

114TH CONGRESS  
1ST SESSION

**S.** \_\_\_\_\_

To make the Community Advantage Pilot Program of the Small Business Administration permanent, and for other purposes.

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IN THE SENATE OF THE UNITED STATES

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Mrs. FEINSTEIN introduced the following bill; which was read twice and referred to the Committee on \_\_\_\_\_

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## **A BILL**

To make the Community Advantage Pilot Program of the Small Business Administration permanent, 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 and Economic Inequality Reduction Act of 2015”.

6       **SEC. 2. COMMUNITY ADVANTAGE PROGRAM.**

7       (a) IN GENERAL.—Section 7(a) of the Small Busi-  
8       ness Act (15 U.S.C. 636(a)) is amended by adding at the  
9       end the following:

10               “(35) COMMUNITY ADVANTAGE PROGRAM.—

1 “(A) DEFINITIONS.—In this paragraph—  
2 “(i) the term ‘covered institution’  
3 means—  
4 “(I) a development company (as  
5 defined in section 103 of the Small  
6 Business Investment Act of 1958 (15  
7 U.S.C. 662)) that is eligible to partici-  
8 pate in the program established under  
9 title V of such Act (15 U.S.C. 695 et  
10 seq.);  
11 “(II) a nonprofit intermediary  
12 (as defined in subsection (m)(11));  
13 “(III) a non-Federally regulated  
14 entity certified as a community devel-  
15 opment financial institution by the  
16 Community Development Financial  
17 Institutions Fund established under  
18 section 104(a) of the Riegle Commu-  
19 nity Development and Regulatory Im-  
20 provement Act of 1994 (12 U.S.C.  
21 4703(a)); or  
22 “(IV) any other nonprofit organi-  
23 zation approved by the Small Busi-  
24 ness Administration;

1           “(ii) the term ‘program’ means the  
2           Community Advantage Program estab-  
3           lished under subparagraph (B);

4           “(iii) the term ‘Reservist’ means a  
5           member of a reserve component of the  
6           Armed Forces named in section 10101 of  
7           title 10, United States Code;

8           “(iv) the term ‘service-connected’ has  
9           the meaning given that term in section  
10          101(16) of title 38, United States Code;  
11          and

12          “(v) the term ‘small business concern  
13          in an underserved market’ means a small  
14          business concern—

15                  “(I) that is located in—

16                          “(aa) a low- or moderate-in-  
17                          come community;

18                          “(bb) a HUBZone; or

19                          “(cc) a community that has  
20                          been designated as an empower-  
21                          ment zone or an enterprise com-  
22                          munity under section 1391 of the  
23                          Internal Revenue Code of 1986;

1                   “(II) that has more than 50 per-  
2                   cent of employees residing in a low- or  
3                   moderate-income community;

4                   “(III) that has been in existence  
5                   for not more than 2 years on the date  
6                   on which a loan is made to the small  
7                   business concern under the Commu-  
8                   nity Advantage Program established  
9                   under subparagraph (B);

10                  “(IV) owned and controlled by  
11                  veterans;

12                  “(V) owned and controlled by  
13                  service-disabled veterans; or

14                  “(VI) not less than 51 percent of  
15                  which is owned and controlled by 1 or  
16                  more—

17                         “(aa) members of the Armed  
18                         Forces participating in the Tran-  
19                         sition Assistance Program of the  
20                         Department of Defense;

21                         “(bb) Reservists;

22                         “(cc) spouses of veterans,  
23                         members of the Armed Forces, or  
24                         Reservists; or

1                   “(dd) surviving spouses of  
2                   veterans who died on active duty  
3                   or as a result of a service-con-  
4                   nected disability.

5                   “(B) ESTABLISHMENT.—There is estab-  
6                   lished a Community Advantage Program, under  
7                   which the Administration may guarantee loans  
8                   made by covered institutions under this sub-  
9                   section, including loans made to small business  
10                  concerns in underserved markets.

11                  “(C) REQUIREMENTS.—Not less than 60  
12                  percent of loans made by a covered institution  
13                  under the program shall consist of loans made  
14                  to small business concerns in underserved mar-  
15                  kets under the program.

16                  “(D) MAXIMUM LOAN AMOUNT.—The max-  
17                  imum loan amount under the program is  
18                  \$350,000.

19                  “(E) REGULATIONS.—

20                  “(i) IN GENERAL.—Not later than 1  
21                  year after the date of enactment of this  
22                  paragraph, the Administrator shall promul-  
23                  gate regulations to carry out the program,  
24                  which shall be substantially similar to the  
25                  Community Advantage Pilot Program of

1           the Administration, as in effect on the day  
2           before the date of enactment of this para-  
3           graph.

4                   “(ii) PILOT PROGRAM.—Beginning on  
5           the date on which the regulations promul-  
6           gated by the Administrator under clause  
7           (i) take effect, the Administrator may not  
8           carry out the Community Advantage Pilot  
9           Program of the Administration.”.

10       (b) TECHNICAL AND CONFORMING AMENDMENT.—  
11   Section 3(r) of the Small Business Act (15 U.S.C. 632(r))  
12   is amended—

13           (1) in paragraph (1), by inserting before the pe-  
14       riod at the end the following: “, but does not include  
15       a covered institution, as defined in section  
16       7(a)(35)(A)”;

17           (2) in paragraph (2)—

18                   (A) in the matter preceding subparagraph  
19       (A), by striking “means a business concern”  
20       and inserting the following: “—”

21                   “(A) means a business concern if—”;

22                   (B) by redesignating subparagraphs (A),  
23       (B), and (C) as clauses (i), (ii), and (iii), re-  
24       spectively, and adjusting the margins accord-  
25       ingly;

1 (C) in subparagraph (A)(iii), as so redesignig-  
2 nated, by striking the period at the end and in-  
3 serting “; and”; and

4 (D) by adding at the end the following:

5 “(B) does not include a covered institution,  
6 as defined in section 7(a)(35)(A).”.

7 **SEC. 3. EXPANDING THE PURPOSES OF ADVANCES AND**  
8 **COLLATERAL AVAILABLE TO COMMUNITY DE-**  
9 **VELOPMENT FINANCIAL INSTITUTIONS.**

10 Section 10(a) of the Federal Home Loan Bank Act  
11 (12 U.S.C. 1430(a)) is amended—

12 (1) in paragraph (2)(B), by inserting “or com-  
13 munity development financial institution (as defined  
14 in section 103 of the Riegle Community Develop-  
15 ment and Regulatory Improvement Act of 1994 (12  
16 U.S.C. 4702))” after “community financial institu-  
17 tion”; and

18 (2) in paragraph (3)(E), by inserting “or com-  
19 munity development financial institution (as defined  
20 in section 103 of the Riegle Community Develop-  
21 ment and Regulatory Improvement Act of 1994 (12  
22 U.S.C. 4702))” after “community financial institu-  
23 tion”.