

118TH CONGRESS  
2D SESSION

# H. R. 7338

To establish an Office of the Community Development Advocate for the Community Development Financial Institutions Fund, to establish a process for decertification of community development financial institutions, and for other purposes.

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## IN THE HOUSE OF REPRESENTATIVES

FEBRUARY 13, 2024

Mr. NUNN of Iowa (for himself and Mr. DAVIS of North Carolina) introduced the following bill; which was referred to the Committee on Financial Services

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## A BILL

To establish an Office of the Community Development Advocate for the Community Development Financial Institutions Fund, to establish a process for decertification of community development 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,*

3        **SECTION 1. SHORT TITLE.**

4        This Act may be cited as the “Rural Credit Access  
5        Act of 2024”.

6        **SEC. 2. SENSE OF CONGRESS.**

7        It is the sense of Congress that—

1           (1) community development financial institu-  
2           tions are financial institutions that seek to expand  
3           economic opportunity in underserved rural invest-  
4           ment areas and low-income communities by pro-  
5           viding access to financial products and services for  
6           local residents and businesses that otherwise may  
7           not be accessible;

8           (2) certification as a community development fi-  
9           nancial institution allows an institution to engage  
10          several programs outside of the Community Develop-  
11          ment Financial Institutions Fund to further support  
12          the communities they serve;

13          (3) the Department of the Treasury must con-  
14          tinue to support community development financial  
15          institutions by standing up an ombudsman office  
16          and creating an orderly and transparent process for  
17          decertification so as to not cause unintentional harm  
18          to the communities they serve; and

19          (4) the establishment of such an office and  
20          process should only serve to provide certainty and  
21          clarity for community development financial institu-  
22          tions, not to reduce available funds for the sub-  
23          stantive work of such institutions, and as such, ap-  
24          propriate support for the Fund to accomplish this  
25          goal must be made available.



1           “(B) COMPENSATION.—The annual rate of  
2           pay for the Community Development Advocate  
3           shall be equal to the highest rate of annual pay  
4           for other senior executives who report to the  
5           Administrator.

6           “(C) LIMITATION ON SERVICE.—An indi-  
7           vidual who serves as the Community Develop-  
8           ment Advocate may not be employed by the Ad-  
9           ministrator—

10                   “(i) during the 2-year period ending  
11                   on the date of appointment as Community  
12                   Development Advocate; or

13                   “(ii) during the 5-year period begin-  
14                   ning on the date on which the person  
15                   ceases to serve as the Community Develop-  
16                   ment Advocate.

17           “(3) STAFF OF OFFICE.—The Community De-  
18           velopment Advocate may retain or employ inde-  
19           pendent counsel, research staff, and service staff, as  
20           the Community Development Advocate deems nec-  
21           essary to carry out the functions and duties of the  
22           Office.

23           “(4) DUTIES.—The Community Development  
24           Advocate shall ensure that community development  
25           financial institutions provide safe and affordable fi-

1 nancial products and services to targeted populations  
2 and investment areas. Such duties may include the  
3 following:

4 “(A) Collecting, addressing, and docu-  
5 menting complaints from institutions about—

6 “(i) the process of becoming a cer-  
7 tified community development financial in-  
8 stitution; and

9 “(ii) the process of applying for  
10 grants or programs of the Fund.

11 “(B) Working with the Administrator and  
12 institutions to address complaints where pos-  
13 sible, including the following:

14 “(i) Obtaining clarity relating to de-  
15 terminations or notices of noncompliance  
16 of an institution.

17 “(ii) Ensuring reasonable responsive-  
18 ness of the Administrator to inquiries from  
19 institutions.

20 “(iii) Facilitating coordination be-  
21 tween the Administrator and appropriate  
22 Federal banking agencies to ensure full un-  
23 derstanding of issues related to safety and  
24 soundness of community development fi-

1           nancial institutions or legal and regulatory  
2           obligations of such institutions.

3           “(iv) Ensuring that community devel-  
4           opment financial institutions have timely  
5           access to technical assistance for applica-  
6           tion systems administered by the Adminis-  
7           trator.

8           “(C) Assess the efficiency and efficacy of  
9           the certification and application processes de-  
10          scribed in subparagraph (A) and assess whether  
11          the Fund has adequate resources for the num-  
12          ber of applicants.

13          “(5) REPORT.—The Community Development  
14          Advocate shall submit to Congress, the Adminis-  
15          trator, and the Community Development Advisory  
16          Board an annual report that includes—

17                 “(A) an assessment of the responsiveness  
18                 of the Administrator to inquiries from commu-  
19                 nity development financial institutions;

20                 “(B) an assessment of the length of time  
21                 taken to review applications for certification or  
22                 recertification from such institutions;

23                 “(C) the results of the assessments con-  
24                 ducted under paragraph (4)(C); and

1           “(D) such other information, as deter-  
2           mined by the Community Development Advo-  
3           cate.”.

4 **SEC. 4. PROCESS FOR DECERTIFICATION OF COMMUNITY**  
5 **DEVELOPMENT FINANCIAL INSTITUTIONS.**

6           Section 119(a) of the Riegle Community Develop-  
7           ment and Regulatory Improvement Act of 1994 (12  
8           U.S.C. 4717) is amended by adding at the end the fol-  
9           lowing new paragraph:

10           “(3) DECERTIFICATION.—Not later than 180  
11           days after the date of the enactment of this para-  
12           graph, the Administrator shall promulgate regula-  
13           tions to establish a process for revoking the certifi-  
14           cation of a community development financial institu-  
15           tion under this Act. Such process shall include—

16           “(A) provision of clear, written guidance  
17           from the Administrator regarding what con-  
18           stitutes noncompliance that would result in the  
19           revocation of a certification;

20           “(B) the provision of meaningful, detailed,  
21           and individualized notice of noncompliance to  
22           the institution;

23           “(C) identification in such notice of a rea-  
24           sonable period to allow the institution to cure  
25           such noncompliance, which period may be ex-

1 tended by the Administrator, in consultation  
2 with the Community Development Advocate;

3 “(D) if the Administrator provides a notice  
4 to an institution describing noncompliance re-  
5 lating to fraud or misrepresentation of the in-  
6 stitution, streamlined processes for decertifica-  
7 tion of such institution;

8 “(E) provision of the contact information  
9 for the Office of Ombudsman; and

10 “(F) a wind-down process for a community  
11 development financial institution for which cer-  
12 tification has been revoked, established in con-  
13 sultation with the appropriate Federal banking  
14 agency (as defined in section 3 of the Federal  
15 Deposit Insurance Act), to ensure the safety  
16 and soundness of the United States financial  
17 system.”.

18 **SEC. 5. AUTHORIZATION OF APPROPRIATIONS.**

19 There is authorized to be appropriated \$1,000,000 to  
20 the Administrator of the Community Development Finan-  
21 cial Institutions Fund to carry out this section.

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