

S. — Smith — 1st — Degree — 14

AMENDMENT NO. _____ Calendar No. _____

Purpose: To establish a Community Facilities Relending Program to fund the establishment of revolving loan funds for certain community facilities projects in low-income communities.

IN THE SENATE OF THE UNITED STATES—119th Cong., 2d Sess.

S. _____

To provide for the reform and continuation of agricultural and other programs of the Department of Agriculture through fiscal year 2031, and for other purposes.

Referred to the Committee on _____ and
ordered to be printed

Ordered to lie on the table and to be printed

AMENDMENT intended to be proposed by Ms. SMITH and Mr. JUSTICE

Viz:

1 At the appropriate place in subtitle B of title VI, in-
2 sert the following:

3 SEC. 62____. COMMUNITY FACILITIES RELENDING PRO-
4 GRAM.

5 Section 306 of the Consolidated Farm and Rural De-
6 velopment Act (7 U.S.C. 1926) is amended by inserting
7 after subsection (b) the following:

8 “(c) COMMUNITY FACILITIES RELENDING PRO-
9 GRAM.—

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

1 “(A) ELIGIBLE COMMUNITY FACILITIES
2 PROJECT.—The term ‘eligible community facili-
3 ties project’ means a community facilities
4 project that—

5 “(i) is eligible for a direct loan under
6 subsection (a)(1); and

7 “(ii) located in a low-income commu-
8 nity—

9 “(I) in a rural area; and

10 “(II) in which the median house-
11 hold income of the persons to be
12 served by the applicable facility is
13 below the higher of—

14 “(aa) 90 percent of the
15 statewide non-metropolitan me-
16 dian household income; and

17 “(bb) the poverty line estab-
18 lished by the Office of Manage-
19 ment and Budget, as revised
20 under section 673(2) of the Com-
21 munity Services Block Grant Act
22 (42 U.S.C. 9902(2)) .

23 “(B) ELIGIBLE INTERMEDIARY.—The
24 term ‘eligible intermediary’ means a private
25 nonprofit organization described in section

1 501(c) of the Internal Revenue Code of 1986
2 with demonstrated experience in lending for, fi-
3 nancing, or developing community facilities or
4 other community development projects in rural
5 areas.

6 “(C) PROGRAM.—The term ‘program’
7 means the Community Facilities Relending Pro-
8 gram established under paragraph (2).

9 “(2) ESTABLISHMENT.—The Secretary shall es-
10 tablish a program, to be known as the ‘Community
11 Facilities Relending Program’, to provide loans to el-
12 igible intermediaries to capitalize revolving loan
13 funds for the purpose of financing eligible commu-
14 nity facilities projects.

15 “(3) APPLICATIONS.—

16 “(A) IN GENERAL.—An eligible inter-
17 mediary seeking a loan under the program shall
18 submit to the Secretary an application at such
19 time, in such manner, and containing such in-
20 formation as the Secretary may require, includ-
21 ing a description of the 1 or more States and
22 communities in which eligible community facili-
23 ties projects will be financed.

24 “(B) EVALUATION.—In evaluating applica-
25 tions submitted under subparagraph (A), the

1 Secretary shall take into consideration the expe-
2 rience, financial capacity, and previous perform-
3 ance of an eligible intermediary in financing
4 community facilities projects in rural areas.

5 “(4) ANNUAL PROCESS.—In carrying out the
6 program, the Secretary shall issue notices, accept
7 applications, and make loans to eligible inter-
8 mediaries annually.

9 “(5) TERMS AND CONDITIONS.—A loan made
10 by the Secretary under the program shall—

11 “(A) bear an interest rate equal to the
12 lesser of—

13 “(i) the percentage rate that is 2 per-
14 centage points lower than the interest rate
15 applicable to community facilities direct
16 loans for low-income communities under
17 subsection (a)(1); and

18 “(ii) 2.5 percent per year;

19 “(B) be fully amortized over a term of 40
20 years; and

21 “(C) be eligible for a moratorium on prin-
22 cipal and interest payments of not less than 3
23 years.

24 “(6) LIMITATION.—The total principal amount
25 of loans provided by the Secretary to any 1 eligible

1 intermediary under the program during a fiscal year
2 shall not exceed \$5,000,000.

3 “(7) LENDING BY ELIGIBLE INTER-
4 MEDIARIES.—

5 “(A) IN GENERAL.—A loan made by the
6 Secretary under the program may be used by
7 an eligible intermediary to establish and cap-
8 italize 1 or more revolving loan funds to provide
9 loans to finance all or a portion of the total cost
10 of eligible community facilities projects.

11 “(B) TERMS AND CONDITIONS.—A loan
12 made by an eligible intermediary pursuant to
13 subparagraph (A) shall be on such terms and
14 conditions as the eligible intermediary shall es-
15 tablish.

16 “(C) PRINCIPAL AND INTEREST.—Prin-
17 cipal and interest received on loans made by an
18 eligible intermediary pursuant to subparagraph
19 (A) may be used—

20 “(i) to administer the applicable re-
21 volving loan fund;

22 “(ii) to provide technical assistance to
23 borrowers; and

24 “(iii) to make additional loans for
25 purposes authorized under this subsection.

1 “(8) REPORTING.—The Secretary shall require
2 each eligible intermediary receiving a loan under the
3 program to submit to the Secretary an annual report
4 describing—

5 “(A) the number of loans made using the
6 applicable revolving loan fund;

7 “(B) the amounts of those loans; and

8 “(C) the eligible community facilities
9 projects financed by those loans, including the
10 eligibility of the projects for financing under
11 subsection (a)(1).

12 “(9) FUNDING.—Of the amounts made avail-
13 able to the Secretary to make community facility di-
14 rect loans under subsection (a)(1) each fiscal year,
15 including amounts described in section 381E(d)(1),
16 the Secretary shall set aside not less than
17 \$50,000,000 to carry out this subsection.”.