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(Original Signature of Member)

118TH CONGRESS  
2D SESSION

**H. R.** \_\_\_\_\_

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

Mr. NUNN of Iowa introduced the following bill; which was referred to the Committee on \_\_\_\_\_

\_\_\_\_\_  
**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”.

1 **SEC. 2. SENSE OF CONGRESS.**

2 It is the sense of Congress that—

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

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

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

21 (4) the establishment of such an office and  
22 process should only serve to provide certainty and  
23 clarity for community development financial institu-  
24 tions, not to reduce available funds for the sub-  
25 stantive work of such institutions, and as such, ap-

1       appropriate support for the Fund to accomplish this  
2       goal must be made available.

3 **SEC. 3. ESTABLISHMENT OF AN OFFICE OF THE COMMU-**  
4                   **UNITY DEVELOPMENT ADVOCATE THE COM-**  
5                   **MUNITY DEVELOPMENT FINANCIAL INSTITU-**  
6                   **TIONS FUND.**

7       (a) OMBUDSMAN FOR THE COMMUNITY DEVELOP-  
8       MENT FINANCIAL INSTITUTIONS FUND.—Section 104 of  
9       the Riegle Community Development and Regulatory Im-  
10      provement Act of 1994 (12 U.S.C. 4703) is amended by  
11      adding at the end the following new subsection:

12      “(1) OFFICE OF THE COMMUNITY DEVELOPMENT  
13      ADVOCATE.—

14              “(1) DESIGNATION.—The Administrator shall  
15      establish in the Fund an Office of the Community  
16      Development Advocate (in this subsection referred to  
17      as the ‘Office’).

18              “(2) COMMUNITY DEVELOPMENT ADVOCATE.—

19                      “(A) IN GENERAL.—The head of the Of-  
20      fice shall be the Community Development Advoca-  
21      cate who shall—

22                              “(i) report directly to the Adminis-  
23                              trator; and

24                              “(ii) be appointed by the Adminis-  
25                              trator from among individuals having expe-

1           rience in advocating to expand economic  
2           opportunity for targeted populations and  
3           investment areas.

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

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

13                 “(i) during the 2-year period ending  
14                 on the date of appointment as Community  
15                 Development Advocate; or

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

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

1           “(4) DUTIES.—The Community Development  
2 Advocate shall ensure that community development  
3 financial institutions provide safe and affordable fi-  
4 nancial products and services to targeted populations  
5 and investment areas. Such duties may include the  
6 following:

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

9           “(i) the process of becoming a cer-  
10 tified community development financial in-  
11 stitution; and

12           “(ii) the process of applying for  
13 grants or programs of the Fund.

14           “(B) Working with the Administrator and  
15 institutions to address complaints where pos-  
16 sible, including the following:

17           “(i) Obtaining clarity relating to de-  
18 terminations or notices of noncompliance  
19 of an institution.

20           “(ii) Ensuring reasonable responsive-  
21 ness of the Administrator to inquiries from  
22 institutions.

23           “(iii) Facilitating coordination be-  
24 tween the Administrator and appropriate  
25 Federal banking agencies to ensure full un-

1           derstanding of issues related to safety and  
2           soundness of community development fi-  
3           nancial institutions or legal and regulatory  
4           obligations of such institutions.

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

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

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

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

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

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

3           “(D) such other information, as deter-  
4           mined by the Community Development Advoca-  
5           cate.”.

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

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

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

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

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

1           “(C) identification in such notice of a rea-  
2           sonable period to allow the institution to cure  
3           such noncompliance, which period may be ex-  
4           tended by the Administrator, in consultation  
5           with the Community Development Advocate;

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

11          “(E) provision of the contact information  
12          for the Office of Ombudsman; and

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

21 **SEC. 5. AUTHORIZATION OF APPROPRIATIONS.**

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