

112TH CONGRESS  
1ST SESSION

# H. R. 2807

To transfer unobligated and repaid funds from the Small Business Lending Fund Program to the Community Development Financial Institutions Fund to continue the program of making capital investments in eligible community development financial institutions in order to increase the availability of credit for small businesses, and for other purposes.

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## IN THE HOUSE OF REPRESENTATIVES

AUGUST 5, 2011

Mr. RICHMOND (for himself and Ms. CLARKE of New York) introduced the following bill; which was referred to the Committee on Financial Services

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## A BILL

To transfer unobligated and repaid funds from the Small Business Lending Fund Program to the Community Development Financial Institutions Fund to continue the program of making capital investments in eligible community development financial institutions in order to increase the availability of credit for small businesses, 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. SHORT TITLE.**

4        This Act may be cited as the “Small Business Lend-  
5        ing to Entrepreneurs for Growth in Underserved Popu-

1 lations Act of 2011” or the “Small Business Leg-Up Act  
2 of 2011”.

3 **SEC. 2. FINDINGS.**

4 The Congress finds the following:

5 (1) Families and small businesses in under-  
6 served areas have for generations been unable to ac-  
7 cess affordable credit.

8 (2) The financial crisis of 2008 only served to  
9 exacerbate efforts by entrepreneurs to access capital  
10 for the purpose of creating jobs and improving eco-  
11 nomic outcomes in the community.

12 (3) Small business investments revitalize com-  
13 munities by creating jobs but also contributing to  
14 the local tax base, which helps finance investments  
15 in schools, hospitals, infrastructure, and public safe-  
16 ty.

17 (4) The Community Development Financial In-  
18 stitutions Fund is well placed to make careful, tar-  
19 geted investments in community development finan-  
20 cial institutions for the purposes of improving eco-  
21 nomic outcomes for underserved families across  
22 America.

23 (5) Providing the Community Development Fi-  
24 nancial Institutions Fund with a robust capital infu-  
25 sion will make efficient use of taxpayer dollars, by

1       leveraging Federal investment for the purpose of  
2       small business lending.

3   **SEC. 3. TRANSFER OF FUNDS FROM SMALL BUSINESS**  
4                   **LENDING FUND TO THE CDFI FUND.**

5       (a) UNOBLIGATED FUNDS.—On the date of the expi-  
6       ration of the investment authority described under section  
7       4109(a) of the Small Business Jobs Act of 2010, the Sec-  
8       retary shall transfer all unobligated funds in the Small  
9       Business Lending Fund to the Community Development  
10      Financial Institutions Fund.

11      (b) PROCEEDS.—Section 4103(b)(3) of the Small  
12      Business Jobs Act of 2010 is amended to read as follows:

13           “(3) PROCEEDS TRANSFERRED TO CDFI  
14      FUND.—All funds received by the Secretary in con-  
15      nection with purchases made pursuant to paragraph  
16      (1), including principal, interest payments, dividend  
17      payments, and proceeds from the sale of any finan-  
18      cial instrument, shall be transferred to the Commu-  
19      nity Development Financial Institutions Fund.”.

20   **SEC. 4. SMALL BUSINESS CAPITAL INVESTMENT PROGRAM.**

21      (a) IN GENERAL.—The Riegle Community Develop-  
22      ment and Regulatory Improvement Act of 1994 is amend-  
23      ed by adding after section 108 the following new section:

1 **“SEC. 108A. SMALL BUSINESS CAPITAL INVESTMENT PRO-**  
2 **GRAM TO INCREASE CREDIT AVAILABILITY**  
3 **FOR SMALL BUSINESSES.**

4 “(a) SMALL BUSINESS REVOLVING LOAN PRO-  
5 GRAM.—

6 “(1) IN GENERAL.—Using amounts described  
7 under subsection (b), the Administrator shall carry  
8 out a Small Business Capital Investment Program  
9 (‘Program’) to make capital investments in eligible  
10 community development financial institutions in  
11 order to increase the availability of credit for small  
12 businesses.

13 “(2) STRUCTURE OF THE PROGRAM.—To the  
14 extent practicable, the Administrator shall carry out  
15 the Program in the same manner as the Small Busi-  
16 ness Lending Fund Program authorized under sec-  
17 tion 4103(a)(2) of the Small Business Jobs Act of  
18 2010, except that—

19 “(A) all funds received by the Adminis-  
20 trator in connection with purchases made under  
21 the Program, including principal, interest pay-  
22 ments, dividend payments, and proceeds from  
23 the sale of any financial instrument, shall be  
24 deposited into the Fund;

25 “(B) eligible community development fi-  
26 nancial institutions may apply to receive a cap-

1           ital investment from the Fund in an amount  
2           not exceeding 10 percent of total assets, or such  
3           other percentage as the Administrator deter-  
4           mines to be appropriate; and

5           “(C) the authority to make capital invest-  
6           ments in eligible community development finan-  
7           cial institutions shall continue so long as  
8           amounts described under subsection (b) are  
9           available to make such investments.

10          “(b) FUNDING.—

11           “(1) IN GENERAL.—Notwithstanding any other  
12           provision of this Act, amounts deposited into the  
13           Fund pursuant to section 4(a) of the Small Business  
14           Leg-Up Act of 2011, section 4103(b)(3) of the  
15           Small Business Jobs Act of 2010, or subsection  
16           (a)(2)(A) shall only be available to carry out the  
17           Program established under subsection (a).

18           “(2) ADMINISTRATION COSTS.—Interest pay-  
19           ments received under subsection (a)(2)(A) may be  
20           used to pay for the administrative costs of carrying  
21           out the Program.

22           “(3) AUTHORIZATION OF APPROPRIATIONS.—  
23           There is authorized to be appropriated to the Ad-  
24           ministrator \$4,000,000 to carry out the Program.

1       “(c) RULEMAKING.—The Administrator may issue  
2 such regulations as the Administrator determines to be ap-  
3 propriate to carry out this section.

4       “(d) ELIGIBLE COMMUNITY DEVELOPMENT FINAN-  
5 CIAL INSTITUTION DEFINED .—For purposes of this sec-  
6 tion, the term ‘eligible community development financial  
7 institution’ means a community development financial in-  
8 stitution with assets of \$10,000,000,000 or less, as re-  
9 ported in audited financial statements.”.

10       (b) TECHNICAL AMENDMENT.—The table of contents  
11 for the Riegle Community Development and Regulatory  
12 Improvement Act of 1994 is amended by inserting after  
13 the item relating to section 108 the following new item:

“108A. Small Business Capital Investment Program to increase credit avail-  
ability for small businesses.”.

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