

Comparison of House Infrastructure Bills Private Bank vs. Government Owned Entities

Infrastructure Bank for America Act of 2020 H.R. 7231 (IBA)	Government Owned Infrastructure Bank Proposals House Bills H.R. 658, 4780, 6422
<p>Structure - IBA is a private Delaware Bank Holding Company with a wholly owned Bank subsidiary established as a GSE. Sec.2</p>	<p>Structure - All there established as Government owned and controlled corporations under US Code commonly known as the “Government Corporation Control Act” or similar statute.</p>
<p>Funding & Guarantees - IBA is privately owned, managed and funded, like the FHLB and Farm Credit System. IBA will receive no funds or guarantees from the US Government. Sec.10</p>	<p>Funding & Guarantees – All three are Government funded, all or in most part. Their securities will carry a full US Government guarantee as wholly owned US Corporations.</p>
<p>Management & Governance - The IBA will have 7 Directors all elected by the shareholders. Management is appointed by the Board. Sec.2</p>	<p>Management & Governance – All Directors will be appointed by the President with the consent of the Senate, with nominations from Congress, Labor and others.</p>
<p>Oversight & Reporting - The IBA Holding Company and Bank shall be regulated and supervised by the Federal Reserve, Treasury and the SEC, all of which have Congressional oversight. Sec.6</p>	<p>Oversight & Reporting – All are regulated by and report to the President and to Congress and must at all times operate in a manner consistent with the legislation which creates them.</p>

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<p>Distribution of Funds - The IBA will function as a <i>wholesale bank</i> or <i>upstream lender</i> to infrastructure projects throughout the USA without using government funds, providing “direct and indirect loans and loan guaranty” to the State Infrastructure Banks. This will achieve wide distribution. Sec.4</p>	<p>Distribution of Funds - internal guidelines to ensure diversification, but no mention of State Information Banks or how the loans could be distributed across the country. These entities will be <i>downstream lenders</i>, similar to Fannie Mae and Freddie Mac.</p>
<p>Rural Areas – At least 7% of loans, equity investments and guarantees to rural areas. Sec. 4 (b)</p>	<p>Rural Areas - No specific mention of a dedicated percentage to Rural Areas.</p>
<p>Davis Bacon applies when any Federal money is involved in a project or there is a state or local requirement.</p>	<p>Davis Bacon shall apply to all projects funded by these entities.</p>
<p>Costs to US Taxpayer – The IBA offers an Investment Tax Credit to Equity Investors which is covered several times by the taxes paid on the interest from the IBA bonds. No funds provided by the US Taxpayer.</p>	<p>Costs to US Taxpayer – Indeterminate in these bills and possibly US \$ trillions funded and guaranteed by the US Taxpayer.</p>