises can meet gaps in the supply chain of the United States, with a particular focus on the supply chain of advanced manufacturing and essential goods and services. The Assistant Secretary must submit their findings along with recommendations on how improve effectiveness in a report to the appropriate congressional committees not later than one year after the enactment of this Act.

### **Title IV – Minority Business Development Grants**

#### **Section 401. Grants to Nonprofit Organization that Support Minority Business Enterprises.**

- This section directs the Administrator to establish a grant program that makes grants to private nonprofit organizations that provide services to minority business enterprises. These grants are intended to help these nonprofit organizations continue supporting minority business enterprises. The grant program must be established not later than 60 days after the enactment of this Act. This section also directs the Assistant Secretary to establish procedures to ensure that grants are being administered in a manner that prevents waste, fraud and other abuses. The Inspector General of the Department of Commerce shall conduct an audit of grants made under this section and submit to Congress a report detailing their findings. Additionally, the Assistant Secretary is directed to submit to Congress the number of grants administered and include the geographic distribution of those grants by state and county no later than 180 after the enactment of this Act and every 30 days thereafter.

#### Section 402. Minority Business Grants.

- This section allows the Assistant Secretary to award grants to minority business enterprises. The purpose of these grants is incentivize minority business enterprises to either grow or remain in business.

### **Title V – Administrative and Other Powers of the Administration; Miscellaneous Provisions.**

#### Section 501. Administrative Powers.

- This section gives the Assistant Secretary the power to adopt and use a seal for the administration, hold hearings, acquire property, make advance payments to awardees, enter into agreements with other Federal agencies, donate property, and determine rules, regulations, and procedures as necessary to carry out the Act. The Assistant Secretary is also authorized to hire experts and consultants, as authorized under section 3109 of title five of the United States Code.

#### Section 502. Federal Assistance.

- This section allows the Assistant Secretary to provide financial assistance to carry out sections 201 (private sector development), 202 (public sector development), and 203(a) (research) of the Act in the form of contracts, grants, or cooperative agreements. Within 120 days before the first day of each fiscal year, MBDA must broadly publish a statement outlining the financial assistance that will or may be available the following fiscal year. This statement must include:
  - the actual, or anticipated, amount of federal assistance that will, or may, be made available;
  - the types of federal assistance that will, or may, be made available;
  - the manner in which federal assistance will be allocated among public sector entities and private sector entities, as applicable; and
  - the methodology used by the Assistant Secretary to make allocations under the above bullet.

The section also directs the Assistant Secretary to consult with both public sector entities and private sector entities to decide the amounts and types of federal assistance to make available and publicize all available opportunities for aforementioned federal assistance.

#### Section 503. Audits.

- This section directs recipients of MBDA financial assistance to keep records with respect to the assistance received, including:
  - the amount and nature of that assistance;
  - how the assistance was spent;
  - the total cost of the undertaking for which the assistance is given or used;
  - the amount and nature of the portion of the cost of the undertaking described above that is supplied by a source other than the administration; and
  - any other records that will facilitate an effective audit of the assistance.

#### Section 504. Review and report by Comptroller General.

- This section directs the Government Accountability Office (GAO) to conduct a review of the programs carried out under this Act and submit it and its recommendations to Congress not later than 4 years after the enactment of the Act.

#### Section 505. Annual Reports; Recommendations.

- This section directs the Assistant Secretary to submit to Congress and publish on MBDA's website an annual report on its activities not later than 90 days after the last day of the fiscal year. The

Assistant Secretary shall also periodically submit to Congress and the President recommendations for legislation or other actions that the Assistant Secretary determines to be necessary or appropriate to promote the purposes of this Act.

Section 506. Separability.

- This section ensures that, in the event that a court invalidates any one part of this Act, the entire MBDA is not invalidated.

Section 507. Executive Order 11625.

- This section establishes that bill supersedes Executive Order 11625.

Section 508. Amendment to the Federal Acquisition Streamlining Act of 1994.

- This section is a conforming amendment to change the mention of the “Director” of the MBDA in the Federal Acquisition Streamlining Act of 1994 to the “Assistant Secretary of Commerce for Minority Business Development.”

Section 509. Authorization of Appropriations.

- This section authorizes \$100,000,000 to the Assistant Secretary for each of the fiscal years 2021, and each fiscal year thereafter to carry out this Act.