

117TH CONGRESS
1ST SESSION

H. R. 3323

To strengthen the ability of the Federal Home Loan Bank system to provide critical financing to address the economic crisis caused by the COVID–19 and to meet the short- and long-term housing and community economic development needs of low-income communities, including Tribal communities, and for other purposes.

IN THE HOUSE OF REPRESENTATIVES

MAY 18, 2021

Mr. TORRES of New York introduced the following bill; which was referred to the Committee on Financial Services, and in addition to the Committees on Ways and Means, and Small Business, for a period to be subsequently determined by the Speaker, in each case for consideration of such provisions as fall within the jurisdiction of the committee concerned

A BILL

To strengthen the ability of the Federal Home Loan Bank system to provide critical financing to address the economic crisis caused by the COVID–19 and to meet the short- and long-term housing and community economic development needs of low-income communities, including Tribal communities, 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,*

1 **SECTION 1. SHORT TITLE.**

2 This Act may be cited as the “Federal Home Loan
3 Banks’ Mission Implementation Act”.

4 **SEC. 2. PURPOSE.**

5 The purpose of this Act is to promote economic recov-
6 ery in response to the COVID–19 pandemic and to meet
7 the short- and long-term housing and community eco-
8 nomic development needs of low-income communities, in-
9 cluding Tribal communities, by—

10 (1) increasing the ability of the Federal Home
11 Loan Banks to accept, as collateral, small business
12 loans guaranteed by the Small Business Administra-
13 tion;

14 (2) authorizing the Federal Home Loan Banks
15 to accept government guaranteed loans as collateral
16 to support COVID–19 programs;

17 (3) allowing community development financial
18 institutions and credit unions to pledge community
19 financial institution collateral, such as small busi-
20 ness, small agriculture, and community development
21 loans, and enable the Federal Housing Finance
22 Agency to raise the threshold for qualification as a
23 community financial institution;

24 (4) providing letters of credit to provide liquid-
25 ity, and support, stabilize and strengthen local, Trib-
26 al, State and Federal governmental entities public

1 unit deposits, housing and community development
2 efforts, and vital public financing;

3 (5) increasing funding for the Affordable Hous-
4 ing Program established by each Federal Home
5 Loan Bank under section 10(j) of the Federal Home
6 Loan Bank Act (12 U.S.C. 1430(j)) and establishing
7 a 2-percent set aside for Native American Tribes;
8 and

9 (6) creating a community economic development
10 investment program within the Federal Home Loan
11 Bank system to generate financial opportunity, cre-
12 ate jobs, and stimulate economic development in dis-
13 tressed urban, rural, Tribal, and suburban commu-
14 nities in the United States.

15 **SEC. 3. FHLB ADVANCES SECURED BY SBA LOANS.**

16 Section 7 of the Small Business Act (15 U.S.C. 636)
17 is amended by adding at the end the following:

18 “(o) FEDERAL HOME LOAN BANK ADVANCES.—

19 “(1) DEFINITION OF BANK.—In this sub-
20 section, the term ‘Bank’ means a Federal Home
21 Loan Bank, as defined in section 2 of the Federal
22 Home Loan Bank Act (12 U.S.C. 1422).

23 “(2) ADVANCES.—A Bank that, in the exercise
24 of its authority under section 10 of the Federal
25 Home Loan Bank Act (12 U.S.C. 1430) to make se-

1 cured advances, accepts as collateral a loan guaran-
2 teed by the Administration under this Act or any
3 other provision of law, including loans guaranteed
4 under section 7(a)—

5 “(A) may exercise all of the rights and
6 remedies contained in any pledge or similar se-
7 curity agreement between the Bank and the
8 lending or participating institution that made
9 or purchased the loan; and

10 “(B) in the event of default on the loan,
11 shall possess the same rights and remedies as
12 such a lending or participating institution
13 would possess in the same circumstance, includ-
14 ing collecting monies due on the guarantee di-
15 rectly from the Administration.

16 “(3) TRANSFER OF GUARANTEE.—With respect
17 to a guaranteed loan that a Bank accepts as collat-
18 eral under paragraph (2), the guarantee obligation
19 of the Administration on the loan shall transfer to
20 the Bank.”.

1 **SEC. 4. MAKING GOVERNMENT GUARANTEED LOANS IN RE-**
2 **SPONSE TO THE COVID-19 CRISIS ELIGIBLE**
3 **COLLATERAL FOR THE FEDERAL HOME LOAN**
4 **BANKS.**

5 Section 10(a)(3) of the Federal Home Loan Bank
6 Act (12 U.S.C. 1430(a)(3)) is amended by adding at the
7 end the following:

8 “(F) Loans guaranteed or insured by the
9 United States Government or any agency there-
10 of and made by any member under programs or
11 facilities established by the Secretary of the
12 Treasury or the Board of Governors of the Fed-
13 eral Reserve System under the CARES Act
14 (Public Law 116–136) or other similar pro-
15 grams or facilities in subsequently enacted Acts
16 to address the impact to the economy from the
17 COVID–19 crisis, including other similar pro-
18 grams or facilities established under section
19 13(3) of the Federal Reserve Act (12 U.S.C.
20 343(3)).

21 “(G) Loans guaranteed by the Small Busi-
22 ness Administration under the Small Business
23 Act (15 U.S.C. 631 et seq.) or any other provi-
24 sion of law.”.

1 **SEC. 5. ADDING CREDIT UNIONS TO THE DEFINITION OF**
2 **COMMUNITY FINANCIAL INSTITUTIONS AND**
3 **EXPANDING THE PURPOSES OF ADVANCES**
4 **AND COLLATERAL AVAILABLE TO CERTAIN**
5 **COMMUNITY DEVELOPMENT FINANCIAL IN-**
6 **STITUTIONS.**

7 (a) IN GENERAL.—Section 10(a) of the Federal
8 Home Loan Bank Act (12 U.S.C. 1430(a)) is amended—

9 (1) in paragraph (2)(B), by inserting “or quali-
10 fying community development financial institution”
11 after “community financial institution”; and

12 (2) in paragraph (3)(E), by inserting “or quali-
13 fying community development financial institution”
14 after “community financial institution”.

15 (b) DEFINITIONS.—Section 2 of the Federal Home
16 Loan Bank Act (12 U.S.C. 1422) is amended—

17 (1) in paragraph (10)—

18 (A) by striking “INSTITUTION.—” and all
19 that follows through “The term” and inserting
20 “INSTITUTION.—The term”;

21 (B) by striking subparagraph (B);

22 (C) by redesignating clauses (i) and (ii) as
23 subparagraphs (A) and (B), respectively, and
24 adjusting the margins accordingly;

25 (D) in subparagraph (A), as so redesign-
26 nated, by inserting “(12 U.S.C. 1811 et seq.)

1 or the Federal Credit Union Act (12 U.S.C.
2 1751 et seq.)” before the semicolon; and

3 (E) in subparagraph (B), as so redesign-
4 nated, by striking “\$1,000,000,000” and insert-
5 ing “assets at a level set by the Agency, but not
6 more than \$10,000,000,000”; and

7 (2) by adding at the end the following:

8 “(13) QUALIFYING COMMUNITY DEVELOPMENT
9 FINANCIAL INSTITUTION.—The term ‘qualifying
10 community development financial institution’ means
11 an entity that—

12 “(A) has been certified as a community de-
13 velopment financial institution (as such term is
14 defined in section 103 of the Riegle Community
15 Development and Regulatory Improvement Act
16 of 1994 (12 U.S.C. 4702) by the Secretary of
17 the Treasury; and

18 “(B) satisfies the average total assets
19 threshold requirement for a community finan-
20 cial institution set forth in paragraph (10).”.

21 **SEC. 6. STANDBY LETTERS OF CREDIT.**

22 The Federal Home Loan Bank Act (12 U.S.C. 1421
23 et seq.) is amended—

1 (1) in section 2 (12 U.S.C. 1422), as amended
2 by section 5 of this Act, is amended by adding at
3 the end the following:

4 “(14) EMPLOYEE- OR COMMUNITY-OWNED COM-
5 PANY.—The term ‘employee- or community-owned
6 company’ means—

7 “(A) an organization described in section
8 1381 of the Internal Revenue Code of 1986;

9 “(B) an eligible worker-owned cooperative,
10 as defined in section 1042(c)(2) of the Internal
11 Revenue Code of 1986; and

12 “(C) an employee stock ownership plan, as
13 defined in section 4975(e)(7) of the Internal
14 Revenue Code of 1986, which meets the re-
15 quirements of section 409 of such Code.”; and

16 (2) in section 11 (12 U.S.C. 1431), by adding
17 at the end the following:

18 “(m) STANDBY LETTERS OF CREDIT.—

19 “(1) IN GENERAL.—Each Federal Home Loan
20 Bank is authorized to issue and confirm standby let-
21 ters of credit, secured by collateral eligible to secure
22 advances, to support any activity permitted under
23 law or regulation applicable to the member or non-
24 member mortgagee eligible to receive advances under
25 section 10b, subject to safety and soundness over-

1 sight, including the purposes described in paragraph
2 (2).

3 “(2) PURPOSES.—Each Bank is authorized to
4 issue or confirm on behalf of members or non-mem-
5 ber mortgagees standby letters of credit that comply
6 with the requirements of this subsection for any of
7 the following purposes:

8 “(A) To assist members or non-member
9 mortgagees in facilitating residential housing fi-
10 nance.

11 “(B) To assist members or non-member
12 mortgagees in facilitating community lending.

13 “(C) To assist members or non-member
14 mortgagees with asset or liability management.

15 “(D) To provide members or non-member
16 mortgagees with liquidity or other funding.

17 “(E) To assist members in facilitating
18 business retention or facilitating business tran-
19 sition to employee- or community-owned compa-
20 nies or assisting those companies.”.

21 **SEC. 7. LETTERS OF CREDIT ON TAX EXEMPT BONDS.**

22 (a) IN GENERAL.—Clause (iv) of section
23 149(b)(3)(A) of the Internal Revenue Code of 1986 is
24 amended by striking “a bond during the period beginning
25 on the date of the enactment of this clause and ending

1 on December 31, 2010” and inserting “a municipal bond
2 (as defined in section 75(b)(1)) on or after the date of
3 enactment of the Federal Home Loan Banks’ Mission Im-
4 plementation Act”.

5 (b) SAFETY AND SOUNDNESS REQUIREMENTS.—
6 Subparagraph (E) of section 149(b)(3) of the Internal
7 Revenue Code of 1986 is amended by striking “which are
8 at least” and all that follows through the period and in-
9 serting “as are established by the Director of the Federal
10 Housing Finance Agency from time to time.”.

11 (c) EFFECTIVE DATE.—The amendments made by
12 this section shall apply to guarantees made after the date
13 of enactment of this Act.

14 (d) SUNSET.—Effective on the date that is 2 years
15 after the date on which the Federal Emergency Manage-
16 ment Agency terminates the emergency declared on March
17 13, 2020 by the President under the Robert T. Stafford
18 Disaster Relief and Emergency Assistance Act (42 U.S.C.
19 4121 et seq.) relating to the Coronavirus Disease 2019
20 (COVID–19) pandemic, section 149(b)(3) of the Internal
21 Revenue Code of 1986 is amended—

22 (1) in subparagraph (A)(iv), by striking “a mu-
23 nicipal bond (as defined in section 75(b)(1)) on or
24 after the date of enactment of the Federal Home
25 Loan Banks’ Mission Implementation Act” and in-

1 serting “a bond during the period beginning on the
2 date of the enactment of this clause and ending on
3 December 31, 2010”; and

4 (2) in subparagraph (E), by striking “as are es-
5 tablished by the Director of the Federal Housing Fi-
6 nance Agency from time to time” and inserting
7 “which are at least as stringent as such require-
8 ments which apply under regulations applicable to
9 such guarantees by Federal home loan banks as in
10 effect on April 9, 2008”.

11 **SEC. 8. AFFORDABLE HOUSING PROGRAM.**

12 (a) IN GENERAL.—Section 10 of the Federal Home
13 Loan Bank Act (12 U.S.C. 1430) is amended—

14 (1) in subsection (j)—

15 (A) in paragraph (3)—

16 (i) in the matter preceding subpara-
17 graph (A), by striking “such as the fol-
18 lowing:” and inserting “such as—”;

19 (ii) in subparagraph (A)—

20 (I) by inserting “the” before
21 “purchase”; and

22 (II) by striking the comma at the
23 end and inserting a semicolon;

24 (iii) in subparagraph (B)—

1 (I) by inserting “the” before
2 “purchase”; and

3 (II) by striking “and” at the end;
4 (iv) in subparagraph (C)—

5 (I) by inserting “the” before
6 “purchase”; and

7 (II) by striking the period at the
8 end and inserting a semicolon; and

9 (v) by adding at the end the following:

10 “(D) the purchase or rehabilitation of
11 housing financed by a community land trust;
12 and

13 “(E) the purchase or rehabilitation of
14 housing in qualified manufactured home com-
15 munities owned by nonprofit organizations or
16 the residents.”; and

17 (B) in paragraph (5)(C)—

18 (i) by striking “10” and inserting
19 “20”;

20 (ii) by striking “100,000,000” and in-
21 serting “200,000,000”; and

22 (iii) by adding at the end the fol-
23 lowing: “Of such contribution, an amount
24 equal to not less than 2 percent of 20 per-
25 cent of the preceding year’s net income

1 shall be used to support subsidized grants
2 or advances through the Affordable Hous-
3 ing Program benefitting federally recog-
4 nized Indian Tribes and communities,
5 which includes awards outside of the dis-
6 trict of a Bank.”.

7 (b) DEFINITIONS.—Section 2 of the Federal Home
8 Loan Bank Act (12 U.S.C. 1422), as amended by section
9 6 of this Act, is amended by adding at the end the fol-
10 lowing:

11 “(16) MANUFACTURED HOME.—The term
12 ‘manufactured home’ has the meaning given the
13 term in section 603 of the National Manufactured
14 Housing Construction and Safety Standards Act of
15 1974 (42 U.S.C. 5402).

16 “(17) QUALIFIED MANUFACTURED HOME COM-
17 MUNITY.—

18 “(A) IN GENERAL.—The term ‘qualified
19 manufactured home community’ means—

20 “(i) a cooperative controlled by resi-
21 dents or a nonprofit or municipal housing
22 corporation established pursuant to the
23 laws of the State in which the property
24 used as a manufactured home community
25 is located; and

1 “(ii)(I) in the case of a community
2 owned by a cooperative corporation or
3 membership nonprofit, with membership
4 interests that are sold on a non-appre-
5 ciating basis, has only 1 class of member-
6 ship consisting solely of residents and
7 homeowners that occupy a home in that
8 manufactured home community; or

9 “(II) in the case of a community
10 owned by a nonprofit corporation—

11 “(aa) the nonprofit exists for the
12 purposes of preserving and improving
13 affordable housing and is primarily
14 for residential purposes; and

15 “(bb) the intent of the nonprofit
16 in acquiring the community is for the
17 purposes of preserving and improving
18 the manufactured home community.

19 “(B) GOVERNANCE.—An entity shall not
20 be treated as a qualified manufactured home
21 community unless governance of the entity is
22 carried out by members elected to a board of
23 directors with voting structured equitably
24 among all members.”.

1 (c) TECHNICAL AND CONFORMING AMENDMENTS.—
2 Section 10 of the Federal Home Loan Bank Act (12
3 U.S.C. 1430) is amended—

4 (1) in subsection (c), by striking “Federal home
5 loan bank” and inserting “Federal Home Loan
6 Bank”;

7 (2) in subsection (h)(2), by striking “section
8 10(a) of this Act” and inserting “subsection (a)”;
9 and

10 (3) in subsection (j)—

11 (A) in paragraph (2), in the matter pre-
12 ceding subparagraph (A), by striking “Board’s
13 regulations” and inserting “regulations promul-
14 gated by the Director”;

15 (B) in paragraph (6)—

16 (i) in subparagraph (A), by striking
17 “this paragraph” and inserting “paragraph
18 (5)”;

19 (ii) in subparagraph (C), in the sec-
20 ond sentence, by striking “Board’s deci-
21 sion” and inserting “decision of the Direc-
22 tor”; and

23 (iii) in subparagraph (F), by inserting
24 “NOTIFICATION.—” before “The Direc-
25 tor”;

1 (C) in paragraph (8), in the matter pre-
 2 ceding subparagraph (A), by striking “para-
 3 graph” and inserting “subsection”;

4 (D) in paragraph (12)—

5 (i) in subparagraph (A), by inserting
 6 “IN GENERAL.—” before “The Director”;

7 and

8 (ii) in subparagraph (B), by inserting
 9 “ANALYSES.—” before “The analyses”;

10 and

11 (E) in paragraph (13), in the matter pre-
 12 ceding subparagraph (A), by striking “sub-
 13 section—” and inserting “subsection.”.

14 **SEC. 9. COMMUNITY INVESTMENT CASH ADVANCE AND**
 15 **COMMUNITY ECONOMIC DEVELOPMENT PRO-**
 16 **GRAM.**

17 (a) IN GENERAL.—Section 10 of the Federal Home
 18 Loan Bank Act (12 U.S.C. 1430) is amended by inserting
 19 after subsection (e) the following:

20 “(f) COMMUNITY INVESTMENT CASH ADVANCE AND
 21 COMMUNITY ECONOMIC DEVELOPMENT PROGRAM.—

22 “(1) IN GENERAL.—Pursuant to regulations
 23 promulgated by the Director, each Bank—

24 “(A) may establish community investment
 25 cash advance programs to provide financing for

1 members or nonmember mortgagees eligible to
2 receive advances under section 10b to provide
3 projects targeted to certain economic develop-
4 ment activities and specific beneficiaries, includ-
5 ing certain geographic areas and at certain tar-
6 geted income levels established by the Bank
7 with the prior approval of Director; and

8 “(B) shall provide targeted community eco-
9 nomic development grants and lending.

10 “(2) MIXED-USE PROJECTS.—With respect to a
11 project funded under a program established under
12 this subsection involving a combination of housing
13 projects and economic development projects, only the
14 economic development components of the project
15 shall be required to meet the appropriate targeted
16 income level for the program.

17 “(3) PRICING AND AVAILABILITY OF AD-
18 VANCES.—A Bank shall price advances to members
19 under this subsection as provided in section 1266.5
20 of title 12, Code of Federal Regulations, or any suc-
21 cessor regulation, and may price such advances at
22 rates below the price of advances of similar amounts,
23 maturities, and terms made pursuant to subsection
24 (a).

1 “(4) ADVANCES TO NON-MEMBER MORTGAGEES
2 ELIGIBLE TO RECEIVE ADVANCES.—

3 “(A) IN GENERAL.—A Bank may offer ad-
4 vances under a program established under this
5 subsection to non-member mortgagees eligible
6 to receive advances under subsection (b) at the
7 Bank’s option.

8 “(B) PRICING.—A Bank shall price ad-
9 vances under this paragraph to non-member
10 mortgagees eligible to receive advances under
11 section 10b as provided in section 1266.17 of
12 title 12, Code of Federal Regulations, or any
13 successor regulation, and may price such ad-
14 vances at rates below the price of advances of
15 similar amounts, maturities, and terms made
16 pursuant to section 10b.

17 “(5) PRICING PASS-THROUGH.—A Bank may
18 require that borrowers receiving advances made
19 under a program established under this subsection
20 pass through the benefit of any price reduction from
21 regular advance pricing to borrowers of the Bank.

22 “(6) DISCOUNT FUND.—

23 “(A) IN GENERAL.—A Bank may establish
24 a discount fund that the Bank may use to re-
25 duce the price of advances made under a pro-

1 gram established under this subsection below
2 the advance prices provided for by part 1292 of
3 title 12, Code of Federal Regulations, or any
4 successor regulation.

5 “(B) FAIR DISTRIBUTION SCHEME.—Price
6 reductions made through a discount fund under
7 subparagraph (A) shall be made in accordance
8 with a fair distribution scheme.

9 “(7) COMMUNITY ECONOMIC DEVELOPING
10 GRANTS AND LENDING.—

11 “(A) DEFINITIONS.—In this paragraph:

12 “(i) ELIGIBLE ENTITY.—The term ‘el-
13 igible entity’ means—

14 “(I) a locally owned nonprofit or-
15 ganization described in section
16 501(c)(3) of the Internal Revenue
17 Code of 1986 and exempt from tax-
18 ation under section 501(a) of such
19 Code or a community development
20 corporation—

21 “(aa) that has experience in
22 developing and managing eco-
23 nomic development projects;

24 “(bb) that is governed by a
25 board of directors consisting of

1 residents of the community and
2 business and civic leaders; and

3 “(cc) the principal purpose
4 of which is to plan, develop, or
5 manage low-income housing or
6 community development projects;

7 “(II) a non-depository commu-
8 nity development financial institution,
9 as defined in section 103 of the Riegle
10 Community Development and Regu-
11 latory Improvement Act of 1994 (12
12 U.S.C. 4702), that is certified by the
13 Community Development Financial
14 Institutions Fund under section
15 1805.201 of title 12, Code of Federal
16 Regulations, or any successor regula-
17 tion;

18 “(III) a federally recognized In-
19 dian Tribe or community; or

20 “(IV) a regional or national non-
21 profit community development or co-
22 operative development intermediary.

23 “(ii) LOW-INCOME COMMUNITY.—The
24 term ‘low-income community’ has the

1 meaning given the term in section 45D(e)
2 of the Internal Revenue Code of 1986.

3 “(iii) RURAL COMMUNITY.—The term
4 ‘rural community’ means a city, town, or
5 Census Designated Place with a population
6 of not more than 20,000, according to the
7 most recent decennial census conducted by
8 the Bureau of the Census.

9 “(iv) VERY LOW-INCOME HOUSE-
10 HOLD.—The term ‘very low-income house-
11 hold’ means a household with an income
12 that is not greater than 50 percent of the
13 area median income.

14 “(B) REQUIREMENT.—Each Bank shall
15 establish a program to provide grants or sub-
16 sidize the interest rate on advances to members
17 engaged in lending to eligible entities for eco-
18 nomic development activities that serve low-in-
19 come or rural communities.

20 “(C) USE OF FUNDS.—The entire amount
21 of a grant or subsidized advance provided under
22 this paragraph—

23 “(i) shall benefit the communities as-
24 sisted by the recipient of the grant or sub-
25 sidized advance;

1 “(ii) shall not be used for the purpose
2 of financial education or to support a
3 sports stadium or arena; and

4 “(iii) shall provide at least 2 percent
5 of grants or advance funds to benefit fed-
6 erally recognized Indian Tribes or commu-
7 nities, which may include a Bank providing
8 grants or advance funds outside of the dis-
9 trict of the Bank.

10 “(D) ELIGIBLE ACTIVITIES.—Economic
11 development activities that are eligible to be
12 carried out under this paragraph include—

13 “(i) providing grants and equity in-
14 vestments, including those that capitalize a
15 revolving loan fund of a Treasury-certified
16 non-depository community development fi-
17 nancial institution for eligible economic de-
18 velopment activities similar to the author-
19 ity provided within the Affordable Housing
20 Program under subsection (j);

21 “(ii) providing awards consistent with
22 awards provided under section 680 of the
23 Community Block Grant Act (42 U.S.C.
24 9921);

1 “(iii) financing business transitions to
2 worker-owned cooperatives or financing the
3 sales of business assets to employees or
4 community stakeholders that preserve jobs
5 in low- and moderate-income communities;

6 “(iv) financing capital expenditures,
7 such as the purchase of equipment or real
8 property for nonprofit organizations, in-
9 cluding child care or health care facilities
10 in low-income communities, that provide
11 service to low-income households;

12 “(v) financing operating expenses for
13 nonprofit community development organi-
14 zations engaged in community economic
15 development activities benefitting very low-
16 income households;

17 “(vi) water, road, broadband, clean
18 energy, or municipal infrastructure invest-
19 ments, including investments to address
20 climate change, in Native American tribal
21 lands and economically distressed rural
22 communities;

23 “(vii) providing community facilities
24 or infrastructure, including public transit,
25 green space consisting of parks with trees

1 and shrubbery, heat-reflecting road and
2 sidewalk upgrades, tornado shelters, public
3 restrooms, or environmental cooling loca-
4 tions accessible to the public in low-income
5 communities; and

6 “(viii) any other activity established
7 by the Director in consultation with Con-
8 gress, the Federal Home Loan Banks and
9 their housing advisory councils, and the
10 public.

11 “(E) PRIORITIES FOR MAKING GRANTS
12 AND ADVANCES.—In using amounts provided
13 under this paragraph, each Bank member shall
14 give priority to qualified projects such as—

15 “(i) grants or advances for mixed-use
16 housing developments that provide eco-
17 nomic activity and affordable housing for
18 low-income and rural communities;

19 “(ii) grants or advances for child care
20 facilities that serve low-income households;

21 “(iii) grants or advances for programs
22 that provide economic opportunities for
23 formerly incarcerated individuals;

24 “(iv) grants or advances that enable
25 conversion to employee- or community-

1 owned companies or financing the sales of
2 business assets to employees or community
3 stakeholders;

4 “(v) grants or advances to established
5 regional and national intermediary organi-
6 zations that already receive Federal funds
7 and have the capacity to deliver economic
8 development activities to low-income house-
9 holds; and

10 “(vi) any other priority established by
11 the Agency in consultation with the Banks,
12 Bank members, housing advisory councils
13 of the Banks, Congress, and the public.

14 “(F) REQUIREMENTS FOR PROJECTS IN
15 RURAL COMMUNITIES.—With respect to a
16 project carried out by an eligible entity in a
17 rural community under this paragraph—

18 “(i) not less than 51 percent of the
19 population served by the project shall re-
20 side in the rural community;

21 “(ii) the projects shall primarily serve
22 and benefit rural residents and commu-
23 nities; and

24 “(iii) the rural community shall be
25 within the jurisdiction of the eligible entity.

1 “(G) REPORT.—Each member receiving a
2 grant or advance under this paragraph shall re-
3 port annually to the Bank making the grant or
4 advance concerning the use by the member of
5 the grant or advance.

6 “(H) CONTRIBUTION TO PROGRAM.—Each
7 Bank shall annually contribute 10 percent of
8 the preceding year’s net income, or such pro-
9 rated sums as may be required to ensure that
10 the aggregate contribution of the Banks shall
11 not be less than \$100,000,000 for each such
12 year, to support grants and subsidized advances
13 made under this paragraph.”.

○