

109TH CONGRESS
2^D SESSION

H. R. 6062

AN ACT

To enhance community development investments by financial institutions, 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 “Community Develop-
3 ment Investment Enhancements Act of 2006”.

4 **SEC. 2. ENHANCING THE AUTHORITY FOR NATIONAL**
5 **BANKS TO MAKE COMMUNITY DEVELOPMENT**
6 **INVESTMENTS.**

7 (a) NATIONAL BANKS.—The last sentence in the
8 paragraph designated as the “Eleventh.” of section 5136
9 of the Revised Statutes of the United States (12 U.S.C.
10 24) is amended—

11 (1) by striking “10 percent” each place such
12 term appears and inserting “15 percent”; and

13 (2) by adding at the end the following new sen-
14 tence: “The preceding standards and limitations
15 apply to each investment under this paragraph made
16 by a national bank directly and by its subsidiaries.”.

17 (b) STATE MEMBER BANKS.—The last sentence of
18 the 23rd undesignated paragraph of section 9 of the Fed-
19 eral Reserve Act (12 U.S.C. 338a) is amended—

20 (1) by striking “10 percent” each place such
21 term appears and inserting “15 percent”; and

22 (2) by adding at the end the following new sen-
23 tence: “The preceding standards and limitations
24 apply to each investment under this paragraph made
25 by a State member bank directly and by its subsidi-
26 aries.”.

1 **SEC. 3. INVESTMENTS BY FEDERAL SAVINGS ASSOCIA-**
2 **TIONS AUTHORIZED TO PROMOTE THE PUB-**
3 **LIC WELFARE.**

4 (a) IN GENERAL.—Section 5(c)(3) of the Home Own-
5 ers' Loan Act (12 U.S.C. 1464(c)) is amended by adding
6 at the end the following new subparagraph:

7 “(D) DIRECT INVESTMENTS TO PROMOTE
8 THE PUBLIC WELFARE.—

9 “(i) IN GENERAL.—A Federal savings
10 association may make investments de-
11 signed primarily to promote the public wel-
12 fare, including the welfare of low- and
13 moderate-income communities or families
14 through the provision of housing, services,
15 and jobs.

16 “(ii) DIRECT INVESTMENTS OR ACQUI-
17 SITION OF INTEREST IN OTHER COMPA-
18 NIES.—Investments under clause (i) may
19 be made directly or by purchasing interests
20 in an entity primarily engaged in making
21 such investments.

22 “(iii) PROHIBITION ON UNLIMITED LI-
23 ABILITY.—No investment may be made
24 under this subparagraph which would sub-
25 ject a Federal savings association to unlim-
26 ited liability to any person.

1 “(iv) SINGLE INVESTMENT LIMITA-
2 TION TO BE ESTABLISHED BY DIREC-
3 TOR.—Subject to clauses (v) and (vi), the
4 Director shall establish, by order or regula-
5 tion, limits on—

6 “(I) the amount any savings as-
7 sociation may invest in any 1 project;
8 and

9 “(II) the aggregate amount of in-
10 vestment of any savings association
11 under this subparagraph.

12 “(v) FLEXIBLE AGGREGATE INVEST-
13 MENT LIMITATION.—The aggregate
14 amount of investments of any savings asso-
15 ciation under this subparagraph may not
16 exceed an amount equal to the sum of 5
17 percent of the savings association’s capital
18 stock actually paid in and unimpaired and
19 5 percent of the savings association’s
20 unimpaired surplus, unless—

21 “(I) the Director determines that
22 the savings association is adequately
23 capitalized; and

24 “(II) the Director determines, by
25 order, that the aggregate amount of

1 investments in a higher amount than
2 the limit under this clause will pose
3 no significant risk to the affected de-
4 posit insurance fund.

5 “(vi) MAXIMUM AGGREGATE INVEST-
6 MENT LIMITATION.—Notwithstanding
7 clause (v), the aggregate amount of invest-
8 ments of any savings association under
9 this subparagraph may not exceed an
10 amount equal to the sum of 15 percent of
11 the savings association’s capital stock actu-
12 ally paid in and unimpaired and 15 per-
13 cent of the savings association’s
14 unimpaired surplus.

15 “(vii) INVESTMENTS NOT SUBJECT TO
16 OTHER LIMITATION ON QUALITY OF IN-
17 VESTMENTS.—No obligation a Federal sav-
18 ings association acquires or retains under
19 this subparagraph shall be taken into ac-
20 count for purposes of the limitation con-
21 tained in section 28(d) of the Federal De-
22 posit Insurance Act on the acquisition and
23 retention of any corporate debt security
24 not of investment grade.

1 “(viii) APPLICABILITY OF STANDARDS
2 TO EACH INVESTMENT.—The standards
3 and limitations of this subparagraph shall
4 apply to each investment under this sub-
5 paragraph made by a savings association
6 directly and by its subsidiaries.”.

7 (b) TECHNICAL AND CONFORMING AMENDMENTS.—
8 Section 5(c)(3)(A) of the Home Owners’ Loan Act (12
9 U.S.C. 1464(c)(3)(A)) is amended to read as follows:

10 “(A) [Repealed]”.

 Passed the House of Representatives September 27,
2006.

Attest:

Clerk.

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