

119<sup>TH</sup> CONGRESS  
2<sup>D</sup> SESSION

# S. 3940

To amend the Community Development Banking and Financial Institutions Act of 1994 to require the Secretary of the Treasury to testify before Congress, and for other purposes.

---

## IN THE SENATE OF THE UNITED STATES

FEBRUARY 26, 2026

Mr. DAINES (for himself, Mr. WARNER, Mr. CRAPO, Ms. SMITH, Mr. ROUNDS, Mr. KIM, Mr. RISCH, Mr. SCHUMER, Mr. JUSTICE, Ms. KLOBUCHAR, Mrs. FISCHER, Mr. BOOKER, Mr. WICKER, Mr. HICKENLOOPER, Mr. SHEEHY, Mr. VAN HOLLEN, Mr. SULLIVAN, Mrs. GILLIBRAND, Mrs. HYDE-SMITH, Mr. COONS, Mr. PETERS, Mr. BENNET, Mrs. BRITT, Mr. WYDEN, Mr. CASSIDY, Mr. DURBIN, Ms. MURKOWSKI, Mr. CRAMER, Mr. BOOZMAN, and Mr. HEINRICH) introduced the following bill; which was read twice and referred to the Committee on Banking, Housing, and Urban Affairs

---

## A BILL

To amend the Community Development Banking and Financial Institutions Act of 1994 to require the Secretary of the Treasury to testify before Congress, 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 “Access to Fair Financ-  
5 ing for Opportunity and Resilient Development Act”.

1 **SEC. 2. REQUIREMENT TO TESTIFY.**

2 Section 104(b) of the Community Development  
3 Banking and Financial Institutions Act of 1994 (12  
4 U.S.C. 4703(b)) is amended by adding to the end the fol-  
5 lowing:

6 “(5) ANNUAL TESTIMONY.—The Secretary of  
7 the Treasury (or a designee of the Secretary) shall,  
8 at the discretion of the chairman of the Committee  
9 on Banking, Housing, and Urban Affairs of the Sen-  
10 ate and chairman of the Committee on Financial  
11 Services of the House of Representatives, annually  
12 testify before such committees (or a subcommittee of  
13 such committees) regarding the operations of the  
14 Fund during the previous fiscal year.”.

15 **SEC. 3. CDFI BOND GUARANTEE PROGRAM IMPROVEMENT.**

16 (a) SENSE OF CONGRESS.—It is the sense of Con-  
17 gress that the authority to guarantee bonds under section  
18 114A of the Community Development Banking and Fi-  
19 nancial Institutions Act of 1994 (12 U.S.C. 4713a) (com-  
20 monly referred to as the “CDFI Bond Guarantee Pro-  
21 gram”) provides community development financial institu-  
22 tions with a sustainable source of long-term capital and  
23 furthers the mission of the Community Development Fi-  
24 nancial Institutions Fund (established under section  
25 104(a) of such Act (12 U.S.C. 4703(a))) to increase eco-  
26 nomic opportunity and promote community development

1 investments for underserved populations and distressed  
2 communities in the United States.

3 (b) GUARANTEES FOR BONDS AND NOTES ISSUED  
4 FOR COMMUNITY OR ECONOMIC DEVELOPMENT PUR-  
5 POSES.—

6 (1) IN GENERAL.—Section 114A of the Com-  
7 munity Development Banking and Financial Institu-  
8 tions Act of 1994 (12 U.S.C. 4713a) is amended—

9 (A) in subsection (c)(2)—

10 (i) by inserting “outstanding” before  
11 “principal amount”; and

12 (ii) by striking “multiplied by an  
13 amount equal to the outstanding principal  
14 balance of issued notes or bonds,”;

15 (B) by amending subsection (e)(2) to read  
16 as follows:

17 “(2) LIMITATION ON GUARANTEE AMOUNT.—

18 The Secretary may not guarantee any amount under  
19 the program equal to less than \$25,000,000, but the  
20 total of all such guarantees in any fiscal year may  
21 not exceed \$1,000,000,000.”; and

22 (C) in subsection (k), by striking “Sep-  
23 tember 30, 2014” and inserting “the date that  
24 is the later of 4 years after the date of enact-  
25 ment of the Access to Fair Financing for Op-



1           (1) by striking subsection (a) and inserting the  
2 following:

3           “(a) ASSISTANCE.—

4           “(1) IN GENERAL.—The Fund may provide  
5 funds to organizations for the purpose of—

6           “(A) purchasing loans that are originated  
7 by community development financial institu-  
8 tions, loan participations, or interests therein  
9 from community development financial institu-  
10 tions;

11           “(B) providing guarantees, loan loss re-  
12 serves, or other forms of credit enhancement to  
13 promote liquidity for community development  
14 financial institutions; and

15           “(C) otherwise enhancing the liquidity of  
16 community development financial institutions.

17           “(2) CONSTRUCTION OF FEDERAL GOVERN-  
18 MENT FUNDS.—For purposes of this subsection, not-  
19 withstanding section 105(a)(9) of the Housing and  
20 Community Development Act of 1974 (42 U.S.C.  
21 5305(a)(9)), funds provided pursuant to such Act  
22 shall be considered to be Federal Government  
23 funds.”;

24           (2) by striking subsection (b) and inserting the  
25 following:

1 “(b) SELECTION.—

2 “(1) IN GENERAL.—The selection of organiza-  
3 tions to receive assistance and the amount of assist-  
4 ance to be provided to any organization under this  
5 section shall be at the discretion of the Fund and in  
6 accordance with criteria established by the Fund.

7 “(2) ELIGIBILITY.—Organizations eligible to re-  
8 ceive assistance under this section—

9 “(A) shall have a primary purpose of pro-  
10 moting community development; and

11 “(B) are not required to be community de-  
12 velopment financial institutions.

13 “(3) PRIORITIZATION.—For the purpose of  
14 making an award of funds under this section, the  
15 Fund shall prioritize the selection of organizations  
16 that—

17 “(A) demonstrate relevant experience or an  
18 ability to carry out the activities under this sec-  
19 tion, including experience leading or partici-  
20 pating in loan purchase structures or pur-  
21 chasing or participating in the purchase of, as-  
22 signing, or otherwise transferring, assets from  
23 community development financial institutions;

24 “(B) demonstrate the capacity to increase  
25 the number or dollar volume of loan origina-

1           tions or expand the products or services of com-  
2           munity development financial institutions, in-  
3           cluding by leveraging the award with private  
4           capital; and

5           “(C) will use the funds to support commu-  
6           nity development financial institutions that rep-  
7           resent broad geographic coverage or that serve  
8           borrowers that have experienced significant  
9           unmet capital or financial services needs.”;

10          (3) in subsection (c), in the first sentence—

11           (A) by striking “\$5,000,000” and inserting  
12           “\$20,000,000”; and

13           (B) by striking “during any 3-year pe-  
14           riod”; and

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

16          “(g) REGULATIONS.—The Secretary may promulgate  
17          such regulations as may be necessary or appropriate to  
18          carry out the authorities or purposes of this section.”.

19          (b) EMERGENCY CAPITAL INVESTMENT FUNDS.—  
20          Section 104A of the Community Development Banking  
21          and Financial Institutions Act of 1994 (12 U.S.C. 4703a)  
22          is amended by striking subsection (l) and inserting the fol-  
23          lowing:

24          “(l) DEPOSIT OF FUNDS.—All funds received by the  
25          Secretary in connection with purchases made pursuant

1 this section, including interest payments, dividend pay-  
2 ments, and proceeds from the sale of any financial instru-  
3 ment, shall be deposited into the Fund and used—

4 “(1) to provide financial assistance to organiza-  
5 tions pursuant to section 113; and

6 “(2) to provide financial and technical assist-  
7 ance pursuant to section 108, except that subsection  
8 (e) of that section shall be waived.”.

9 (c) ANNUAL REPORTS.—

10 (1) DEFINITIONS.—In this subsection, the  
11 terms “community development financial institu-  
12 tion” and “Fund” have the meanings given the  
13 terms in section 103 of the Community Development  
14 Banking and Financial Institutions Act of 1994 (12  
15 U.S.C. 4702).

16 (2) REQUIREMENTS.—Not later than 1 year  
17 after the date on which assistance is first provided  
18 under section 113 of the Community Development  
19 Banking and Financial Institutions Act of 1994 (12  
20 U.S.C. 4712) pursuant to the amendments made by  
21 subsection (a) of this section, and annually there-  
22 after, the Secretary of the Treasury shall submit to  
23 Congress a written report describing the use of the  
24 Fund for the 1-year period preceding the submission  
25 of the report for the purposes described in sub-

1 section (a)(1) of such section 113, as amended by  
2 subsection (a) of this section, which shall include,  
3 with respect to the period covered by the report—

4 (A) the total amount of—

5 (i) loans, loan participations, and in-  
6 terests therein purchased from community  
7 development financial institutions;

8 (ii) loans that support affordable  
9 housing construction; and

10 (iii) guarantees, loan loss reserves,  
11 and other forms of credit enhancement  
12 provided to community development finan-  
13 cial institutions;

14 (B) the effect of the purchases and guar-  
15 antees made by the Fund on the overall com-  
16 petitiveness of community development financial  
17 institutions; and

18 (C) the impact of the purchases and guar-  
19 antees made by the Fund on the liquidity of  
20 community development financial institutions.

21 **SEC. 5. NATIVE CDFI RELENDING PROGRAM.**

22 Section 502 of the Housing Act of 1949 (42 U.S.C.  
23 1472) is amended by adding at the end the following:

24 “(j) SET ASIDE FOR NATIVE COMMUNITY DEVELOP-  
25 MENT FINANCIAL INSTITUTIONS.—

1 “(1) DEFINITIONS.—In this subsection—

2 “(A) the term ‘Alaska Native’ has the  
3 meaning given the term ‘Native’ in section 3(b)  
4 of the Alaska Native Claims Settlement Act (43  
5 U.S.C. 1602(b));

6 “(B) the term ‘appropriate congressional  
7 committees’ means—

8 “(i) the Committee on Agriculture of  
9 the Senate;

10 “(ii) the Committee on Indian Affairs  
11 of the Senate;

12 “(iii) the Committee on Banking,  
13 Housing, and Urban Affairs of the Senate;

14 “(iv) the Committee on Agriculture of  
15 the House of Representatives;

16 “(v) the Committee on Natural Re-  
17 sources of the House of Representatives;  
18 and

19 “(vi) the Committee on Financial  
20 Services of the House of Representatives;

21 “(C) the term ‘community development fi-  
22 nancial institution’ has the meaning given the  
23 term in section 103 of the Community Develop-  
24 ment Banking and Financial Institutions Act of  
25 1994 (12 U.S.C. 4702);

1           “(D) the term ‘Indian Tribe’ has the  
2 meaning given the term ‘Indian tribe’ in section  
3 4 of the Native American Housing Assistance  
4 and Self-Determination Act of 1996 (25 U.S.C.  
5 4103);

6           “(E) the term ‘Native community develop-  
7 ment financial institution’ means an entity—

8                   “(i) that has been certified as a com-  
9 munity development financial institution by  
10 the Secretary of the Treasury;

11                   “(ii) that is not less than 51 percent  
12 owned or controlled by members of Indian  
13 Tribes, Alaska Native communities, or Na-  
14 tive Hawaiian communities; and

15                   “(iii) for which not less than 51 per-  
16 cent of the activities of the entity serve In-  
17 dian Tribes, Alaska Native communities,  
18 or Native Hawaiian communities;

19           “(F) the term ‘Native Hawaiian’ has the  
20 meaning given the term in section 801 of the  
21 Native American Housing Assistance and Self-  
22 Determination Act of 1996 (25 U.S.C. 4221);  
23 and

24           “(G) the term ‘priority Tribal land’  
25 means—

1                   “(i) any land located within the  
2 boundaries of—

3                   “(I) an Indian reservation, pueb-  
4 lo, or rancharia; or

5                   “(II) a former reservation within  
6 Oklahoma;

7                   “(ii) any land not located within the  
8 boundaries of an Indian reservation, pueb-  
9 lo, or rancharia, the title to which is held—

10                   “(I) in trust by the United States  
11 for the benefit of an Indian Tribe or  
12 an individual Indian;

13                   “(II) by an Indian Tribe or an  
14 individual Indian, subject to restric-  
15 tion against alienation under laws of  
16 the United States; or

17                   “(III) by a dependent Indian  
18 community;

19                   “(iii) any land located within a region  
20 established pursuant to section 7(a) of the  
21 Alaska Native Claims Settlement Act (43  
22 U.S.C. 1606(a));

23                   “(iv) Hawaiian Home Lands, as de-  
24 fined in section 801 of the Native Amer-

1           ican Housing Assistance and Self-Deter-  
2           mination Act of 1996 (25 U.S.C. 4221); or

3           “(v) those areas or communities des-  
4           ignated by the Assistant Secretary of In-  
5           dian Affairs of the Department of the Inte-  
6           rior that are near, adjacent, or contiguous  
7           to reservations where financial assistance  
8           and social service programs are provided to  
9           Indians because of their status as Indians.

10           “(2) PURPOSE.—The purpose of this subsection  
11           is to—

12           “(A) increase homeownership opportunities  
13           for Indian Tribes, Alaska Native Communities,  
14           and Native Hawaiian communities in rural  
15           areas; and

16           “(B) provide capital to Native community  
17           development financial institutions to increase  
18           the number of mortgage transactions carried  
19           out by those institutions.

20           “(3) SET ASIDE FOR NATIVE CDFIS.—Of  
21           amounts appropriated to make direct loans under  
22           this section for each fiscal year, the Secretary may  
23           use not more than \$50,000,000 to make direct loans  
24           to Native community development financial institu-  
25           tions in accordance with this subsection.

1           “(4) APPLICATION REQUIREMENTS.—A Native  
2           community development financial institution desiring  
3           a loan under this subsection shall demonstrate that  
4           the institution—

5                   “(A) can provide the non-Federal cost  
6                   share required under paragraph (6); and

7                   “(B) is able to originate and service loans  
8                   for single family homes.

9           “(5) LENDING REQUIREMENTS.—A Native com-  
10           munity development financial institution that re-  
11           ceives a loan pursuant to this subsection shall—

12                   “(A) use those amounts to make loans to  
13                   borrowers—

14                           “(i) who otherwise meet the require-  
15                           ments for a loan under this section; and

16                           “(ii) who—

17                                   “(I) are members of an Indian  
18                                   Tribe, an Alaska Native community,  
19                                   or a Native Hawaiian community; or

20                                   “(II) maintain a household in  
21                                   which not less than 1 member is a  
22                                   member of an Indian Tribe, an Alaska  
23                                   Native community, or a Native Ha-  
24                                   waiian community; and

1           “(B) in making loans under subparagraph  
2 (A), give priority to borrowers described in that  
3 subparagraph who are residing on priority Trib-  
4 al land.

5           “(6) NON-FEDERAL COST SHARE.—

6           “(A) IN GENERAL.—A Native community  
7 development financial institution that receives a  
8 loan under this section shall be required to  
9 match not less than 20 percent of the amount  
10 received.

11           “(B) WAIVER.—In the case of a loan for  
12 which amounts are used to make loans to bor-  
13 rowers described in paragraph (5)(B), the Sec-  
14 retary shall waive the non-Federal cost share  
15 requirement described in subparagraph (A) with  
16 respect to those loan amounts.

17           “(7) REPORTING.—

18           “(A) ANNUAL REPORT BY NATIVE  
19 CDFIS.—Each Native community development  
20 financial institution that receives a loan pursu-  
21 ant to this subsection shall submit an annual  
22 report to the Secretary on the lending activities  
23 of the institution using the loan amounts, which  
24 shall include—

1           “(i) a description of the outreach ef-  
2           forts of the institution in local communities  
3           to identify eligible borrowers;

4           “(ii) a description of how the institu-  
5           tion leveraged additional capital to reach  
6           prospective borrowers;

7           “(iii) the number of loan applications  
8           received, approved, and deployed;

9           “(iv) the average loan amount;

10           “(v) the number of finalized loans  
11           that were made on Tribal trust lands and  
12           not on Tribal trust lands; and

13           “(vi) the number of finalized loans  
14           that were made on priority Tribal land and  
15           not priority Tribal land.

16           “(B) ANNUAL REPORT TO CONGRESS.—  
17           Not later than 1 year after the date of enact-  
18           ment of this subsection, and every year there-  
19           after, the Secretary shall submit to the appro-  
20           priate congressional communities a report that  
21           includes—

22           “(i) a list of loans made to Native  
23           community development financial institu-  
24           tions pursuant to this subsection, including

1 the name of the institution and the loan  
2 amount;

3 “(ii) the percentage of loans made  
4 under this section to members of Indian  
5 Tribes, Alaska Native communities, and  
6 Native Hawaiian communities, respectively,  
7 including a breakdown of loans made to  
8 households residing on and not on Tribal  
9 trust lands; and

10 “(iii) the average loan amount made  
11 by Native community development finan-  
12 cial institutions pursuant to this sub-  
13 section.

14 “(C) EVALUATION OF PROGRAM.—Not  
15 later than 3 years after the date of enactment  
16 of this subsection, the Secretary and the Sec-  
17 retary of the Treasury shall conduct an evalua-  
18 tion of and submit to the appropriate congres-  
19 sional committees a report on the program  
20 under this subsection, which shall—

21 “(i) evaluate the effectiveness of the  
22 program, including an evaluation of the de-  
23 mand for loans under the program; and

24 “(ii) include recommendations relating  
25 to the program, including whether—

1                   “(I) the program should be ex-  
 2                   panded to such that all community de-  
 3                   velopment financial institutions may  
 4                   make loans under the program to the  
 5                   borrowers described in paragraph (5);  
 6                   and

7                   “(II) the set aside amount para-  
 8                   graph (3) should be modified in order  
 9                   to match demand under the program.

10                   “(8) GRANTS FOR OPERATIONAL SUPPORT.—

11                   “(A) IN GENERAL.—The Secretary shall  
 12                   make grants to Native community development  
 13                   financial institutions that receive a loan under  
 14                   this section to provide operational support and  
 15                   other related services to those institutions, sub-  
 16                   ject to—

17                   “(i) the satisfactory performance, as  
 18                   determined by the Secretary, of a Native  
 19                   community development financial institu-  
 20                   tion in carrying out this section; and

21                   “(ii) the availability of funding.

22                   “(B) AMOUNT.—A Native community de-  
 23                   velopment financial institution that receives a  
 24                   loan under this section shall be eligible to re-  
 25                   ceive a grant described in subparagraph (A) in

1 an amount equal to 20 percent of the direct  
2 loan amount received by the Native community  
3 development financial institution under the pro-  
4 gram under this section as of the date on which  
5 the direct loan is awarded.

6 “(9) OUTREACH AND TECHNICAL ASSIST-  
7 ANCE.—There is authorized to be appropriated to  
8 the Secretary \$1,000,000 for each of fiscal years  
9 2025, 2026, and 2027—

10 “(A) to provide technical assistance to Na-  
11 tive community development financial institu-  
12 tions—

13 “(i) relating to homeownership and  
14 other housing-related assistance provided  
15 by the Secretary; and

16 “(ii) to assist those institutions to  
17 perform outreach to eligible homebuyers  
18 relating to the loan program under this  
19 section; or

20 “(B) to provide funding to a national orga-  
21 nization representing Native American housing  
22 interests to perform outreach and provide tech-  
23 nical assistance as described in clauses (i) and  
24 (ii), respectively, of subparagraph (A).

1           “(10) ADMINISTRATIVE COSTS.—In addition to  
2 other available funds, the Secretary may use not  
3 more than 3 percent of the amounts made available  
4 to carry out this subsection for administration of the  
5 programs established under this subsection.”.

○