



Key Financial Services Provisions Included in the Senate Amendment to H.R. 133 - Consolidated Appropriations Act, 2021

December 21, 2020

Ensuring Housing Stability for Low-Income Americans During the Pandemic

- Republicans negotiated a temporary and targeted COVID emergency rental assistance program that focuses on those individuals and families who are most in need as a result of COVID.
- Slowly spent or unused funds will be clawed back and reallocated within the program to those jurisdictions that need them most. This will incentivize states and localities to act swiftly to assist our nation's low-income households.
- The program expires on December 31, 2021, with one 90-day extension only for reallocated funds, at which time any unspent funding is returned to the Treasury.

Ensuring Banks and Credit Unions Can Continue Lending to American Consumers and Small Businesses

- **Relief from Troubled Debt Restructuring (TDR) disclosures**
The CARES Act temporarily suspended the generally accepted accounting principles (GAAP) requirements for the Troubled Debt Restructuring (TDR) classifications on loans. Extending this provision for an additional year, to January 1, 2022, will allow banks and credit unions to continue to use every tool available to support consumers and businesses impacted by the COVID-19 pandemic.
- **Relief from Current Expected Credit Losses (CECL) standard**
The CARES Act exempted financial institutions from being forced to comply with the ill-advised Current Expedited Credit Loss (CECL) accounting standard. Extending this relief for any additional year, through January 1, 2022, will allow banks to fully exercise their ability to provide support to consumers and small businesses.
- **Enhancements to the NCUA's Central Liquidity Facility (CLF)**
The CARES Act enhanced the NCUA's Central Liquidity Facility (CLF) by temporarily increasing the CLF's maximum legal borrowing authority and allowing more credit unions to borrow from the CLF. Extending access to this facility for an additional year, through December 31, 2021, ensures credit unions can meet liquidity needs in order to serve their members and member small business owners.
- **Democrats opposed extending the temporary reduction of the Community Bank Leverage Ratio (CBLR).**
This will limit the flexibility our community banks have to lend to small businesses and consumers.

Supporting Low- and Moderate-Income Communities through Emergency Capital Investment

- The bill provides targeted investment and emergency assistance to help LMI and rural communities withstand and recover from the health and economic effects of the COVID-19 pandemic.
- The investments made in communities will promote economic growth and opportunity in some of our nation's hardest hit areas, including rural and minority communities.
- To ensure communities are receiving assistance as quickly as possible, Treasury will have 30 days to implement the Investment Program and begin approving applicants.
- Treasury's authority to provide capital will terminate 6 months after the date on which the COVID-19 national emergency ends.

Constraining Democrats from Using ESF Funds to Push Their Liberal Agenda

- Rescinds the unused \$429 billion of CARES Act funding for the ESF and Fed facilities so that Democrats cannot misuse the funds for their progressive agenda.
- Ends the CARES lending facilities at the end of the year, which is following the clear language and the Congressional intent of the CARES Act.
- Ensures that the same Fed facilities previously funded by CARES cannot be restarted without Congressional consent, with an exception for Term Asset Backed Securities Loan Facility (TALF) which was created before CARES. The TALF supports credit to consumers and businesses.



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Financial Services Committee Republican Bills and Priorities Included

- H.R. 2919, the *Improving Investment Research for Small and Emerging Issuers Act* (Rep. Huizenga)
- H.R. 3050, the *Expanding Investment in Small Businesses Act of 2019* (Rep. Steil)
- H.R. 4458, as amended, the *Cybersecurity and Financial System Resilience Act* (Rep. McHenry)
- **Regulation Crowdfunding Statement** – The Committee encourages the SEC to continue its efforts to reform Regulation Crowdfunding in line with H.R. 4860, the Crowdfunding Amendments Act, which passed the House by voice vote on October 28, 2019. These efforts are critical in providing small businesses with the opportunity to raise capital, create jobs in our local communities, and develop innovative products and services. This will encourage job growth and a robust economic recovery and empower small businesses to access more capital at a time, in light of the coronavirus pandemic, when they need it most.