119TH CONGRESS
1st Session

HOUSE OF REPRESENTATIVES

REPORT
119–205

ADVANCING THE MENTOR-PROTÉGÉ PROGRAM FOR SMALL FINANCIAL INSTITUTIONS ACT

JULY 15, 2025.—Committed to the Committee of the Whole House on the State of the Union and ordered to be printed

Mr. HILL of Arkansas, from the Committee on Financial Services, submitted the following

R E P O R T

[To accompany H.R. 3709]

The Committee on Financial Services, to whom was referred the bill (H.R. 3709) to amend the Financial Institutions Reform, Recovery, and Enforcement Act of 1989 to establish a Financial Agent Mentor-Protégé Program within the Department of the Treasury, and for other purposes, having considered the same, reports favorably thereon with an amendment and recommends that the bill as amended do pass.

CONTENTS

The amendment is as follows:

Strike all after the enacting clause and insert the following:

59–006

SECTION 1. SHORT TITLE.

This Act may be cited as the "Advancing the Mentor-Protégé Program for Small Financial Institutions Act".

SEC. 2. ESTABLISHMENT OF FINANCIAL AGENT MENTOR-PROTÉGÉ PROGRAM.

(a) IN GENERAL.—Section 308 of the Financial Institutions Reform, Recovery, and Enforcement Act of 1989 (12 U.S.C. 1463 note) is amended by adding at the end the following new subsection:

"(d) FINANCIAL AGENT MENTOR-PROTÉGÉ PROGRAM.—

"(1) IN GENERAL.—The Secretary of the Treasury shall establish a program to be known as the 'Financial Agent Mentor-Protégé Program' (in this subsection referred to as the 'Program') under which a financial agent designated by the Secretary or a large financial institution may serve as a mentor, under guidance or regulations prescribed by the Secretary, to a small financial institution to allow such small financial institution—

"(A) to be prepared to perform as a financial agent; or

"(B) to improve capacity to provide services to the customers of the small financial institution.

"(2) OUTREACH.—The Secretary shall hold outreach events to promote the participation of financial agents, large financial institutions, and small financial institutions in the Program at least once a year.

"(3) EXCLUSION.—The Secretary shall issue guidance or regulations to establish a process under which a financial agent, large financial institution, or small financial institution may be excluded from participation in the Program.

"(4) REPORT.—The Office of Minority and Women Inclusion of the Department of the Treasury shall include in the report submitted to Congress under section 342(e) of the Dodd-Frank Wall Street Reform and Consumer Protection Act information pertaining to the Program, including—

"(A) the number of financial agents, large financial institutions, and small financial institutions participating in such Program; and

"(B) the number of outreach events described in paragraph (2) held during the year covered by such report.

"(5) DEFINITIONS.—In this subsection:

"(A) FINANCIAL AGENT.—The term 'financial agent' means any national banking association designated by the Secretary of the Treasury to be employed as a financial agent of the Government.

"(B) LARGE FINANCIAL INSTITUTION.—The term 'large financial institution' means any entity regulated by the Comptroller of the Currency, the Board of Governors of the Federal Reserve System, the Federal Deposit Insurance Corporation, or the National Credit Union Administration that has total consolidated assets greater than or equal to $50,000,000,000.

"(C) RURAL DEPOSITORY INSTITUTION.—The term 'rural depository institution' means a depository institution (as defined in section 3 of the Federal Deposit Insurance Act)—

"(i) with total consolidated assets of less than $10,000,000,000; and

"(ii) located in a rural area, as defined under section 1026.35(b)(2)(iv)(A) of title 12, Code of Federal Regulations.

"(D) SMALL FINANCIAL INSTITUTION.—The term 'small financial institution' means—

"(i) any entity regulated by the Comptroller of the Currency, the Board of Governors of the Federal Reserve System, the Federal Deposit Insurance Corporation, or the National Credit Union Administration that has total consolidated assets lesser than or equal to $2,000,000,000;

"(ii) a minority depository institution; or

"(iii) a rural depository institution.".

(b) EFFECTIVE DATE.—This Act and the amendment made by this Act shall take effect 90 days after the date of the enactment of this Act.

PURPOSE AND SUMMARY

H.R. 3709, the *Advancing the Mentor-Protégé Program for Small Financial Institutions Act*, was introduced on June 4, 2025, by Representative Joyce Beatty (OH–03). H.R. 3709 directs the Department of the Treasury to establish a mentor-protégé program that pairs large financial institutions with small, rural, and minority depository institutions. The goal is to enhance the capacity of these smaller institutions to serve their customers and potentially act as financial agents.

BACKGROUND AND NEED FOR LEGISLATION

The Treasury Department's current mentor-protégé program, established in 2018, connects the largest banks in the country with the smallest financial institutions.[1]

This voluntary program fosters relationships between small and large banks by expanding the pool of financial agents. Large banks partner with smaller institutions to provide managerial and technical support, helping them strengthen their balance sheets and improve customer services. Areas of support may include credit card partnerships, access to capital markets, equity investments, loan participations, and opportunities related to U.S. Treasury contracts.

COMMITTEE CONSIDERATION

119TH CONGRESS

On June 4, 2025, Representative Beatty introduced H.R. 3709, the Advancing the *Mentor-Protégé Program for Small Financial Institutions Act*. The bill was referred solely to the Committee on Financial Services. The bill was attached to the June 5, 2025, hearing titled "Framework for the Future: Reviewing Data Privacy in Today's Financial System."

On June 10, 2025, the Committee on Financial Services met in open session to consider, among others, H.R. 3709. The Committee ordered H.R. 3709, as amended, to be reported favorably to the House of Representatives.

118TH CONGRESS

On February 29, 2024, Representative Beatty introduced H.R. 7483, the *Expanding Opportunity for Minority Depository Institutions Act*, with Representatives André Carson (D–IN), Troy Carter (D–LA), Emanuel Cleaver (D–MO), Sylvia Garcia (D–TX), Al Green (D–TX), Sheila Jackson Lee (D–TX), Hank Johnson (D–GA), Barbara Lee (D–CA), Eleanor Holmes Norton (D–DC), Stacey Plaskett (D–VI), Delia Ramirez (D–IL), Jill Tokuda (D–HI), Bonnie Watson Coleman (D–NJ), and Nikema Williams (D–GA) as original cosponsors. Representative Gregory Meeks (D–NY) was added subsequently as a cosponsor. This bill is an earlier iteration of H.R. 3709. The bill was referred solely to the Committee on Financial Services.

117TH CONGRESS

On June 7, 2022, Representative Beatty introduced H.R. 7953, the *Expanding Opportunities for Minority Depository Institutions Act*. This bill is an earlier iteration of H.R. 3709. The bill was referred solely to the Committee on Financial Services.

[1] U.S. Dep't of the Treasury, Bureau of the Fiscal Service, Treasury Bank Mentor-Protégé Program, https://fiscal.treasury.gov/treasury-bank-mentor-protege-program/.

116TH CONGRESS

On December 5, 2019, Representative Beatty introduced H.R. 5315, the *Expanding Opportunity for Minority Depository Institutions Act*, with Representatives Meeks, Denny Heck (D–WA), Green, and Cleaver as original cosponsors. Representative David Scott (D–GA) was added subsequently as a cosponsor. This bill is an earlier iteration of H.R. 3709. The bill was referred solely to the Committee on Financial Services. On December 11, 2019, the Committee on Financial Services ordered H.R. 5315 to be favorably reported to the House of Representatives by a recorded vote of 57 yeas and 0 nays. On January 13, 2020, the House suspended the rules and passed H.R. 5315 by voice vote. It was received in the Senate and referred to the Senate Committee on Banking, Housing, and Urban Affairs.

RELATED HEARINGS

Pursuant to clause 3(c)(6) of rule XIII of the Rules of the House of Representatives, the following hearing was used to develop H.R. 3709:

The Financial Institutions Subcommittee of the Committee on Financial Services held a June 5, 2025, hearing titled "Framework for the Future: Reviewing Data Privacy in Today's Financial System." A discussion draft version of the bill was attached to the hearing. The following witnesses testified at the hearing: Mr. Scott Talbott, Executive Vice President, Electronic Transactions Association; Mr. Andrew Morris, Director of Innovation and Technology, America's Credit Unions; Ms. Rebecca Kuehn, Partner, Hudson Cook, LLP; Ms. Jennnifer Huddleston, Fellow in Technology Policy, Cato Institute; and Ms. Zoe Strickland, Senior Fellow, Future of Privacy Forum.

COMMITTEE VOTES

Clause 3(b) of rule XIII of the Rules of the House of Representatives requires the Committee Report to include for each record vote on a motion to report the measure or matter and on any amendments offered to the measure or matter the total number of votes for and against and the names of the Members voting for On June 10, 2025, the Committee ordered H.R. 3709, as amended, to be reported favorably to the House by a recorded vote of 50 yeas and 1 nay, a quorum being present. (Record Vote No. FC–141).

Before the question to report was called, the Committee adopted an amendment in the nature of a substitute, designated Beatty_013, which made minor edits and technical changes, offered by Representative Beatty. The amendment was adopted by voice vote, a quorum being present.

Committee on Financial Services

Markup 5
June 10, 2025

Bill: **H.R. 3709**
Measure: **H.R. 3709 (as amended)**
Amdt.

Record Vote No.
FC-141

Motion: **to report favorably**
Disposition: **AGREED TO (50-1)**

Member	Yea	Nay	Not Voting	Member	Yea	Nay	Not Voting
Chairman Hill	X			Ranking Member Waters	X		
Mr. Lucas	X			Ms. Velázquez	X		
Mr. Sessions	X			Mr. Sherman	X		
Mr. Huizenga	X			Mr. Meeks	X		
Mrs. Wagner	X			Mr. Scott	X		
Mr. Barr	X			Mr. Lynch	X		
Mr. Williams (TX)	X			Mr. Green (TX)	X		
Mr. Emmer	X			Mr. Cleaver	X		
Mr. Loudermilk	X			Mr. Himes	X		
Mr. Davidson	X			Mr. Foster	X		
Mr. Rose	X			Mrs. Beatty			X
Mr. Steil	X			Mr. Vargas	X		
Mr. Timmons	X			Mr. Gottheimer			X
Mr. Stutzman	X			Mr. Gonzalez	X		
Mr. Norman		X		Mr. Casten	X		
Mr. Meuser	X			Ms. Pressley	X		
Mrs. Kim	X			Ms. Tlaib	X		
Mr. Donalds	X			Mr. Torres (NY)	X		
Mr. Garbarino	X			Ms. Garcia (TX)	X		
Mr. Fitzgerald	X			Ms. Williams of GA	X		
Mr. Flood	X			Ms. Pettersen	X		
Mr. Lawler	X			Mr. Fields	X		
Ms. De La Cruz	X			Ms. Bynum			X
Mr. Ogles	X			Mr. Liccardo	X		
Mr. Nunn	X						
Mrs. McClain	X						
Ms. Salazar	X						
Mr. Downing	X						
Mr. Haridopolos	X						
Mr. Moore (NC)	X						
	29	**1**	**0**		**21**	**0**	**3**

Committee Totals:	Yeas	Nays	Not Voting
	50	**1**	**3**

COMMITTEE OVERSIGHT FINDINGS

Pursuant to clause 3(c) of rule XIII of the Rules of the House of Representatives, the findings and recommendations of the Committee, based on oversight activities under clause 2(b)(1) of rule X of the Rules of the House of Representatives, are incorporated in the descriptive portions of this report.

PERFORMANCE GOALS AND OBJECTIVES

Pursuant to clause 3(c)(4) of rule XIII of the Rules of the House of Representatives, the goal of H.R. 3709 is to establish a mentor-protégé program pairing large financial institutions with small, rural, and minority depository institutions to enhance their capacity to serve customers.

COMMITTEE COST ESTIMATE

Clause 3(d)(1) of rule XIII of the Rules of the House of Representatives requires an estimate and a comparison of the costs that would be incurred in carrying out H.R. 3709. The Committee has requested but not received a cost estimate from the Director of the Congressional Budget Office. However, pursuant to clause 3(d)(1) of rule XIII of the Rules of the House of Representatives, the Committee will adopt as its own the cost estimate by the Director of the Congressional Budget Office once it has been prepared.

NEW BUDGET AUTHORITY AND CBO COST ESTIMATE

With respect to the requirements of clause 3(c)(2) of rule XIII of the Rules of the House of Representatives and section 308(a) of the *Congressional Budget Act of 1974* and with respect to requirements of clause 3(c)(3) of rule XIII of the Rules of the House of Representatives and section 402 of the *Congressional Budget Act of 1974*, a cost estimate was not made available to the Committee in time for the filing of this report. The Chairman of the Committee shall cause such estimate to be printed in the Congressional Record upon its receipt by the Committee.

UNFUNDED MANDATES STATEMENT

The Committee has requested but not received from the Director of the Congressional Budget Office an estimate of the Federal mandates pursuant to section 423 of the *Unfunded Mandates Reform Act*. The Committee will adopt the estimate once it has been prepared by the Director.

EARMARK STATEMENT

With respect to clause 9 of rule XXI of the Rules of the House of Representatives, the Committee has carefully reviewed the provisions of the resolution and states that the provisions of the bill do not contain any congressional earmarks, limited tax benefits, or limited tariff benefits within the meaning of the rule.

FEDERAL ADVISORY COMMITTEE ACT STATEMENT

No advisory committees within the meaning of section 5(b) of the *Federal Advisory Committee Act* were created by this legislation.

APPLICABILITY TO THE LEGISLATIVE BRANCH

The Committee finds that the legislation does not relate to the terms and conditions of employment or access to public services or accommodations within the meaning of section 102(b)(3) of the *Congressional Accountability Act*.

DUPLICATION OF FEDERAL PROGRAMS

Pursuant to clause 3(c)(5) of rule XIII of the Rules of the House of Representatives, the Committee states that no provision of the bill establishes or reauthorizes a program of the Federal Government known to be duplicative of another Federal program, including any program that was included in a report to Congress pursuant to section 21 of the Public Law 111–139 or the most recent Catalog of Federal Domestic Assistance.

SECTION-BY-SECTION ANALYSIS OF THE LEGISLATION

Section 1. Short title

Section 1 provides the short title is the "Advancing the Mentor-Protégé Program for Small Financial Institutions Act."

Section 2. Establishment of Financial Agent Mentor-Protégé Program

Section 2 amends Section 308 of the *Financial Institutions Reform, Recovery, and Enforcement Act of 1989* to establish the Financial Agent Mentor-Protégé Program within the Department of the Treasury. The program enables large financial institutions or designated financial agents to mentor small financial institutions to enhance their capacity to serve customers or prepare to act as financial agents. The section also requires annual outreach events, sets criteria for exclusion from the program, mandates annual reporting to Congress, and defines key terms including "small financial institution," "large financial institution," and "financial agent."

Section 3. Effective date

Section 3 specifies that the Act and its amendments shall take effect 90 days after the date of enactment.

CHANGES IN EXISTING LAW MADE BY THE BILL, AS REPORTED

In compliance with clause 3(e) of rule XIII of the Rules of the House of Representatives, changes in existing law made by the bill, as reported, are shown as follows (new matter is printed in italics and existing law in which no change is proposed is shown in roman):

FINANCIAL INSTITUTIONS REFORM, RECOVERY, AND ENFORCEMENT ACT OF 1989

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TITLE III—SAVINGS ASSOCIATIONS

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SEC. 308. PRESERVING MINORITY OWNERSHIP OF MINORITY FINANCIAL INSTITUTIONS.

(a) CONSULTATION ON METHODS.—The Secretary of the Treasury shall consult with the Chairman of the Board of Governors of the Federal Reserve System, the Comptroller of the Currency, the Chairman of the National Credit Union Administration, and the Chairperson of the Board of Directors of the Federal Deposit Insurance Corporation on methods for best achieving the following goals:

(1) Preserving the present number of minority depository institutions.

(2) Preserving their minority character in cases involving mergers or acquisition of a minority depository institution by using general preference guidelines in the following order:

(A) Same type of minority depository institution in the same city.

(B) Same type of minority depository institution in the same State.

(C) Same type of minority depository institution nationwide.

(D) Any type of minority depository institution in the same city.

(E) Any type of minority depository institution in the same State.

(F) Any type of minority depository institution nationwide.

(G) Any other bidders.

(3) Providing technical assistance to prevent insolvency of institutions not now insolvent.

(4) Promoting and encouraging creation of new minority depository institutions.

(5) Providing for training, technical assistance, and educational programs.

(b) DEFINITIONS.—For purposes of this section—

(1) MINORITY FINANCIAL INSTITUTION.—The term "minority depository institution" means any depository institution that—

(A) if a privately owned institution, 51 percent is owned by one or more socially and economically disadvantaged individuals;

(B) if publicly owned, 51 percent of the stock is owned by one or more socially and economically disadvantaged individuals; and

(C) in the case of a mutual institution where the majority of the Board of Directors, account holders, and the community which it services is predominantly minority.

(2) MINORITY.—The term "minority" means any black American, Native American, Hispanic American, or Asian American.

(c) REPORTS.—The Secretary of the Treasury, the Chairman of the Board of Governors of the Federal Reserve System, the Comptroller of the Currency, the Chairman of the National Credit Union Administration, and the Chairperson of Board of Directors of the Federal Deposit Insurance Corporation shall each submit an annual report to the Congress containing a description of actions taken to carry out this section.

(d) FINANCIAL AGENT MENTOR-PROTÉGÉ PROGRAM.—

(1) IN GENERAL.—The Secretary of the Treasury shall establish a program to be known as the "Financial Agent Mentor-Protégé Program" (in this subsection referred to as the "Program") under which a financial agent designated by the Secretary or a large financial institution may serve as a mentor, under guidance or regulations prescribed by the Secretary, to a small financial institution to allow such small financial institution—

(A) to be prepared to perform as a financial agent; or

(B) to improve capacity to provide services to the customers of the small financial institution.

(2) OUTREACH.—The Secretary shall hold outreach events to promote the participation of financial agents, large financial institutions, and small financial institutions in the Program at least once a year.

(3) EXCLUSION.—The Secretary shall issue guidance or regulations to establish a process under which a financial agent, large financial institution, or small financial institution may be excluded from participation in the Program.

(4) REPORT.—The Office of Minority and Women Inclusion of the Department of the Treasury shall include in the report submitted to Congress under section 342(e) of the Dodd-Frank Wall Street Reform and Consumer Protection Act information pertaining to the Program, including—

(A) the number of financial agents, large financial institutions, and small financial institutions participating in such Program; and

(B) the number of outreach events described in paragraph (2) held during the year covered by such report.

(5) DEFINITIONS.—In this subsection:

(A) FINANCIAL AGENT.—The term "financial agent" means any national banking association designated by the Secretary of the Treasury to be employed as a financial agent of the Government.

(B) LARGE FINANCIAL INSTITUTION.—The term "large financial institution" means any entity regulated by the Comptroller of the Currency, the Board of Governors of the Federal Reserve System, the Federal Deposit Insurance Corporation, or the National Credit Union Administration that has total consolidated assets greater than or equal to $50,000,000,000.

(C) RURAL DEPOSITORY INSTITUTION.—The term "rural depository institution" means a depository institution (as defined in section 3 of the Federal Deposit Insurance Act)—

(i) with total consolidated assets of less than $10,000,000,000; and

(ii) located in a rural area, as defined under section 1026.35(b)(2)(iv)(A) of title 12, Code of Federal Regulations.

(D) SMALL FINANCIAL INSTITUTION.—The term "small financial institution" means—

(i) any entity regulated by the Comptroller of the Currency, the Board of Governors of the Federal Reserve System, the Federal Deposit Insurance Corporation, or the National Credit Union Administration that

has total consolidated assets lesser than or equal to $2,000,000,000;

(ii) a minority depository institution; or

(iii) a rural depository institution.

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