

110TH CONGRESS
1ST SESSION

H. R. 1066

IN THE SENATE OF THE UNITED STATES

FEBRUARY 28, 2007

Received; read twice and referred to the Committee on Banking, Housing, and
Urban Affairs

AN ACT

To increase community development investments by
depository 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,*

1 **SECTION 1. SHORT TITLE.**

2 This Act may be cited as the “Depository Institution
3 Community Development Investments Enhancement Act”.

4 **SEC. 2. TECHNICAL CORRECTIONS.**

5 (a) NATIONAL BANKS.—The first sentence of the
6 paragraph designated as the “Eleventh” of section 5136
7 of the Revised Statutes of the United States (12 U.S.C.
8 24) (as amended by section 305(a) of the Financial Serv-
9 ices Regulatory Relief Act of 2006) is amended by striking
10 “promotes the public welfare by benefiting primarily” and
11 inserting “is designed primarily to promote the public wel-
12 fare, including the welfare of”.

13 (b) STATE MEMBER BANKS.—The first sentence of
14 the 23rd undesignated paragraph of section 9 of the Fed-
15 eral Reserve Act (12 U.S.C. 338a) (as amended by section
16 305(b) of the Financial Services Regulatory Relief Act of
17 2006) is amended by striking “promotes the public welfare
18 by benefiting primarily” and inserting “is designed pri-
19 marily to promote the public welfare, including the welfare
20 of”.

21 **SEC. 3. INVESTMENTS BY FEDERAL SAVINGS ASSOCIA-**
22 **TIONS AUTHORIZED TO PROMOTE THE PUB-**
23 **LIC WELFARE.**

24 (a) IN GENERAL.—Section 5(c)(3) of the Home Own-
25 ers’ Loan Act (12 U.S.C. 1464(c)) is amended by adding
26 at the end the following new subparagraph:

1 “(D) DIRECT INVESTMENTS TO PROMOTE
2 THE PUBLIC WELFARE.—

3 “(i) IN GENERAL.—A Federal savings
4 association may make investments, directly
5 or indirectly, each of which is designed pri-
6 marily to promote the public welfare, in-
7 cluding the welfare of low- and moderate-
8 income communities or families through
9 the provision of housing, services, and jobs.

10 “(ii) DIRECT INVESTMENTS OR ACQUI-
11 SITION OF INTEREST IN OTHER COMPA-
12 NIES.—Investments under clause (i) may
13 be made directly or by purchasing interests
14 in an entity primarily engaged in making
15 such investments.

16 “(iii) PROHIBITION ON UNLIMITED LI-
17 ABILITY.—No investment may be made
18 under this subparagraph which would sub-
19 ject a Federal savings association to unlim-
20 ited liability to any person.

21 “(iv) SINGLE INVESTMENT LIMITA-
22 TION TO BE ESTABLISHED BY DIREC-
23 TOR.—Subject to clauses (v) and (vi), the
24 Director shall establish, by order or regula-
25 tion, limits on—

1 “(I) the amount any savings as-
2 society may invest in any 1 project;
3 and

4 “(II) the aggregate amount of in-
5 vestment of any savings association
6 under this subparagraph.

7 “(v) FLEXIBLE AGGREGATE INVEST-
8 MENT LIMITATION.—The aggregate
9 amount of investments of any savings asso-
10 ciation under this subparagraph may not
11 exceed an amount equal to the sum of 5
12 percent of the savings association’s capital
13 stock actually paid in and unimpaired and
14 5 percent of the savings association’s
15 unimpaired surplus, unless—

16 “(I) the Director determines that
17 the savings association is adequately
18 capitalized; and

19 “(II) the Director determines, by
20 order, that the aggregate amount of
21 investments in a higher amount than
22 the limit under this clause will pose
23 no significant risk to the affected de-
24 posit insurance fund.

1 “(vi) MAXIMUM AGGREGATE INVEST-
2 MENT LIMITATION.—Notwithstanding
3 clause (v), the aggregate amount of invest-
4 ments of any savings association under
5 this subparagraph may not exceed an
6 amount equal to the sum of 15 percent of
7 the savings association’s capital stock actu-
8 ally paid in and unimpaired and 15 per-
9 cent of the savings association’s
10 unimpaired surplus.

11 “(vii) INVESTMENTS NOT SUBJECT TO
12 OTHER LIMITATION ON QUALITY OF IN-
13 VESTMENTS.—No obligation a Federal sav-
14 ings association acquires or retains under
15 this subparagraph shall be taken into ac-
16 count for purposes of the limitation con-
17 tained in section 28(d) of the Federal De-
18 posit Insurance Act on the acquisition and
19 retention of any corporate debt security
20 not of investment grade.

21 “(viii) APPLICABILITY OF STANDARDS
22 TO EACH INVESTMENT.—The standards
23 and limitations of this subparagraph shall
24 apply to each investment under this sub-

1 paragraph made by a savings association
2 directly and by its subsidiaries.”.

3 (b) TECHNICAL AND CONFORMING AMENDMENTS.—

4 Section 5(c)(3)(A) of the Home Owners’ Loan Act (12
5 U.S.C. 1464(c)(3)(A)) is amended to read as follows:

6 “(A) [Repealed]”.

Passed the House of Representatives February 27,
2007.

Attest: LORRAINE C. MILLER,
Clerk.