

115TH CONGRESS  
1ST SESSION

# S. 2191

To promote investments in renewable energy and consumer loans for residential solar energy systems.

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IN THE SENATE OF THE UNITED STATES

DECEMBER 4, 2017

Mr. NELSON introduced the following bill; which was read twice and referred to the Committee on Banking, Housing, and Urban Affairs

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## A BILL

To promote investments in renewable energy and consumer loans for residential solar energy systems.

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 “Green Banking Act”.

5 **SEC. 2. DEFINITIONS.**

6 In this Act—

7 (1) the term “joint resolution of approval”

8 means only a joint resolution of either House of

9 Congress—

1 (A) the title of which is as follows: “Ap-  
 2 proving the permanent extension of section 3 of  
 3 the Green Banking Act relating to the special  
 4 allowance for financial institutions investing in  
 5 renewable energy companies.”; and

6 (B) the sole matter after the resolving  
 7 clause of which is the following : “Congress ap-  
 8 proves the permanent extension of section 3 of  
 9 the Green Banking Act effective as of  
 10 \_\_\_\_\_.”, with the blank space  
 11 being filled with a date that is not more than  
 12 25 years after the date of enactment of this  
 13 Act; and

14 (2) the term “qualified renewable energy activi-  
 15 ties” means—

16 (A) the production of solar energy systems,  
 17 as defined in section 2(a) of the National Hous-  
 18 ing Act (12 U.S.C. 1703(a)), in the United  
 19 States; or

20 (B) the production or storage of energy  
 21 within the United States that is solely derived  
 22 from—

- 23 (i) solar radiation;
- 24 (ii) wind;
- 25 (iii) ocean thermal gradients;

- 1 (iv) ocean currents and waves;
- 2 (v) hydropower;
- 3 (vi) the photovoltaic effect (as defined
- 4 in section 3 of the Solar Photovoltaic En-
- 5 ergy Research, Development, and Dem-
- 6 onstration Act of 1978 (42 U.S.C. 5582));
- 7 (vii) geothermal deposits (as defined
- 8 in section 613(e) of the Internal Revenue
- 9 Code of 1986);
- 10 (viii) biomass (as defined in section
- 11 203 of the Biomass Energy and Alcohol
- 12 Fuels Act of 1980 (42 U.S.C. 8802)); or
- 13 (ix) fusion (as defined in section 3 of
- 14 the Magnetic Fusion Energy Engineering
- 15 Act of 1980 (42 U.S.C. 9302)); and
- 16 (C) does not include any activity that fa-
- 17 cilitates the production, use, transmission, or
- 18 transportation of energy derived from fossil
- 19 fuels.

20 **SEC. 3. SPECIAL ALLOWANCE FOR FINANCIAL INSTITU-**

21 **TIONS INVESTING IN RENEWABLE ENERGY**

22 **COMPANIES.**

23 (a) INTERESTS IN NONBANKING ORGANIZATIONS.—

1           (1) IN GENERAL.—Section 4 of the Bank Hold-  
2           ing Company Act of 1956 (12 U.S.C. 1843) is  
3           amended—

4                   (A) in subsection (c)—

5                           (i) in paragraph (13), by striking “or”  
6                           at the end;

7                           (ii) by redesignating paragraph (14)  
8                           as paragraph (15); and

9                           (iii) by inserting after paragraph (13)  
10                          the following:

11                       “(14) shares of any company engaged solely in  
12                       qualified renewable energy activities if such shares  
13                       do not exceed 20 per centum of the outstanding vot-  
14                       ing shares of such company; or”; and

15                   (B) in subsection (j)—

16                           (i) in paragraph (1)(A), by inserting  
17                           “, (c)(14),” after “(c)(8)”;

18                           (ii) in paragraph (2), by striking sub-  
19                           paragraph (A) and inserting the following:

20                           “(A) CRITERIA.—

21                                   “(i) IN GENERAL.—In connection with  
22                                   a notice under this subsection, the Board  
23                                   shall consider whether performance of the  
24                                   activity by a bank holding company or a  
25                                   subsidiary of such company can reasonably

1 be expected to produce benefits to the pub-  
2 lic, such as greater convenience, increased  
3 competition, or gains in efficiency, that  
4 outweigh possible adverse effects, such as  
5 undue concentration of resources, de-  
6 creased or unfair competition, conflicts of  
7 interests, unsound banking practices, or  
8 risk to the stability of the United States  
9 banking or financial system.

10 “(ii) ADDITIONAL CRITERIA.—In con-  
11 nection with a notice related to an exemp-  
12 tion under subsection (c)(14), the Board  
13 shall, in addition to the criteria listed  
14 under clause (i), consider whether perform-  
15 ance of the activity by a bank holding com-  
16 pany or a subsidiary of such company can  
17 reasonably be expected to produce a posi-  
18 tive outcome for environmental protection,  
19 ecological sustainability, or technology ad-  
20 vancement.”;

21 (iii) in paragraph (4)—

22 (I) in subparagraph (C)(i), by in-  
23 serting “or (c)(14)” after “(c)(8)”;  
24 and

1 (II) in subparagraph (D)(i), by  
 2 inserting “(determined without regard  
 3 to 50 percent of the value of any asset  
 4 acquired under subsection (c)(14))”  
 5 before the period at the end; and  
 6 (iv) in paragraph (5)(A), by inserting  
 7 “or (c)(14)” after “(c)(8)”.

8 (2) TECHNICAL AND CONFORMING AMEND-  
 9 MENT.—Section 206 of the Bank Export Services  
 10 Act (12 U.S.C. 635a–4) is amended, in the matter  
 11 preceding paragraph (1), by striking “section  
 12 4(c)(14)(F)(i)” and inserting “section  
 13 4(c)(15)(F)(i)”.

14 (3) SUNSET.—The amendments made under  
 15 this section shall not apply after the date that is 30  
 16 years after the date of enactment of this Act unless  
 17 Congress enacts a joint resolution of approval.

18 **SEC. 4. UNDERWRITING STANDARDS FOR RESIDENTIAL**  
 19 **SOLAR.**

20 Section 1335 of the Federal Housing Enterprises Fi-  
 21 nancial Safety and Soundness Act of 1992 (12 U.S.C.  
 22 4565(b)) is amended—

23 (1) in subsection (b)—

1 (A) paragraph (3), in the matter following  
2 subparagraph (B), by striking “and” at the  
3 end;

4 (B) in paragraph (4), by striking the pe-  
5 riod at the end and inserting “; and”; and

6 (C) by adding at the end the following:

7 “(5) develop appropriate and prudent under-  
8 writing guidelines relating to financing for residen-  
9 tial solar energy systems, as defined in section 2(a)  
10 of the National Housing Act (12 U.S.C. 1703(a)), to  
11 facilitate the secondary market for mortgages on  
12 housing with such systems for low- and moderate-in-  
13 come households, including systems not owned by  
14 the mortgagor but subject to lease, power purchase,  
15 or other contractual terms.”; and

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

17 “(e) REPORT TO CONGRESS.—

18 “(1) REVIEW.—

19 “(A) IN GENERAL.—The Director shall  
20 conduct a review to identify ways to increase  
21 the financing for residential solar energy system  
22 property improvements in underserved markets,  
23 including examining current obstacles to such  
24 financing.

1           “(B) CONSULTATION.—In conducting the  
2 review under subparagraph (A), the Director  
3 shall solicit the views of, and consult with—

4                   “(i) Federal agencies supporting hous-  
5                   ing finance and financial markets;

6                   “(ii) representatives of State financial  
7                   regulators; and

8                   “(iii) appropriate Federal and State  
9                   energy agencies.

10           “(2) REPORT.—Not later than 18 months after  
11 the date of enactment of this subsection, the Direc-  
12 tor shall submit to the Committee on Banking,  
13 Housing, and Urban Affairs of the Senate and the  
14 Committee on Financial Services of the House of  
15 Representatives a report with—

16                   “(A) the results of the review conducted  
17                   under paragraph (1); and

18                   “(B) any legislative recommendations to  
19                   promote greater use of residential solar energy  
20                   systems.”.

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