

115TH CONGRESS  
2D SESSION

# S. 3503

To make housing more affordable, and for other purposes.

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IN THE SENATE OF THE UNITED STATES

SEPTEMBER 26, 2018

Ms. WARREN introduced the following bill; which was read twice and referred  
to the Committee on Finance

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## A BILL

To make housing more affordable, 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; TABLE OF CONTENTS.

4 (a) SHORT TITLE.—This Act may be cited as the  
5 “American Housing and Economic Mobility Act of 2018”.

6 (b) TABLE OF CONTENTS.—The table of contents for  
7 this Act is as follows:

Sec. 1. Short title; table of contents.

### TITLE I—MAKING HOUSING MORE AFFORDABLE

Sec. 101. Local housing innovation grants.

Sec. 102. Investing in affordable housing infrastructure.

### TITLE II—REVERSING THE LEGACY OF HOUSING DISCRIMINATION AND GOVERNMENT NEGLIGENCE

- Sec. 201. Down payment assistance program for communities formerly segregated by law.
- Sec. 202. Formula grant program for communities that have not recovered from the financial crisis.
- Sec. 203. Strengthening the Community Reinvestment Act of 1977.

TITLE III—REMOVING BARRIERS THAT ISOLATE COMMUNITIES

- Sec. 301. Expanding rights under the Fair Housing Act.
- Sec. 302. Improving outcomes in housing assistance programs.

TITLE IV—ESTATE TAX REFORM

- Sec. 401. Amendment to Internal Revenue Code of 1986.
- Sec. 402. Rate adjustment.
- Sec. 403. Required minimum 10-year term, etc., for grantor retained annuity trusts.
- Sec. 404. Certain transfer tax rules applicable to grantor trusts.
- Sec. 405. Elimination of generation-skipping transfer tax exemption for certain trusts.
- Sec. 406. Simplifying gift tax exclusion for annual gifts.

1           **TITLE I—MAKING HOUSING**  
 2                           **MORE AFFORDABLE**

3   **SEC. 101. LOCAL HOUSING INNOVATION GRANTS.**

4           (a) **DEFINITIONS.**—In this section:

5                   (1) **ELEMENTARY SCHOOL; SECONDARY**  
 6                   **SCHOOL.**—The terms “elementary school” and “sec-

7                   **ondary school”** have the meanings given those terms

8                   **in section 8101 of the Elementary and Secondary**

9                   **Education Act of 1965 (20 U.S.C. 7801).**

10                  (2) **ELIGIBLE ENTITY.**—The term “eligible enti-

11                  **ty”** means—

12                           (A) a State;

13                           (B) a unit of general local government; or

14                           (C) a metropolitan area.

15                  (3) **INSTITUTION OF HIGHER EDUCATION.**—The

16                  **term “institution of higher education”** has the

1 meaning given the term in section 101 of the Higher  
2 Education Act of 1965 (20 U.S.C. 1001).

3 (4) METROPOLITAN AREA; STATE; UNIT OF  
4 GENERAL LOCAL GOVERNMENT.—The terms “metro-  
5 politan area”, “State”, and “unit of general local  
6 government” have the meanings given those terms in  
7 section 102 of the Housing and Community Devel-  
8 opment Act of 1974 (42 U.S.C. 5302).

9 (5) SECRETARY.—The term “Secretary” means  
10 the Secretary of Housing and Urban Development.

11 (b) ESTABLISHMENT.—Not later than 1 year after  
12 the date of enactment of this Act, the Secretary shall es-  
13 tablish a program to make grants to eligible entities  
14 that—

15 (1) reform local land use restrictions to bring  
16 down the costs of producing affordable housing; and

17 (2) remove unnecessary barriers to building af-  
18 fordable units in their communities.

19 (c) ELIGIBLE ACTIVITIES.—An eligible entity receiv-  
20 ing a grant under this section may use funds to—

21 (1) carry out any of the activities described in  
22 section 105 of the Housing and Community Devel-  
23 opment Act of 1974 (42 U.S.C. 5305);

24 (2) carry out any of the activities permitted  
25 under the program for national infrastructure in-

1 vestments (commonly known as the “Better Utilizing  
2 Investments to Leverage Development (BUILD) dis-  
3 cretionary grant program”) authorized under title I  
4 of division L of the Consolidated Appropriations Act,  
5 2018 (Public Law 115–141) or a subsequent appro-  
6 priations Act; or

7 (3) modernize, renovate, or repair facilities used  
8 by public elementary schools, public secondary  
9 schools, and public institutions of higher education,  
10 including modernization, renovation, and repairs  
11 that are consistent with a recognized green building  
12 rating system.

13 (d) APPLICATION.—

14 (1) IN GENERAL.—An eligible entity desiring a  
15 grant under this section shall submit to the Sec-  
16 retary an application that demonstrates that the eli-  
17 gible entity has carried out, or is in the process of  
18 carrying out, initiatives that facilitate the expansion  
19 of the supply of well-located affordable housing.

20 (2) ACTIVITIES.—Initiatives that meet the cri-  
21 teria described in paragraph (1)—

22 (A) include—

23 (i) establishing “by-right” develop-  
24 ment, which allows jurisdictions to admin-

1            istratively approve new developments that  
2            are consistent their zoning code;

3            (ii) revising or eliminating off-street  
4            parking requirements to reduce the cost of  
5            housing production;

6            (iii) instituting measures that  
7            incentivize owners of vacant land to rede-  
8            velop the space into affordable housing or  
9            other productive uses;

10           (iv) revising minimum lot size require-  
11           ments and bans or limits on multifamily  
12           construction to allow for denser and more  
13           affordable development;

14           (v) instituting incentives to promote  
15           dense development, such as density bo-  
16           nuses;

17           (vi) passing inclusionary zoning ordi-  
18           nances that require a portion of newly de-  
19           veloped units to be reserved for low- and  
20           moderate-income renters or homebuyers;

21           (vii) streamlining regulatory require-  
22           ments and shortening processes, reforming  
23           zoning codes, or other initiatives that re-  
24           duce barriers to housing supply elasticity  
25           and affordability;

1 (viii) allowing accessory dwelling  
2 units; and

3 (ix) using local tax incentives to pro-  
4 mote development of affordable housing;  
5 and

6 (B) do not include activities that alter or-  
7 dinances that govern wage and hour laws, fam-  
8 ily and medical leave laws, or protections for  
9 workers' health and safety, anti-discrimination,  
10 and right to organize.

11 (e) LABOR LAWS.—

12 (1) IN GENERAL.—All laborers and mechanics  
13 employed by contractors or subcontractors in the  
14 performance of construction work financed in whole  
15 or in part with a grant received under this section  
16 shall be paid wages at rates not less than those pre-  
17 vailing on similar construction in the locality as de-  
18 termined by the Secretary of Labor in accordance  
19 with subchapter IV of chapter 31 of title 40, United  
20 States Code (commonly known as the “Davis-Bacon  
21 Act”).

22 (2) EXCEPTION.—Paragraph (1) shall not  
23 apply with respect to—

1 (A) the rehabilitation of residential prop-  
2 erty if the property contains less than 8 units;

3 or

4 (B) construction carried out by employees  
5 of the eligible entity receiving the grant under  
6 this section.

7 (f) AUTHORIZATION OF APPROPRIATIONS.—There  
8 are authorized to be appropriated to carry out this section  
9 \$2,000,000,000 for each of fiscal years 2019 through  
10 2023.

11 SEC. 102. INVESTING IN AFFORDABLE HOUSING INFRA-  
12 STRUCTURE.

13 (a) HOUSING TRUST FUND.—Section 1338(a) of the  
14 Federal Housing Enterprises Financial Safety and Sound-  
15 ness Act of 1992 (12 U.S.C. 4568(a)) is amended by add-  
16 ing at the end the following:

17 “(3) AUTHORIZATION OF APPROPRIATIONS.—  
18 There is authorized to be appropriated to the Hous-  
19 ing Trust Fund \$44,500,000,000 for each of fiscal  
20 years 2019 through 2028.”.

21 (b) CAPITAL MAGNET FUND.—Section 1339 of the  
22 Federal Housing Enterprises Financial Safety and Sound-  
23 ness Act of 1992 (12 U.S.C. 4569) is amended by adding  
24 at the end the following:

1       “(k) AUTHORIZATION OF APPROPRIATIONS.—There  
2 is authorized to be appropriated to the Capital Magnet  
3 Fund \$2,500,000,000 for each of fiscal years 2019  
4 through 2028.”.

5       (c) INDIAN HOUSING BLOCK GRANT PROGRAM.—  
6 Section 108 of the Native American Housing Assistance  
7 and Self-Determination Act of 1996 (25 U.S.C. 4117) is  
8 amended—

9           (1) by striking “such sums as may be necessary  
10 for each of fiscal years 2009 through 2013” and in-  
11 sserting “\$2,500,000,000 for fiscal year 2019 and  
12 such sums as may be necessary for each of fiscal  
13 years 2020 through 2028”; and

14           (2) by striking the second sentence.

15       (d) RURAL HOUSING PROGRAMS.—Out of funds in  
16 the Treasury not otherwise appropriated, there is appro-  
17 priated for fiscal year 2019—

18           (1) to provide direct loans under section 502 of  
19 the Housing Act of 1949 (42 U.S.C. 1472),  
20 \$140,000,000;

21           (2) to provide assistance under section 514 of  
22 such Act (42 U.S.C. 1484), \$28,000,000;

23           (3) to provide assistance under section 515 of  
24 such Act (42 U.S.C. 1485), \$180,000,000;



1 (4) to provide assistance under section 516 of  
2 such Act (42 U.S.C. 1486), \$100,000,000; and

3 (5) to provide direct loans under section 523 of  
4 such Act (42 U.S.C. 1490c), \$75,000,000.

5 (e) MIDDLE CLASS HOUSING EMERGENCY FUND.—

6 (1) DEFINITION.—In this subsection, the term  
7 “affordable rental housing unit” means a unit for  
8 which monthly rent is 30 percent or less than the  
9 monthly area median income.

10 (2) ESTABLISHMENT.—The Secretary of Hous-  
11 ing and Urban Development shall establish and  
12 manage a fund, to be known as the “Middle Class  
13 Housing Emergency Fund”, which shall be funded  
14 with any amounts as may be appropriated, trans-  
15 ferred, or credited to the Fund under any provision  
16 law.

17 (3) GRANTS.—From amounts available in the  
18 fund established under paragraph (1), the Secretary  
19 of Housing and Urban Development shall award  
20 grants on a competitive basis to State housing fi-  
21 nance agencies located in a State in which—

22 (A) there is a shortage of affordable rental  
23 housing units available to individuals with an  
24 income that is at or below the area median in-  
25 come and median rents have risen on average

1 over the preceding 3 years substantially faster  
2 than the area median income; or

3 (B) there is a shortage of housing units  
4 available for sale that are affordable to individ-  
5 uals with an income that is at or below the area  
6 median income and median home prices have  
7 risen on average over the preceding 3 years  
8 substantially faster than the area median in-  
9 come.

10 (4) USE OF FUNDS.—Grants received under  
11 this subsection shall be used to fund the construc-  
12 tion of rental housing units that are affordable to  
13 residents making less than 120 percent of the area  
14 median income.

15 (5) LABOR LAWS.—

16 (A) IN GENERAL.—All laborers and me-  
17 chanics employed by contractors or subcontrac-  
18 tors in the performance of construction work fi-  
19 nanced in whole or in part with a grant received  
20 under this subsection shall be paid wages at  
21 rates not less than those prevailing on similar  
22 construction in the locality as determined by  
23 the Secretary of Labor in accordance with sub-  
24 chapter IV of chapter 31 of title 40, United

1 States Code (commonly known as the “Davis-  
2 Bacon Act”).

3 (B) EXCEPTION.—Subparagraph (A) shall  
4 not apply with respect to—

5 (i) the rehabilitation of residential  
6 property if the property contains less than  
7 8 units; or

8 (ii) construction carried out by em-  
9 ployees of the eligible entity receiving the  
10 grant under this section.

11 (6) REGULATIONS.—The Secretary of Housing  
12 and Urban Development shall promulgate regula-  
13 tions to carry out this subsection, including with re-  
14 spect to the metrics the Secretary shall use to deter-  
15 mine eligibility for a grant under this subsection.

16 (7) APPROPRIATIONS.—Out of funds in the  
17 Treasury not otherwise appropriated, there is appro-  
18 priated to the fund established under this subsection  
19 \$4,000,000,000 for fiscal year 2019.

1 **TITLE II—REVERSING THE LEG-**  
2 **ACY OF HOUSING DISCRIMI-**  
3 **NATION AND GOVERNMENT**  
4 **NEGLIGENCE**

5 **SEC. 201. DOWN PAYMENT ASSISTANCE PROGRAM FOR**  
6 **COMMUNITIES FORMERLY SEGREGATED BY**  
7 **LAW.**

8 (a) **DEFINITIONS.**—In this section:

9 (1) **ELIGIBLE RESIDENT.**—The term “eligible  
10 resident” means a resident of a geographic area, as  
11 defined by the Secretary by regulation under sub-  
12 section (e), who—

13 (A) is a first-time homebuyer;

14 (B) resided in that geographic area during  
15 the 4-year period preceding the date of enact-  
16 ment of this Act; and

17 (C) has an income that is less than 120  
18 percent of the area median income.

19 (2) **FIRST-TIME HOMEBUYER.**—The term “first-  
20 time homebuyer” means an individual (and if mar-  
21 ried, the spouse of the individual) who has had no  
22 ownership in a principal residence during the 3-year  
23 period ending on the date of purchase of the prop-  
24 erty.

1           (3) SECRETARY.—The term “Secretary” means  
2           the Secretary of Housing and Urban Development.

3           (b) ESTABLISHMENT.—There is established in the  
4           Office of Housing of the Department of Housing and  
5           Urban Development a fund, to be administered by the Sec-  
6           retary, that shall be used—

7           (1) to provide grants to eligible residents to  
8           purchase homes; and

9           (2) for outreach to financial institutions in tar-  
10          geted areas and eligible residents.

11          (c) GRANT AMOUNT.—Eligible residents may receive  
12          a grant from the fund established under subsection (b)  
13          in an amount equal to—

14          (1) not more than 3.5 percent of the appraised  
15          value of the property to be purchased; or

16          (2) if the appraised value is more than the prin-  
17          cipal obligation amount limitation for mortgages in-  
18          sured under title II of the National Housing Act (12  
19          U.S.C. 1707 et seq.), 3.5 percent of the maximum  
20          principal obligation limitation for the property to be  
21          purchased.

22          (d) FHA LOAN.—An eligible resident is not required  
23          to obtain a mortgage that is insured under title II of the  
24          National Housing Act (12 U.S.C. 1707 et seq.) as a condi-  
25          tion of receiving a grant under this section.

1 (e) REGULATIONS AND DATABASE.—Not later than  
2 1 year after the date of enactment of this Act, the Sec-  
3 retary shall—

4 (1) finalize regulations relating to the use of  
5 the fund established under subsection (b), including  
6 defining the geographic areas in which residents are  
7 eligible to receive grants through the fund, which  
8 shall include—

9 (A) census tracts graded as “hazardous”  
10 in maps drawn by the Home Owners’ Loan  
11 Corporation that are, as of the date of enact-  
12 ment of this Act, low-income communities; and

13 (B) census tracts that were designated for  
14 non-White citizens in jurisdictions that histori-  
15 cally had racially segregated zoning codes and  
16 are, as of the date of enactment of this Act,  
17 low-income communities;

18 (2) finalize regulations relating to the disburse-  
19 ment of funds under this section to ensure that eligi-  
20 ble residents are able to receive funds before the  
21 closing date for their home, which may include cre-  
22 ating a program that allows a lender to be reim-  
23 bursed by the fund established under subsection (b)  
24 if the lender—

1 (A) provides the eligible resident with  
2 funds for the closing; or

3 (B) allows eligible residents to be  
4 preapproved to receive assistance under this  
5 section when arranging financing for their  
6 home;

7 (3) create a publicly accessible database that al-  
8 lows individuals, real estate professionals, and lend-  
9 ers to determine whether a borrower is eligible for  
10 assistance under this section; and

11 (4) establish methods to verify that an indi-  
12 vidual is an eligible resident.

13 (f) APPROPRIATIONS.—Out of funds in the Treasury  
14 not otherwise appropriated, there are appropriated to the  
15 fund established under subsection (b) such sums as may  
16 be necessary for each of fiscal years 2019 through 2028  
17 to provide grants under this section and to carry out con-  
18 sumer education efforts related to this section.

19 (g) INCLUSION OF PROGRAM IN HOME BUYING IN-  
20 FORMATION BOOKLETS.—Section 5(b) of the Real Estate  
21 Settlement Procedures Act of 1974 (12 U.S.C. 2605) is  
22 amended by inserting after paragraph (14) the following:

23 “(15) Information relating to the down pay-  
24 ment assistance program established under section

1       201 of the American Housing and Economic Mobil-  
2       ity Act of 2018.”.

3       (h) INCLUSION OF PROGRAM AS MORTGAGE PROD-  
4       UCT.—Section 203(f)(1) of the National Housing Act (12  
5       U.S.C. 1709(f)(1)) is amended by inserting “, including  
6       the down payment assistance program established under  
7       section 201 of the American Housing and Economic Mo-  
8       bility Act of 2018” after “mortgage products,”.

9       **SEC. 202. FORMULA GRANT PROGRAM FOR    COMMUNITIES**  
10                               **THAT HAVE NOT RECOVERED FROM THE FI-**  
11                               **NANCIAL CRISIS.**

12       (a) ESTABLISHMENT.—The Secretary of Housing  
13       and Urban Development shall establish a formula grant  
14       program to provide funding to States to assist borrowers  
15       with negative equity in their primary residence through—

16               (1) loan modifications or loan refinancing pro-  
17               grams that provide principal reduction;

18               (2) programs to purchase or rehabilitate vacant  
19               land and foreclosed homes to enhance neighborhood  
20               property values; and

21               (3) loan programs to help underwater borrowers  
22               rehabilitate or conduct maintenance on their homes.

23       (b) FORMULA.—The Secretary of Housing and  
24       Urban Development shall distribute amounts under this



1 section based on the number of borrowers in the State  
2 with a primary residence with negative equity.

3 (c) AUTHORIZATION OF APPROPRIATIONS.—There is  
4 authorized to be appropriated to carry out this section  
5 \$2,000,000,000 for fiscal year 2019.

6 SEC. 203. STRENGTHENING THE COMMUNITY REINVEST-  
7 MENT ACT OF 1977.

8 (a) SHORT TITLE.—This section may be cited as the  
9 “Community Reinvestment Reform Act of 2018”.

10 (b) AMENDMENTS TO THE COMMUNITY REINVEST-  
11 MENT ACT OF 1977.—The Community Reinvestment Act  
12 of 1977 (12 U.S.C. 2901 et seq.) is amended—

13 (1) by amending sections 802 and 803 (12  
14 U.S.C. 2901, 2902) to read as follows:

15 “SEC. 802. FINDINGS AND PURPOSE.

16 “(a) FINDINGS.—Congress finds that—

17 “(1) regulated financial institutions are re-  
18 quired by law to demonstrate that they serve the  
19 convenience and needs of the communities in which  
20 they are chartered or do business, in particular low-  
21 and moderate-income communities;

22 “(2) the convenience and needs of communities  
23 include the need for credit services, deposit services,  
24 transaction services, other financial services, and  
25 community development loans and investments; and

1           “(3) regulated financial institutions have a con-  
2           tinuing and affirmative obligation to meet the credit  
3           or other financial needs of the local communities in  
4           which they are chartered or do business.

5           “(b) PURPOSE.—It is the purpose of this title to re-  
6           quire each appropriate Federal financial supervisory agen-  
7           cy to use its authority when examining regulated financial  
8           institutions to ensure that those institutions meet the  
9           credit or other financial needs of the local communities  
10          in which they are chartered or do business consistent with  
11          the safe and sound operation of those institutions.

12          “SEC. 803. DEFINITIONS.

13          “In this title:

14                  “(1) APPLICATION FOR A DEPOSIT FACILITY.—  
15                  The term ‘application for a deposit facility’ means  
16                  an application to the appropriate Federal financial  
17                  supervisory agency otherwise required under Federal  
18                  law or regulations thereunder for—

19                          “(A) a charter for a national bank or Fed-  
20                          eral savings and loan association;

21                          “(B) deposit insurance in connection with  
22                          a newly chartered State bank, savings bank,  
23                          savings and loan association, or similar institu-  
24                          tion;

1           “(C) the establishment of a domestic  
2 branch or other facility with the ability to ac-  
3 cept deposits of a regulated financial institu-  
4 tion;

5           “(D) the relocation of the home office or a  
6 branch office of a regulated financial institu-  
7 tion;

8           “(E) the merger or consolidation with, or  
9 the acquisition of the assets, or the assumption  
10 of the liabilities of a regulated financial institu-  
11 tion requiring approval under section 18(c) of  
12 the Federal Deposit Insurance Act (12 U.S.C.  
13 1828(c)); or

14           “(F) the acquisition of shares in, or the as-  
15 sets of, a regulated financial institution requir-  
16 ing approval under section 3 of the Bank Hold-  
17 ing Company Act of 1956 (12 U.S.C. 1842).

18           “(2) APPROPRIATE FEDERAL BANKING AGEN-  
19 CY.—The term ‘appropriate Federal banking agency’  
20 has the meaning given the term in section 3 of the  
21 Federal Deposit Insurance Act (12 U.S.C. 1813).

22           “(3) APPROPRIATE FEDERAL FINANCIAL SU-  
23 PERVISORY AGENCY.—The term ‘appropriate Fed-  
24 eral financial supervisory agency’ means—

1           “(A) the appropriate Federal banking  
2 agency with respect to depository institutions  
3 and depository institution holding companies;

4           “(B) the Bureau of Consumer Financial  
5 Protection with respect to any covered person  
6 supervised by the Bureau pursuant to section  
7 1024 of the Dodd-Frank Wall Street Reform  
8 and Consumer Protection Act (12 U.S.C.  
9 5514); and

10           “(C) the National Credit Union Adminis-  
11 tration with respect to credit unions that are  
12 not designated as low-income credit unions.

13           “(4) ASSESSMENT AREA.—The term ‘assess-  
14 ment area’ means, with respect to a regulated finan-  
15 cial institution, each community, including a State,  
16 metropolitan area, and urban or rural county, in  
17 which the institution—

18           “(A) maintains deposit-taking branches,  
19 automated teller machines, or retail offices;

20           “(B) is represented by an agent;

21           “(C) issues a significant number of loans  
22 or other products relative to the total number  
23 of loans or other products made by the institu-  
24 tion;

1           “(D) has issued not less than 75 percent  
2 of the loans of the institution; or

3           “(E) has conducted not less than 75 per-  
4 cent of the business of the institution.

5           “(5) COMMUNITY BENEFITS PLAN.—The term  
6 ‘community benefits plan’ means a plan that pro-  
7 vides measurable goals for future amounts of safe  
8 and sound loans, investments, services, and other fi-  
9 nancial products for low- and moderate-income com-  
10 munities and other underserved or distressed com-  
11 munities.

12           “(6) COMMUNITY DEVELOPMENT.—The term  
13 ‘community development’ means—

14           “(A) affordable housing for low- or mod-  
15 erate-income individuals and avoidance of pat-  
16 terns of lending resulting in the loss of afford-  
17 able housing units;

18           “(B) community development services in-  
19 cluding counseling and successful mortgage or  
20 loan modifications of delinquent loans;

21           “(C) activities that promote integration;

22           “(D) activities that promote economic de-  
23 velopment by financing small businesses or  
24 farms that meet the size eligibility requirements  
25 of the development company or small business

1 investment company programs under section  
2 121.301 of title 13, Code of Federal Regula-  
3 tions, or any successor thereto, with an empha-  
4 sis on small businesses that have gross annual  
5 revenues of not more than \$1,000,000; or

6 “(E) activities that revitalize or stabilize—

7 “(i) low- or moderate-income geog-  
8 raphies;

9 “(ii) designated disaster areas;

10 “(iii) distressed or underserved non-  
11 metropolitan middle-income geographies  
12 designated by the Federal Financial Insti-  
13 tutions Examination Council, based on—

14 “(I) rates of poverty, unemploy-  
15 ment, and population loss; or

16 “(II) population size, density,  
17 and dispersion, if those activities help  
18 to meet essential community needs,  
19 including the needs of low- and mod-  
20 erate-income individuals; or

21 “(iv) other distressed and underserved  
22 communities.

23 “(7) DEPOSITORY INSTITUTION; DEPOSITORY  
24 INSTITUTION HOLDING COMPANY.—The terms ‘de-  
25 pository institution’ and ‘depository institution hold-

1 ing company’ have the meanings given those terms  
2 in section 3 of the Federal Deposit Insurance Act  
3 (12 U.S.C. 1813).

4 “(8) ENTIRE COMMUNITY.—The term ‘entire  
5 community’ means all of the assessment areas of a  
6 regulated financial institution.

7 “(9) ENUMERATED CONSUMER LAWS.—The  
8 term ‘enumerated consumer laws’ has the meaning  
9 given the term in section 1002 of the Consumer Fi-  
10 nancial Protection Act of 2010 (12 U.S.C. 5481).

11 “(10) GEOGRAPHY.—The term ‘geography’  
12 means a census tract delineated by the Bureau of  
13 the Census in the most recent decennial census.

14 “(11) INSURED DEPOSITORY INSTITUTION.—  
15 The term ‘insured depository institution’ has the  
16 meaning given the term in section 3 of the Federal  
17 Deposit Insurance Act (12 U.S.C. 1813).

18 “(12) OTHER DISTRESSED OR UNDERSERVED  
19 COMMUNITY.—The term ‘other distressed or under-  
20 served community’ means an area that, according to  
21 a periodic review and data analysis by the appro-  
22 priate Federal financial supervisory agencies on an  
23 interagency basis through the Federal Financial In-  
24 stitutions Examination Council, is experiencing eco-

1        nomic hardship or is underserved by financial insti-  
2        tutions.

3            “(13) REGULATED FINANCIAL INSTITUTION.—

4        The term ‘regulated financial institution’ means—

5            “(A) an insured depository institution;

6            “(B) a depository institution holding com-  
7        pany;

8            “(C) a credit union, other than a low-in-  
9        come credit union; and

10          “(D) a U.S. nonbank mortgage originator.

11          “(14) U.S. NONBANK MORTGAGE ORIGI-

12        NATOR.—The term ‘U.S. nonbank mortgage origi-  
13        nator’ means a covered person subject to section  
14        1024 of the Dodd-Frank Wall Street Reform and  
15        Consumer Protection Act (12 U.S.C. 5514) that of-  
16        fers or provides—

17          “(A) origination of loans secured by real  
18        estate for use by consumers primarily for per-  
19        sonal, family, or household purposes; or

20          “(B) loan modification or foreclosure relief  
21        services in connection with a loan described in  
22        subparagraph (A).”;

23        (2) in section 804 (12 U.S.C. 2903)—

24            (A) by redesignating subsections (c) and  
25        (d) as subsections (f) and (g), respectively;



1 (B) by striking subsections (a) and (b) and  
2 inserting the following:

3 “(a) DEPOSITORY INSTITUTIONS AND BANK HOLD-  
4 ING COMPANIES.—In connection with its examination of  
5 a regulated financial institution other than a U.S.  
6 nonbank mortgage originator, the appropriate Federal fi-  
7 nancial supervisory agency shall perform the following:

8 “(1) Assess the record of the institution in  
9 meeting the credit or other financial needs of its en-  
10 tire community, in particular low- and moderate-in-  
11 come people and communities, and distressed or un-  
12 derserved communities, consistent with the safe and  
13 sound operation of the institution.

14 “(2) Assess the effectiveness of the following  
15 activities in meeting the credit or other financial  
16 needs of the assessment areas of the institution, con-  
17 sistent with the safe and sound operation of the in-  
18 stitution:

19 “(A) Retail lending, including home, small  
20 business, consumer, and other lending and fi-  
21 nancial products, that responds to credit needs  
22 or other financial needs.

23 “(B) Community development lending and  
24 investments, which may include a consideration  
25 of—

1           “(i) the origination of loans and other  
2           efforts by the institution to assist existing  
3           low- and moderate-income residents to re-  
4           main in affordable housing in their com-  
5           munity; and

6           “(ii) the origination of loans by the  
7           institution that result in the construction,  
8           rehabilitation, or preservation of affordable  
9           housing units.

10          “(C) Retail financial services and commu-  
11          nity development services.

12          “(3) With respect to its evaluation of an appli-  
13          cation for a deposit facility by the institution—

14               “(A) consider the record described in para-  
15               graph (1), the overall rating of the institution  
16               under this section, and any improvement plans  
17               submitted pursuant to this section;

18               “(B) provide an opportunity for public  
19               comment for a period of not less than 60 days;

20               “(C) consider changes in the community  
21               reinvestment performance of the institution  
22               since the most recent rating under this section  
23               by the appropriate Federal financial supervisory  
24               agency; and

25               “(D) require—

1 “(i) a demonstration of public benefit,  
2 including a community benefits plan with  
3 measurable goals regarding increasing re-  
4 sponsible lending and other financial prod-  
5 ucts;

6 “(ii) that the institution consult with  
7 community-based organizations and other  
8 community stakeholders in developing the  
9 community benefits plan; and

10 “(iii) a public hearing for any institu-  
11 tion that has a received a ‘need-to-improve’  
12 or ‘sufficient’ grade in any individual as-  
13 sessment area during the most recent ex-  
14 amination.

15 “(b) U.S. NONBANK MORTGAGE ORIGINATOR.—In  
16 connection with its examination of a U.S. nonbank mort-  
17 gage originator, the appropriate Federal financial super-  
18 visory agency shall perform the following:

19 “(1) Assess the record of the U.S. nonbank  
20 mortgage originator in meeting the credit or other  
21 financial needs of its entire community, in particular  
22 low-income and moderate-income people and commu-  
23 nities, consistent with the safe and sound operation  
24 of the U.S. nonbank mortgage originator.

1           “(2) Assess, as appropriate, the following activi-  
2           ties in the assessment areas of the U.S. nonbank  
3           mortgage originator:

4                   “(A) Retail lending, including home loans.

5                   “(B) Community development services.

6                   “(C) Community development lending and  
7           investments, which may include a consideration  
8           of—

9                           “(i) the origination of loans and other  
10                           efforts by the institution to assist existing  
11                           low- and moderate-income residents to re-  
12                           main in affordable housing in their com-  
13                           munity;

14                           “(ii) the origination of loans by the  
15                           institution that result in the construction,  
16                           rehabilitation or preservation of affordable  
17                           housing units; and

18                           “(iii) investments in or loans to com-  
19                           munity development financial institutions  
20                           (as defined in section 103 of the Commu-  
21                           nity Development Banking and Financial  
22                           Institutions Act of 1994 (12 U.S.C.  
23                           4702)), community development corpora-  
24                           tions (as defined in section 613 of the  
25                           Community Economic Development Act of

1                   1981 (42 U.S.C. 9802)), and other non-  
2                   profit organizations serving the housing  
3                   and development needs of the community.

4                   “(3) With respect to its evaluation of an appli-  
5                   cation for a deposit facility by the U.S. nonbank  
6                   mortgage originator—

7                   “(A) consider the record described in para-  
8                   graph (1), the overall rating of the U.S.  
9                   nonbank mortgage originator under this sec-  
10                  tion, and any improvement plans submitted  
11                  pursuant to this section;

12                  “(B) provide an opportunity for public  
13                  comment for a period of not less than 60 days;

14                  “(C) consider changes in the community  
15                  reinvestment performance of the U.S. nonbank  
16                  mortgage originator since the most recent rat-  
17                  ing under this section by the appropriate Fed-  
18                  eral financial supervisory agency; and

19                  “(D) require—

20                  “(i) a demonstration that granting the  
21                  application for a deposit facility is in the  
22                  public interest, which shall include a sub-  
23                  mission of a community benefits plan by  
24                  the U.S. nonbank mortgage originator to

1 the appropriate Federal financial super-  
2 visory agency;

3 “(ii) that the U.S. nonbank mortgage  
4 originator consult with community-based  
5 organizations and other community stake-  
6 holders in developing the community bene-  
7 fits plan; and

8 “(iii) a public hearing for any U.S.  
9 nonbank mortgage originator that has a  
10 received a ‘need-to-improve’ or ‘sufficient’  
11 grade in any individual assessment area  
12 during the most recent examination.

13 “(c) REQUIREMENTS.—

14 “(1) IN GENERAL.—In connection with its ex-  
15 amination of a regulated financial institution under  
16 subsection (a) or (b), the appropriate Federal finan-  
17 cial supervisory agency shall—

18 “(A) consider public comments received by  
19 the appropriate Federal financial supervisory  
20 agency regarding the record of the institution in  
21 meeting the credit or other financial needs of  
22 its entire community, including low- and mod-  
23 erate-income communities; and

24 “(B) require an improvement plan for an  
25 institution that receives a rating of ‘sufficient’

1 or lower on the written evaluation of the insti-  
2 tution, or such a rating in any individual as-  
3 sessment area, and require the improvement  
4 plan to result in the reasonable likelihood that  
5 the institution will obtain a rating of at least  
6 ‘satisfactory record of meeting community cred-  
7 it or other financial needs’ in the relevant meas-  
8 ure on the next examination.

9 “(2) IMPROVEMENT PLAN.—

10 “(A) IN GENERAL.—A regulated financial  
11 institution that is required to submit an im-  
12 provement plan required under paragraph  
13 (1)(B) shall submit the plan in writing to the  
14 appropriate Federal financial supervisory agen-  
15 cy not later than 90 days after receiving notice  
16 that the regulated financial institution is re-  
17 quired to submit the plan.

18 “(B) PUBLIC COMMENT.—Upon receipt of  
19 an improvement plan of a regulated financial  
20 institution required under paragraph (1)(B),  
21 the appropriate Federal financial supervisory  
22 agency shall—

23 “(i) make the plan available to the  
24 public for review and comment for a period  
25 of not less than 60 days; and

1           “(ii) require the regulated financial  
2           institution to revise, as appropriate, the  
3           improvement plan in response to the public  
4           comments received under the public review  
5           and comment period described in clause (i)  
6           and submit the plan to the appropriate  
7           Federal financial supervisory agency not  
8           later than 60 days after the end of that pe-  
9           riod.

10           “(3) EXAMINATION OF CERTAIN REGULATED  
11           FINANCIAL INSTITUTIONS.—In the case of a regu-  
12           lated financial institution whose lending or other  
13           business is not clustered in geographical areas and  
14           is thinly dispersed across the country, the institution  
15           shall—

16                   “(A) be evaluated under subsection (a) or  
17                   (b), as applicable—

18                           “(i) by considering the effectiveness of  
19                           the institution in serving customers or bor-  
20                           rowers, with a special emphasis on low-  
21                           and moderate-income individuals across the  
22                           country regardless of where the individuals  
23                           reside; and

24                           “(ii) based on objective thresholds de-  
25                           veloped by the appropriate Federal finan-



1           cial supervisory agencies to clarify when  
2           lending or other business is dispersed  
3           across the country and not clustered in  
4           distinct geographical areas, which may in-  
5           clude low levels of lending or other finan-  
6           cial products across States or other areas;  
7           and

8           “(B) meet the needs of other distressed or  
9           underserved communities.

10          “(d) CONSIDERATION.—Remediation of consumers  
11          pursuant to an order by an court or administrative body  
12          or a settlement with a government agency or a private  
13          party shall not be considered in an assessment conducted  
14          under subsection (a)(2) or (b)(2).

15          “(e) RULE OF CONSTRUCTION.—An evaluation of a  
16          bank holding company under this section shall incorporate  
17          evaluations of subsidiary regulated financial institutions  
18          made by each subsidiary’s appropriate Federal financial  
19          supervisory agency, if applicable.”;

20                           (C) in subsection (f), as so redesignated—  
21                           (i) by striking paragraph (2); and  
22                           (ii) by redesignating paragraph (3) as  
23                           paragraph (2); and

1 (D) in subsection (g), as so redesignated,  
2 by striking “subsection (a)” and inserting “sub-  
3 sections (a) and (b)”;

4 (3) in section 807 (12 U.S.C. 2906)—

5 (A) in subsection (a)—

6 (i) by striking “an insured depository  
7 institution” and inserting “a regulated fi-  
8 nancial institution”; and

9 (ii) by inserting “or financial” after  
10 “credit”;

11 (B) in subsection (b)—

12 (i) in paragraph (1)—

13 (I) in subparagraph (A)—

14 (aa) in clause (ii), by strik-  
15 ing “and” at the end;

16 (bb) by redesignating clause  
17 (iii) as clause (iv); and

18 (cc) by inserting after clause  
19 (ii) the following:

20 “(iii) disclose whether the institution en-  
21 gaged in acts or practices that the Bureau of  
22 Consumer Financial Protection has determined,  
23 and has publicly disclosed, violate the enumer-  
24 ated consumer laws; and”;

1 (II) by striking subparagraph (B)  
2 and inserting the following:

3 “(B) METROPOLITAN AREA DISTINCTIONS.—  
4 The information required under clauses (i) and (ii)  
5 of subparagraph (A) shall be presented separately  
6 for each assessment area.

7 “(C) TREATMENT WITH RESPECT TO VIOLA-  
8 TIONS OF ENUMERATED CONSUMER LAWS.—If a  
9 regulated financial institution has engaged in acts or  
10 practices that the appropriate Federal financial su-  
11 pervisory agency has determined to be unfair, decep-  
12 tive, or abusive or acts or practices that violate enu-  
13 merated consumer laws intended to ensure the fair,  
14 equitable, and nondiscriminatory access to credit for  
15 individuals and communities that are enforced by  
16 the Bureau of Consumer Financial Protection or  
17 other Federal or State agencies, the written evalua-  
18 tion shall be negatively influenced in a manner com-  
19 mensurate with the extent of the harm suffered by  
20 those individuals and communities.”;

21 (ii) in paragraph (2)—

22 (I) by striking subparagraphs  
23 (A), (B), (C), and (D) and inserting  
24 the following:

1           “(A) ‘Outstanding record of meeting com-  
2           munity credit or other financial needs’.

3           “(B) ‘Satisfactory record of meeting com-  
4           munity credit or other financial needs’.

5           “(C) ‘Sufficient record of meeting commu-  
6           nity credit or other financial needs’.

7           “(D) ‘Needs to improve record of meeting  
8           community credit or other financial needs’.

9           “(E) ‘Substantial noncompliance in meet-  
10          ing community credit or other financial  
11          needs’.”; and

12                   (iii) by inserting after the flush text  
13                   following paragraph (2) the following:

14           “(3) **ADDITIONAL AUTHORITY.**—The appro-  
15          prium Federal financial supervisory agencies may—

16                   “(A) alter the ratings under this sub-  
17                   section to change or include additional ratings;  
18                   and

19                   “(B) develop an accompanying point sys-  
20                   tem that includes ranges for each rating cat-  
21                   egory under paragraph (2).”;

22                   (C) by redesignating subsection (e) as sub-  
23                   section (g); and

24                   (D) by inserting after subsection (d) the  
25                   following:

1 “(e) APPEALS OF RATING.—If a regulated financial  
2 institution appeals the assigned rating under this section,  
3 the appropriate Federal financial supervisory agency shall  
4 post a public notice of the appeal on the website of the  
5 appropriate Federal financial supervisory agency.”; and

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

7 “SEC. 810. DATA COLLECTION AND REPORTING REQUIRE-  
8 MENTS.

9 “(a) DATA COLLECTION.—

10 “(1) SMALL BUSINESS AND SMALL FARM  
11 LOANS.—Each regulated financial institution shall  
12 collect and maintain in machine readable form, as  
13 prescribed by the appropriate Federal financial su-  
14 pervisory agency, until the completion of the next ex-  
15 amination under this title, the following data for  
16 each small business or small farm loan originated or  
17 purchased by the regulated financial institution:

18 “(A) A unique number or alpha-numeric  
19 symbol that can be used to identify the relevant  
20 loan.

21 “(B) The loan amount at origination.

22 “(C) The loan location.

23 “(D) An indicator whether the loan was to  
24 a business or farm with gross annual revenues  
25 of \$1,000,000 or less.

1           “(2) CONSUMER LOANS.—Each regulated finan-  
2           cial institution shall collect and maintain in machine  
3           readable form, as prescribed by the appropriate Fed-  
4           eral financial supervisory agency, data for consumer  
5           loans originated or purchased by the regulated fi-  
6           nancial institution, including motor vehicle loans,  
7           credit cards, home equity loans, and other secured  
8           or unsecured loans. The regulated financial institu-  
9           tion shall maintain data separately for each category  
10          of consumer loan, including the following for each  
11          loan:

12                   “(A) A unique number or alpha-numeric  
13                   symbol that can be used to identify the relevant  
14                   loan.

15                   “(B) The loan amount at origination or  
16                   purchase.

17                   “(C) The loan location.

18                   “(D) The gross annual income of the bor-  
19                   rower that the regulated financial institution  
20                   considered in making its credit decision.

21           “(3) COMMUNITY DEVELOPMENT LOANS AND  
22           INVESTMENTS.—Each regulated financial institution  
23           shall collect and maintain in machine readable form,  
24           as prescribed by the appropriate Federal financial  
25           supervisory agency, data on the categories of com-

1 community development lending and investments, includ-  
2 ing data regarding financing affordable housing,  
3 small business development, and economic develop-  
4 ment.

5 “(4) ASSESSMENT AREA DATA.—Each regu-  
6 lated financial institution shall collect and report to  
7 the appropriate Federal financial supervisory agency  
8 by March 1 of each year a list for each assessment  
9 area showing the geographies within the area.

10 “(5) DEPOSITS.—The appropriate Federal Su-  
11 pervisory agency shall collect data from regulated fi-  
12 nancial institutions that reflects how many of the  
13 customers of those institutions are low- and mod-  
14 erate-income customers and the services that are  
15 used by those customers.

16 “(b) CRA SMALL BUSINESS DISCLOSURE STATE-  
17 MENT.—The appropriate Federal financial supervisory  
18 agency shall prepare annually for each regulated financial  
19 institution that reports data pursuant to this section a  
20 statement to be known as the ‘CRA Small Business Dis-  
21 closure Statement’ that contains, on a State-by-State  
22 basis, the following:

23 “(1) For each county (and for each assessment  
24 area smaller than a county) with a population of  
25 500,000 persons or fewer in which the regulated fi-

1 nancial institution reported a small business or small  
2 farm loan:

3 “(A) The number and amount of small  
4 business and small farm loans reported as origi-  
5 nated or purchased located in low-, moderate-,  
6 middle-, and upper-income geographies.

7 “(B) A list grouping each geography ac-  
8 cording to whether the geography is low-, mod-  
9 erate-, middle-, or upper-income.

10 “(C) A list showing each geography in  
11 which the regulated financial institution re-  
12 ported a small business or small farm loan.

13 “(D) The number and amount of small  
14 business and small farm loans to businesses  
15 and farms with gross annual revenues of  
16 \$1,000,000 or less.

17 “(2) For each county (and for each assessment  
18 area smaller than a county) with a population in ex-  
19 cess of 500,000 in which the regulated financial in-  
20 stitution reported a small business or small farm  
21 loan:

22 “(A) The number and amount of small  
23 business and small farm loans reported as origi-  
24 nated or purchased located in geographies with  
25 median income relative to the area median in-



1           come of less than 10 percent, 10 or more but  
2           less than 20 percent, 20 or more but less than  
3           30 percent, 30 or more but less than 40 per-  
4           cent, 40 or more but less than 50 percent, 50  
5           or more but less than 60 percent, 60 or more  
6           but less than 70 percent, 70 or more but less  
7           than 80 percent, 80 or more but less than 90  
8           percent, 90 or more but less than 100 percent,  
9           100 or more but less than 110 percent, 110 or  
10          more but less than 120 percent, and 120 per-  
11          cent or more.

12                 “(B) A list grouping each geography in the  
13           county or assessment area according to whether  
14           the median income in the geography relative to  
15           the area median income is less than 10 percent,  
16           10 or more but less than 20 percent, 20 or  
17           more but less than 30 percent, 30 or more but  
18           less than 40 percent, 40 or more but less than  
19           50 percent, 50 or more but less than 60 per-  
20           cent, 60 or more but less than 70 percent, 70  
21           or more but less than 80 percent, 80 or more  
22           but less than 90 percent, 90 or more but less  
23           than 100 percent, 100 or more but less than  
24           110 percent, 110 or more but less than 120  
25           percent, and 120 percent or more.

1           “(C) A list showing each geography in  
2           which the regulated financial institution re-  
3           ported a small business or small farm loan.

4           “(D) The number and amount of    small  
5           business and small farm loans to    businesses  
6           and farms with gross annual revenues of  
7           \$1,000,000 or less.

8           “(3) The number and amount of small business  
9           and small farm loans located inside each assessment  
10          area reported by the regulated financial institution  
11          and the number and amount of small business and  
12          small farm loans located outside the    assessment  
13          areas reported by the regulated financial institution.

14          “(4) The number and amount of community de-  
15          velopment loans reported as originated or purchased.

16          “(c) AGGREGATE DISCLOSURE STATEMENTS.—

17               “(1) IN GENERAL.—Each appropriate Federal  
18               financial supervisory agency shall prepare    annually,  
19               for each county and for each assessment area small-  
20               er than a county, an aggregate disclosure statement  
21               of small business, small farm, and consumer lending  
22               by all regulated financial institutions subject to re-  
23               porting under this section, which shall indicate, for  
24               each geography, the number and amount of all small  
25               business, small farm, and consumer loans originated

1 or purchased by reporting regulated financial insti-  
2 tutions.

3 “(2) ADJUSTED FORM.—An appropriate Fed-  
4 eral financial supervisory agency may adjust the  
5 form of the disclosure statement prepared under  
6 paragraph (1) if necessary, because of special cir-  
7 cumstances, to protect the privacy of a borrower or  
8 the competitive position of a regulated financial in-  
9 stitution.

10 “(d) CENTRAL DATA DEPOSITORIES.—The Federal  
11 Financial Institutions Examination Council, in consulta-  
12 tion with the appropriate Federal financial supervisory  
13 agencies, shall implement a system—

14 “(1) to allow the public to access online and in  
15 a searchable format the data maintained under  
16 paragraphs (1) through (4) of subsection (a); and

17 “(2) that ensures that personally identifiable fi-  
18 nancial information is not disclosed to public.

19 “(e) LIMITATION.—An appropriate Federal financial  
20 supervisory agency may not use the authorities of the ap-  
21 propriate Federal financial supervisory agency under this  
22 section to obtain a record from a regulated financial insti-  
23 tution for the purpose of gathering or analyzing the per-  
24 sonally identifiable financial information of a consumer.”.

1           (c) AMENDMENT TO THE BANK HOLDING COMPANY  
2 ACT OF 1956.—Section 4(k)(6) of the Bank Holding  
3 Company Act of 1956 (12 U.S.C. 1843(k)(6)) is amended  
4 to read as follows:

5                   “(6) NOTICE AND OPPORTUNITY FOR COMMENT  
6           REQUIRED.—

7                   “(A) IN GENERAL.—No financial holding  
8           company shall directly or indirectly acquire, and  
9           no company that becomes a financial holding  
10          company shall directly or indirectly acquire con-  
11          trol of, any company in the United States, in-  
12          cluding through merger, consolidation, or other  
13          type of business combination, that is engaged in  
14          activities permitted under this subsection or  
15          subsection (n) or (o), unless—

16                   “(i) the holding company has provided  
17                  notice to the Board, not later than 60 days  
18                  prior to the proposed acquisition or prior  
19                  to becoming a financial holding company,  
20                  and during that time period, or such  
21                  longer time period not exceeding an addi-  
22                  tional 60 days, as established by the  
23                  Board;

1           “(ii) the Board has provided public  
2 notice and opportunity for comment for  
3 not less than 60 days; and

4           “(iii) the Board has not issued a no-  
5 tice disapproving the proposed acquisition  
6 or retention.

7           “(B) FACTORS FOR CONSIDERATION.—In  
8 reviewing any prior notice filed under this para-  
9 graph, the Board shall—

10           “(i) consider the overall rating of the  
11 financial holding company under the Com-  
12 munity Reinvestment Act of 1977 (12  
13 U.S.C. 2901 et seq.) and any improvement  
14 plans submitted pursuant to that Act;

15           “(ii) provide opportunity for public  
16 comment for a period of not less than 60  
17 days; and

18           “(iii) consider changes in the commu-  
19 nity reinvestment performance of the fi-  
20 nancial holding company since the last rat-  
21 ing under the Community Reinvestment  
22 Act of 1977 (12 U.S.C. 2901 et seq.) by  
23 the appropriate Federal financial super-  
24 visory agency;

25           “(iv) require—

1 “(I) a demonstration that grant-  
2 ing the application for a deposit facil-  
3 ity is in the public interest, which  
4 shall include submission to the appro-  
5 priate Federal financial supervisory  
6 agency of a community benefits plan;

7 “(II) that the institution consult  
8 with community-based organizations  
9 and other community stakeholders in  
10 developing the community benefits  
11 plan; and

12 “(III) a public hearing for any  
13 bank that has received a ‘need-to-im-  
14 prove’ or ‘sufficient’ grade in any as-  
15 sessment area during the last exam-  
16 ination under the Community Rein-  
17 vestment Act of 1977 (12 U.S.C.  
18 2901 et seq.).”.

19 (d) TECHNICAL AND CONFORMING AMENDMENT.—  
20 Section 10(c)(2)(H)(i) of the Home Owners’ Loan Act (12  
21 U.S.C. 1467a(c)(2)(H)(i)) is amended by striking “section  
22 804(c) of the Community Reinvestment Act of 1977 (12  
23 U.S.C. 2903(c))” and inserting “section 804(f) of the  
24 Community Reinvestment Act of 1977 (12 U.S.C.  
25 2903(f))”.

1 **TITLE III—REMOVING BARRIERS**  
2 **THAT ISOLATE COMMUNITIES**

3 **SEC. 301. EXPANDING RIGHTS UNDER THE FAIR HOUSING**  
4 **ACT.**

5 (a) **IN GENERAL.**—The Fair Housing Act (42 U.S.C.  
6 3601 et seq.) is amended—

7 (1) in section 802 (42 U.S.C. 3602), by adding  
8 at the end the following:

9 “(p) ‘Gender identity’ means the gender-related iden-  
10 tity, appearance, or mannerisms or other gender-related  
11 characteristics of an individual, with or without regard to  
12 the individual’s designated sex at birth.

13 “(q) ‘Marital status’ has the meaning given the term  
14 in section 202.2 of title 12, Code of Federal Regulations,  
15 or any successor regulation.

16 “(r) ‘Sexual orientation’ means homosexuality, het-  
17 erosexuality, or bisexuality.

18 “(s) ‘Source of income’ includes income for which  
19 there is a reasonable expectation that the income will con-  
20 tinue from—

21 (1) a profession, occupation or job;

22 (2) any government or private assistance,  
23 grant, loan or rental assistance program, including  
24 low-income housing assistance certificates and

1 vouchers issued under the United States Housing  
2 Act of 1937 (42 U.S.C. 1437 et seq.);

3 “(3) a gift, an inheritance, a pension, an annu-  
4 ity, alimony, child support, or other consideration or  
5 benefit; or

6 “(4) the sale or pledge of property or an inter-  
7 est in property.”;

8 (2) in section 804 (42 U.S.C. 3604)—

9 (A) by inserting “actual or perceived” be-  
10 fore “race, color” each place that term appears;  
11 and

12 (B) by inserting “sexual orientation, gen-  
13 der identity, marital status, source of income,”  
14 after “sex,” each place that term appears;

15 (3) in section 805 (42 U.S.C. 3605)—

16 (A) by inserting “actual or perceived” be-  
17 fore “race, color” each place that term appears;  
18 and

19 (B) by inserting “sexual orientation, gen-  
20 der identity, marital status, source of income,”  
21 after “sex,” each place that term appears;

22 (4) in section 806 (42 U.S.C. 3606)—

23 (A) by inserting “actual or perceived” be-  
24 fore “race, color”; and



1 (B) by inserting “sexual orientation, gen-  
2 der identity, marital status, source of income,”  
3 after “sex,”; and

4 (5) in section 807 (42 U.S.C. 3607), by adding  
5 at the end the following:

6 “(c) Nothing in this title limits the ability of the  
7 owner of a dwelling owner to determine, in a commercially  
8 reasonable and non-discriminatory manner, the ability of  
9 a person to afford to purchase or rent the dwelling.”.

10 (b) PREVENTION OF INTIMIDATION.—Section 901 of  
11 the Civil Rights Act of 1968 (42 U.S.C. 3631) is amend-  
12 ed—

13 (1) by inserting “actual or perceived” before  
14 “race, color” each place that term appears; and

15 (2) by inserting “sexual orientation (as defined  
16 in section 802), gender identity (as defined in sec-  
17 tion 802), marital status (as defined in section 802),  
18 source of income (as defined in section 802),” after  
19 “sex,” each place that term appears.

20 **SEC. 302. IMPROVING OUTCOMES IN HOUSING ASSISTANCE**  
21 **PROGRAMS.**

22 (a) INDIAN HOUSING ASSISTANCE.—Section 502 of  
23 the Native American Housing Assistance and Self-Deter-  
24 mination Act of 1996 (25 U.S.C. 4181) is amended by  
25 adding at the end the following:

1       “(c) APPLICABILITY.—Subsections (a) and (b) shall  
 2 not apply with respect to tenant-based assistance provided  
 3 under section 8(o) of the United States Housing Act of  
 4 1937 (42 U.S.C. 1437f(o)).”.

5       (b) SUPPLEMENTAL ADMINISTRATIVE FEE.—Section  
 6 8(q)(2)(B) of the United States Housing Act of 1937 (42  
 7 U.S.C. 1437f(q)(2)(B)) is amended by inserting “, includ-  
 8 ing the cost of assisting families with children that move  
 9 to lower poverty, higher opportunity neighborhoods (as de-  
 10 termined by the Secretary based on objective, evidence-  
 11 based criteria)” after “programs”.

12       (c) REGIONAL PLANNING TO INCREASE ACCESS TO  
 13 HIGHER OPPORTUNITY AREAS.—Section 8(o) of the  
 14 United States Housing Act of 1937 (42 U.S.C. 1437f(o))  
 15 is amended by adding at the end the following:

16               “(21) INCREASE ACCESS TO HIGHER OPPOR-  
 17 TUNITY AREAS.—

18                       “(A) LOCATION ANALYSIS.—

19                               “(i) IN GENERAL.—A public housing  
 20 agency that administers the program  
 21 under this subsection in a metropolitan  
 22 area shall—

23                                       “(I) analyze the locations where  
 24 the participants of the program of the  
 25 public housing agency live; and

1 “(II) based on the analysis de-  
2 scribed in subclause (I), establish poli-  
3 cies and practices to reduce disparities  
4 and barriers to access to locations  
5 throughout the metropolitan area that  
6 evidence indicates are more likely to  
7 improve outcomes for children or  
8 adults.

9 “(ii) CONSIDERATIONS.—The location  
10 analysis required under this subparagraph  
11 shall—

12 “(I) consider separately the loca-  
13 tions of families with children, house-  
14 holds that include a person with dis-  
15 abilities, and other groups protected  
16 under the Fair Housing Act (42  
17 U.S.C. 3601 et seq.); and

18 “(II) include an analysis of the  
19 locations in relation to dwelling units  
20 with rents that are potentially afford-  
21 able to voucher holders and the likely  
22 impact of key neighborhood attributes  
23 on their well-being and long-term suc-  
24 cess, based on Federal and available  
25 local data.

1                   “(iii) MAPPING TOOLS.—The Sec-  
2                   retary shall—

3                   “(I) provide mapping tools and  
4                   other information necessary for a pub-  
5                   lic housing agency to perform the lo-  
6                   cation analysis under this subpara-  
7                   graph using the demographic data on  
8                   participating families submitted to the  
9                   Secretary under part 908 of title 24,  
10                  Code of Federal Regulations, or any  
11                  successor regulation;

12                  “(II) publish a notice in the Fed-  
13                  eral Register, subject to public com-  
14                  ment, that specifies the data sources  
15                  and definitions that will be incor-  
16                  porated in each mapping tool required  
17                  under subclause (I); and

18                  “(III) update the notice required  
19                  under subclause (II) as needed based  
20                  on changes in the availability of rel-  
21                  evant data or evidence of neighbor-  
22                  hood attributes likely to impact the  
23                  well-being and long-term success of  
24                  participants in the program under this  
25                  subsection.

1           “(iv) FREQUENCY AND AVAIL-  
2 ABILITY.—The location analysis required  
3 under this subparagraph shall—

4                   “(I) be performed by each public  
5 housing agency described in clause (i)  
6 not less frequently than once every 5  
7 years;

8                   “(II) be performed by all public  
9 housing agencies in a metropolitan  
10 area in the same year, as determined  
11 by the Secretary; and

12                   “(III) be made available to the  
13 public in a manner that protects the  
14 privacy of program participants.

15           “(B) REGIONAL POLICIES TO INCREASE  
16 ACCESS TO HIGHER OPPORTUNITY NEIGHBOR-  
17 HOODS.—Each public housing agency described  
18 in subparagraph (A)(i) shall—

19                   “(i) consult with other such public  
20 housing agencies in the same metropolitan  
21 area, or smaller regional area approved by  
22 the Secretary, about the possible barriers  
23 and other reasons for the disparities iden-  
24 tified in the location analysis required  
25 under subparagraph (A);

1           “(ii) identify policies or practices that  
2           those public housing agencies could adopt  
3           individually or in collaboration, or other  
4           strategies that recipients of grants or other  
5           funding from the Secretary could adopt, to  
6           reduce the barriers and disparities and in-  
7           crease the share of families with children  
8           and other demographic groups using  
9           vouchers in higher-opportunity neighbor-  
10          hoods in the metropolitan area or region;  
11          and

12          “(iii) include in the administrative  
13          plan required under section 982.54 of title  
14          24, Code of Federal Regulations, or any  
15          successor regulation, the policies that the  
16          public housing agency has adopted under  
17          this paragraph.

18          “(C) ASSESSMENT.—The Secretary shall  
19          include public housing agency performance in  
20          achieving the goal described in subparagraph  
21          (A)(i)(II) in the periodic assessment of agency  
22          performance in managing the program under  
23          this subsection required under part 985 of title  
24          24, Code of Federal Regulations, or any suc-  
25          cessor regulation.”.

1 (d) REQUIRED REGULATORY CHANGES TO PUBLIC  
2 HOUSING AGENCY CONSORTIA.—

3 (1) DEFINITIONS.—In this subsection:

4 (A) MOVING TO WORK DEMONSTRATION  
5 PROGRAM.—The term “Moving to Work dem-  
6 onstration program” means the program estab-  
7 lished under section 204 of the Departments of  
8 Veterans Affairs and Housing and Urban De-  
9 velopment, and Independent Agencies Appro-  
10 priations Act, 1996 (Public Law 104–134; 110  
11 Stat. 1321–281).

12 (B) PUBLIC HOUSING AGENCY.—The term  
13 “public housing agency” has the meaning given  
14 the term in section 3(b)(6) of the United States  
15 Housing Act of 1937 (42 U.S.C. 1437a(b)(6)).

16 (2) REQUIREMENT.—Not later than 1 year  
17 after the date of enactment of this Act, the Sec-  
18 retary of Housing and Urban Development shall es-  
19 tablish policies and procedures that—

20 (A) enable public housing agencies that  
21 elect to operate in consortia under section 13(a)  
22 of the United States Housing Act of 1937 (42  
23 U.S.C. 1437k(a)), excluding public housing  
24 agencies participating in the Moving to Work  
25 demonstration program—

1 (i) to consolidate their funding con-  
2 tracts for assistance provided under section  
3 8(o) of such Act (42 U.S.C. 1437f(o)) into  
4 a single contract;

5 (ii) to consolidate their funding con-  
6 tracts for assistance provided under sub-  
7 sections (d) and (e) of section 9 of such  
8 Act 42 U.S.C. 1437g); or

9 (iii) to exercise the consolidation op-  
10 tions under each of clauses (i) and (ii); and

11 (B) enable public housing agencies to form  
12 partial consortia under such section 13(a) (42  
13 U.S.C. 1437k(a)) that consolidate administra-  
14 tion of certain aspects of their housing pro-  
15 grams to increase access to higher-opportunity  
16 areas or for other purposes, subject to such re-  
17 quirements as the Secretary may establish.

18 (3) MOVING TO WORK AGENCIES.—Any flexi-  
19 bility or waiver applicable to the Moving to Work  
20 demonstration program shall not apply to any activi-  
21 ties or funds administered through a partial con-  
22 sortia formed under paragraph (2)(B) by 1 or more  
23 public housing agencies participating in the Moving  
24 to Work demonstration program.



1 **TITLE IV—ESTATE TAX REFORM**

2 **SEC. 401. AMENDMENT TO INTERNAL REVENUE CODE OF**  
 3 **1986.**

4 Except as otherwise expressly provided, whenever in  
 5 this title an amendment or repeal is expressed in terms  
 6 of an amendment to, or repeal of, a section or other provi-  
 7 sion, the reference shall be considered to be made to a  
 8 section or other provision of the Internal Revenue Code  
 9 of 1986.

10 **SEC. 402. RATE ADJUSTMENT.**

11 (a) **INCREASE IN MAXIMUM ESTATE TAX RATES.—**

12 The table contained in section 2001(c) is amended by  
 13 striking the last row and inserting the following:

Over \$1,000,000 .....	\$345,800, plus 55 percent of the excess of such amount over \$1,000,000.
Over \$13,000,000 .....	\$6,945,800, plus 60 percent of the excess of such amount over \$13,000,000.
Over \$93,000,000 .....	\$54,945,800, plus 65 percent of the excess of such amount over \$93,000,000.

14 (b) **REDUCTION OF BASIC EXCLUSION AMOUNT.—**

15 Paragraph (3) of section 2010(c) is amended to read as  
 16 follows:

17 “(3) **BASIC EXCLUSION AMOUNT.—**For pur-  
 18 poses of this subsection, the basic exclusion amount  
 19 is \$3,500,000.”.

20 (c) **SURTAX ON BILLION DOLLAR ESTATES.—**Section  
 21 2001 is amended—

1 (1) in subsection (b), by striking “The tax” and  
2 inserting “Subject to subsection (h), the tax”, and

3 (2) by adding at the end the following new sub-  
4 section:

5 “(h) SURTAX ON BILLION DOLLAR ESTATES.—

6 “(1) IN GENERAL.—In the case of a taxable es-  
7 tate for which the applicable amount is in excess of  
8 \$1,000,000,000, the tax determined under sub-  
9 section (b) shall be increased by an amount equal to  
10 10 percent of such applicable amount.

11 “(2) APPLICABLE AMOUNT.—For purposes of  
12 this subsection, the applicable amount shall be equal  
13 to the sum of the amounts under subparagraphs (A)  
14 and (B) of paragraph (1) of subsection (b) for the  
15 taxable estate.”.

16 **SEC. 403. REQUIRED MINIMUM 10-YEAR TERM, ETC., FOR**  
17 **GRANTOR RETAINED ANNUITY TRUSTS.**

18 (a) IN GENERAL.—Subsection (b) of section 2702 is  
19 amended—

20 (1) by redesignating paragraphs (1), (2), and  
21 (3) as subparagraphs (A), (B), and (C), respectively,  
22 and by moving such subparagraphs (as so redesign-  
23 nated) 2 ems to the right;

24 (2) by striking “For purposes of” and inserting  
25 the following:

1 “(1) IN GENERAL.—For purposes of”;

2 (3) by striking “paragraph (1) or (2)” in para-  
3 graph (1)(C) (as so redesignated) and inserting  
4 “subparagraph (A) or (B)”; and

5 (4) by adding at the end the following new  
6 paragraph:

7 “(2) ADDITIONAL REQUIREMENTS WITH RE-  
8 SPECT TO GRANTOR RETAINED ANNUITIES.—For  
9 purposes of subsection (a), in the case of an interest  
10 described in paragraph (1)(A) (determined without  
11 regard to this paragraph) which is retained by the  
12 transferor, such interest shall be treated as de-  
13 scribed in such paragraph only if—

14 “(A) the right to receive the fixed amounts  
15 referred to in such paragraph is for a term of  
16 not less than 10 years,

17 “(B) such fixed amounts, when determined  
18 on an annual basis, do not decrease relative to  
19 any prior year during the first 10 years of the  
20 term referred to in subparagraph (A), and

21 “(C) the remainder interest has a value  
22 equal to or greater than 10 percent of the value  
23 of the assets transferred to the trust, deter-  
24 mined as of the time of the transfer.”.

1 (b) EFFECTIVE DATE.—The amendments made by  
 2 this section shall apply to transfers made after the date  
 3 of the enactment of this Act.

4 **SEC. 404. CERTAIN TRANSFER TAX RULES APPLICABLE TO**  
 5 **GRANTOR TRUSTS.**

6 (a) IN GENERAL.—Subtitle B is amended by adding  
 7 at the end the following new chapter:

8 **“CHAPTER 16—SPECIAL RULES FOR**  
 9 **GRANTOR TRUSTS**

“Sec. 2901. Application of transfer taxes.

10 **“SEC. 2901. APPLICATION OF TRANSFER TAXES.**

11 **“(a) IN GENERAL.—**In the case of any portion of a  
 12 trust to which this section applies—

13 **“(1)** the value of the gross estate of the de-  
 14 ceased deemed owner of such portion shall include  
 15 all assets attributable to that portion at the time of  
 16 the death of such owner,

17 **“(2)** any distribution from such portion to one  
 18 or more beneficiaries during the life of the deemed  
 19 owner of such portion shall be treated as a transfer  
 20 by gift for purposes of chapter 12, and

21 **“(3)** if at any time during the life of the  
 22 deemed owner of such portion, such owner ceases to  
 23 be treated as the owner of such portion under sub-  
 24 part E of part 1 of subchapter J of chapter 1, all

1 assets attributable to such portion at such time shall  
2 be treated for purposes of chapter 12 as a transfer  
3 by gift made by the deemed owner.

4 “(b) PORTION OF TRUST TO WHICH SECTION AP-  
5 PLIES.—This section shall apply to—

6 “(1) the portion of a trust with respect to  
7 which the grantor is the deemed owner, and

8 “(2) the portion of the trust to which a person  
9 who is not the grantor is a deemed owner by reason  
10 of the rules of subpart E of part 1 of subchapter J  
11 of chapter 1, and such deemed owner engages in a  
12 sale, exchange, or comparable transaction with the  
13 trust that is disregarded for purposes of subtitle A.  
14 For purposes of paragraph (2), the portion of the trust  
15 described with respect to a transaction is the portion of  
16 the trust attributable to the property received by the trust  
17 in such transaction, including all retained income there-  
18 from, appreciation thereon, and reinvestments thereof, net  
19 of the amount of consideration received by the deemed  
20 owner in such transaction.

21 “(c) EXCEPTIONS.—This section shall not apply to—

22 “(1) any trust that is includible in the gross es-  
23 tate of the deemed owner (without regard to sub-  
24 section (a)(1)), and

1           “(2) any other type of trust that the Secretary  
2           determines by regulations or other guidance does not  
3           have as a significant purpose the avoidance of trans-  
4           fer taxes.

5           “(d) DEEMED OWNER DEFINED.—For purposes of  
6           this section, the term ‘deemed owner’ means any person  
7           who is treated as the owner of a portion of a trust under  
8           subpart E of part 1 of subchapter J of chapter 1.

9           “(e) REDUCTION FOR TAXABLE GIFTS TO TRUST  
10          MADE BY OWNER.—The amount to which subsection (a)  
11          applies shall be reduced by the value of any transfer by  
12          gift by the deemed owner to the trust previously taken  
13          into account by the deemed owner under chapter 12.

14          “(f) LIABILITY FOR PAYMENT OF TAX.—Any tax im-  
15          posed pursuant to subsection (a) shall be a liability of the  
16          trust.”.

17          (b) CLERICAL AMENDMENT.—The table of chapters  
18          for subtitle B is amended by adding at the end the fol-  
19          lowing new item:

                                  “CHAPTER 16. SPECIAL RULES FOR GRANTOR TRUSTS”.

20          (c) EFFECTIVE DATE.—The amendments made by  
21          this section shall apply—

22                               (1) to trusts created on or after the date of the  
23                               enactment of this Act;

24                               (2) to any portion of a trust established before  
25                               the date of the enactment of this Act which is attrib-

1       utable to a contribution made on or after such date;  
2       and

3               (3) to any portion of a trust established before  
4       the date of the enactment of this Act to which sec-  
5       tion 2901(a) of the Internal Revenue Code of 1986  
6       (as added by subsection (a)) applies by reason of a  
7       transaction described in section 2901(b)(2) of such  
8       Code on or after such date.

9   **SEC. 405. ELIMINATION OF GENERATION-SKIPPING TRANS-**  
10                   **FER TAX EXEMPTION FOR CERTAIN TRUSTS.**

11       (a) **IN GENERAL.**—Section 2642 is amended by add-  
12       ing at the end the following new subsection:

13               “(h) **ELIMINATION OF GST EXEMPTION FOR CER-**  
14       **TAIN TRUSTS.**—

15                   “(1) **IN GENERAL.**—

16                               “(A) **TRANSFERS FROM NON-QUALIFYING**  
17                               **TRUSTS.**—In the case of any generation-skip-  
18                               ping transfer made from a trust that is not a  
19                               qualifying trust, the inclusion ratio with respect  
20                               to any property transferred in such transfer  
21                               shall be 1.

22                               “(B) **QUALIFYING TRUST.**—For purposes  
23                               of this subsection, the term ‘qualifying trust’  
24                               means a trust for which the date of termination

1 of such trust is not greater than 50 years after  
2 the date on which such trust is created.

3 “(2) TRUSTS CREATED BEFORE DATE OF EN-  
4 ACTMENT.—In the case of any trust created before  
5 the date of the enactment of this subsection, such  
6 trust shall be deemed to be a qualifying trust for a  
7 period of 50 years after the date of the enactment  
8 of this subsection.

9 “(3) DATE OF CREATION OF CERTAIN DEEMED  
10 SEPARATE TRUSTS.—In the case of any portion of a  
11 trust which is treated as a separate trust under sec-  
12 tion 2654(b)(1), such separate trust shall be treated  
13 as created on the date of the first transfer described  
14 in such section with respect to such separate trust.

15 “(4) DATE OF CREATION OF POUR-OVER  
16 TRUSTS.—In the case of any generation-skipping  
17 transfer of property which involves the transfer of  
18 property from 1 trust to another trust, the date of  
19 the creation of the transferee trust shall be treated  
20 as being the earlier of—

21 “(A) the date of the creation of such trans-  
22 feree trust, or

23 “(B) the date of the creation of the trans-  
24 feror trust.



1 In the case of multiple transfers to which the pre-  
2 ceding sentence applies, the date of the creation of  
3 the transferor trust shall be determined under the  
4 preceding sentence before the application of the pre-  
5 ceding sentence to determine the date of the creation  
6 of the transferee trust.

7 “(5) REGULATIONS.—The Secretary may pre-  
8 scribe such regulations or other guidance as may be  
9 necessary or appropriate to carry out this sub-  
10 section.”.

11 (b) EFFECTIVE DATE.—The amendments made by  
12 this section shall take effect on the date of the enactment  
13 of this Act.

14 **SEC. 406. SIMPLIFYING GIFT TAX EXCLUSION FOR ANNUAL**  
15 **GIFTS.**

16 (a) IN GENERAL.—Paragraph (1) of section 2503(b)  
17 is amended to read as follows:

18 “(1) IN GENERAL.—

19 “(A) LIMIT PER DONEE.—In the case of  
20 gifts made to any person by the donor during  
21 the calendar year, the first \$10,000 of such  
22 gifts to such person shall not, for purposes of  
23 subsection (a), be included in the total amount  
24 of gifts made during such year.

25 “(B) CUMULATIVE LIMIT PER DONOR.—

1           “(i) IN GENERAL.—The aggregate  
2           amount excluded under subparagraph (A)  
3           with respect to all transfers described in  
4           clause (ii) made by the donor during the  
5           calendar year shall not exceed twice the  
6           dollar amount in effect under such sub-  
7           paragraph for such calendar year.

8           “(ii) TRANSFERS SUBJECT TO LIMITA-  
9           TION.—The transfers described in this  
10          clause are—

11                   “(I) a transfer in trust,

12                   “(II) a transfer of an interest in  
13                   a passthrough entity,

14                   “(III) a transfer of an interest  
15                   subject to a prohibition on sale, and

16                   “(IV) any other transfer of prop-  
17                   erty that, without regard to with-  
18                   drawal, put, or other such rights in  
19                   the donee, cannot immediately be liq-  
20                   uidated by the donee.”.

21          (b) CONFORMING AMENDMENT.—Section 2503 is  
22          amended by striking subsection (c).

23          (c) REGULATIONS.—The Secretary of the Treasury,  
24          or the Secretary of the Treasury’s delegate, may prescribe  
25          such regulations or other guidance as may be necessary

1 or appropriate to carry out the amendments made by this  
2 section.

3 (d) EFFECTIVE DATE.—The amendments made by  
4 this section shall apply to any calendar year beginning  
5 after the date of the enactment of this Act.

Æ