

110TH CONGRESS
1ST SESSION

H. R. 1289

To enhance the availability of capital and credit for all citizens and communities, to ensure that community reinvestment keeps pace as banks, securities firms, and other financial service providers become affiliates as a result of the enactment of the Gramm-Leach-Bliley Act, and for other purposes.

IN THE HOUSE OF REPRESENTATIVES

MARCH 1, 2007

Ms. EDDIE BERNICE JOHNSON of Texas (for herself, Mr. GUTIERREZ, Ms. SCHAKOWSKY, Mr. CARNAHAN, Mr. CONYERS, Mr. FATTAH, Mr. BRADY of Pennsylvania, Mrs. JONES of Ohio, Ms. CORRINE BROWN of Florida, and Mr. ELLISON) introduced the following bill; which was referred to the Committee on Financial Services

A BILL

To enhance the availability of capital and credit for all citizens and communities, to ensure that community reinvestment keeps pace as banks, securities firms, and other financial service providers become affiliates as a result of the enactment of the Gramm-Leach-Bliley Act, 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,*

1 **SECTION 1. SHORT TITLE; TABLE OF CONTENTS.**

2 (a) **SHORT TITLE.**—This Act may be cited as the
3 “Community Reinvestment Modernization Act of 2007”.

4 (b) **TABLE OF CONTENTS.**—The table of contents of
5 this Act is as follows:

Sec. 1. Short title; table of contents.

Sec. 2. Findings.

Sec. 3. Purposes.

**TITLE I—MODERNIZATION OF COMMUNITY REINVESTMENT ACT
OF 1977 AND COMMUNITY SERVICE OBLIGATIONS**

Sec. 101. Repeal of recent regulatory changes to the application of the Community Reinvestment Act of 1977 and restoration of comprehensive examinations.

Sec. 102. Extension of community reinvestment obligations within a financial holding company.

Sec. 103. Provisions relating to improved responsiveness of insured depository institutions to Community Reinvestment Act of 1977.

Sec. 104. Reduction of CRA rating due to predatory lending and other negative credit practices.

Sec. 105. Responsiveness to community needs for securities and investment services.

Sec. 106. Responsiveness to community needs for mortgages and mortgage related services by mortgage banks.

Sec. 107. Responsiveness to community needs for insurance services.

Sec. 108. Satisfactory ratings required by securities company, mortgage bank, and insurance company affiliates of financial holding companies.

TITLE II—DATA DISCLOSURE REQUIREMENTS

**Subtitle A—Disclosure of Insurance Availability and Insurer Investment
Information**

Sec. 201. Short title.

Sec. 202. Establishment of general requirements to submit information.

Sec. 203. Reporting of noncommercial insurance information.

Sec. 204. Reporting of rural insurance information.

Sec. 205. Waiver of reporting requirements.

Sec. 206. Reporting by private mortgage insurers.

Sec. 207. Reporting of information regarding investments by insurers.

Sec. 208. Submission of information to Secretary and maintenance of information.

Sec. 209. Availability and access system.

Sec. 210. Designations.

Sec. 211. Enforcement.

Sec. 212. Exemption and relation to State laws.

Sec. 213. Regulations.

Sec. 214. Definitions.

Sec. 215. Effective date.

Subtitle B—Improvements in Other Data Disclosure Requirements

Sec. 221. Maintenance and disclosure of information by the Financial Institutions Examination Counsel.

TITLE III—REGULATORY AND STRUCTURAL REFORMS

Sec. 301. Antiredlining requirement for financial holding companies.

Sec. 302. Notice and public comment required before establishing a financial holding company.

Sec. 303. Public meetings for bank acquisitions and mergers.

Sec. 304. Branch closure requirements.

Sec. 305. CRA examination schedule for small banks.

Sec. 306. CRA sunshine requirements.

Sec. 307. Continuing community reinvestment requirement for financial holding companies.

Sec. 308. Changes in reporting requirements under the Home Mortgage Disclosure Act of 1975.

1 **SEC. 2. FINDINGS.**

2 The Congress finds as follows:

3 (1) It is necessary to increase homeownership
4 and small business ownership for low- and moderate-
5 income borrowers and persons of color. It also is
6 necessary to close the wealth gap in the United
7 States and to increase access to insurance and secu-
8 rities products.

9 (2) The Community Reinvestment Act of 1977
10 has been effective in increasing access to credit and
11 capital because it imposes an affirmative and con-
12 tinual obligation on banks and thrifts to meet the
13 needs of the local communities in which they are
14 chartered.

15 (3) The Community Reinvestment Act of 1977
16 has leveraged more than \$4,000,000,000,000 in
17 loans and investments for low- and moderate-income

1 communities according to the National Community
2 Reinvestment Coalition.

3 (4) Major studies, including those conducted by
4 the Secretary of the Treasury, the Board of Gov-
5 ernors of the Federal Reserve System, and Harvard
6 University, have found that the Community Rein-
7 vestment Act of 1977 increases home mortgage lend-
8 ing to minority and low- and moderate-income com-
9 munities and that this lending is profitable.

10 (5) The Community Reinvestment Act of 1977
11 has leveraged a tremendous increase in home mort-
12 gage lending to minority and low- and moderate-in-
13 come borrowers as compared to whites and middle-
14 income borrowers; from 1993 through 2002, home
15 mortgage lending has increased by 79.5 percent to
16 Blacks, by 185.8 percent to Hispanics, by 29.6 per-
17 cent to whites, by 90.6 percent to low- and mod-
18 erate-income borrowers, and by 51.4 percent to mid-
19 dle-income borrowers.

20 (6) While the Community Reinvestment Act of
21 1977 has been effective, significant wealth dispari-
22 ties remain; in the fourth quarter of 2004, the white
23 homeownership rate was 76.2 percent while the Afri-
24 can-American and Hispanic homeownership rates
25 were 49.1 percent and 48.9 percent, respectively.

1 (7) In 2002, the median net worth for Hispanic
2 and African-American households was \$7,932 and
3 \$5,988 respectively, while, in sharp contrast, the me-
4 dian net worth for White households was \$88,651.

5 (8) Research conducted by the chief economist
6 of the National Association of Insurance Commis-
7 sioners found that after controlling for risk of loss,
8 a 10 percentage point increase in the number of mi-
9 norities in a zip code is associated with a 2 percent-
10 age point increase in the number of ‘FAIR plans’,
11 which are government-sponsored insurance plans of
12 last resort for those who cannot obtain insurance in
13 the private market.

14 (9) In order to increase access to credit, wealth
15 and insurance, it is necessary to modernize the Com-
16 munity Reinvestment Act of 1977 to reflect shifting
17 trends in the financial services industry since, cur-
18 rently, only about 40 percent of the assets in the fi-
19 nancial industry reside in bank and thrifts and are
20 covered by the Community Reinvestment Act of
21 1977, which is down from about 60 percent in the
22 early 1980s.

23 **SEC. 3. PURPOSES.**

24 The purposes of this Act are as follows:

1 (1) To enhance the availability of financial serv-
2 ices to citizens of all economic circumstances and in
3 all geographic areas.

4 (2) To enhance the ability of financial institu-
5 tions to meet the capital and credit needs of all citi-
6 zens and communities, including underserved com-
7 munities and populations.

8 (3) To ensure that community reinvestment
9 keeps pace with the affiliation of banks, securities
10 firms, and other financial service providers, as pro-
11 vided by the Gramm-Leach-Bliley Act.

12 **TITLE I—MODERNIZATION OF**
13 **COMMUNITY REINVESTMENT**
14 **ACT OF 1977 AND COMMUNITY**
15 **SERVICE OBLIGATIONS**

16 **SEC. 101. REPEAL OF RECENT REGULATORY CHANGES TO**
17 **THE APPLICATION OF THE COMMUNITY RE-**
18 **INVESTMENT ACT OF 1977 AND RESTORATION**
19 **OF COMPREHENSIVE EXAMINATIONS.**

20 (a) IN GENERAL.—The revisions to the regulations
21 of the Comptroller of the Currency, the Board of Gov-
22 ernors of the Federal Reserve System, the Federal Deposit
23 Insurance Corporation, and the Director of the Office of
24 Thrift Supervision that are described in subsection (b)
25 shall cease to be effective as of such date and the regula-

1 tions of such agencies in effect before the date of the pub-
2 lication of the regulations described in subsection (b) shall
3 apply after such date of enactment.

4 (b) REGULATIONS DESCRIBED.—The regulations re-
5 ferred to in subsection (a) are any of the following regula-
6 tions:

7 (1) The regulations published jointly in final
8 form on August 2, 2005, 70 Federal Register 44256
9 et seq.—

10 (A) by the Comptroller of the Currency,
11 amending 12 Code of Federal Regulations part
12 25;

13 (B) by the Board of Governors of the Fed-
14 eral Reserve System, amending 12 Code of Fed-
15 eral Regulations part 228; and

16 (C) by the Federal Deposit Insurance Cor-
17 poration, amending 12 Code of Federal Regula-
18 tions part 345.

19 (2) The regulation published as a final regula-
20 tion on August 18, 2004, 69 Federal Register
21 51155, et seq., by the Director of the Office of
22 Thrift Supervision, amending 12 Code of Federal
23 Regulations part 563e.

24 (3) The regulation published as a final regula-
25 tion on March 2, 2005, 70 Federal Register 10023,

1 et seq., by the Director of the Office of Thrift Su-
2 pervision, also amending 12 Code of Federal Regula-
3 tions part 563e.

4 **SEC. 102. EXTENSION OF COMMUNITY REINVESTMENT OB-**
5 **LIGATIONS WITHIN A FINANCIAL HOLDING**
6 **COMPANY.**

7 Section 4(l) of the Bank Holding Company Act of
8 1956 (12 U.S.C. 1843(l)) is amended by adding at the
9 end the following new paragraph:

10 “(4) COMMUNITY NEEDS.—

11 “(A) IN GENERAL.—All nonbank affiliates
12 of bank holding companies that engage in lend-
13 ing or offer banking products or services shall
14 be subject to the Community Reinvestment Act
15 of 1977 in accordance with this paragraph and
16 in the same manner as a regulated financial in-
17 stitution (as defined in such Act) and the
18 record of any such affiliate in meeting commu-
19 nity credit, investment, and consumer needs
20 shall be taken into account by the Federal regu-
21 latory agency with jurisdiction over the affili-
22 ate’s bank holding company in the course of re-
23 viewing the activities of the bank holding com-
24 pany or any application by such affiliate.

1 “(B) BANKING PRODUCTS AND SERVICES
2 DEFINED.—For purposes of this paragraph, the
3 term ‘banking products and services’ includes—

4 “(i) insured deposits (as defined in
5 section 3 of the Federal Deposit Insurance
6 Act) and related deposit services;

7 “(ii) consumer loans and extensions of
8 credit and the servicing such loans and ex-
9 tensions of credit;

10 “(iii) loans to purchase, refinance,
11 construct, improve, or repair domestic resi-
12 dential housing or manufactured housing,
13 including single-family and multifamily
14 residential housing loans and home-equity
15 loans, and the servicing of such loans;

16 “(iv) small business and commercial
17 loans and the servicing of such loans; and

18 “(v) checking accounts, savings ac-
19 counts, and related accounts or instru-
20 ments, including accounts from which the
21 owner may make withdrawals by negotiable
22 or transferable instruments for the purpose
23 of making payments to third parties.”.

1 **SEC. 103. PROVISIONS RELATING TO IMPROVED RESPON-**
2 **SIVENESS OF INSURED DEPOSITORY INSTITU-**
3 **TIONS TO COMMUNITY REINVESTMENT ACT**
4 **OF 1977.**

5 (a) RATING REQUIRED FOR EACH STATE, METRO-
6 POLITAN AREA, AND SERVICE AREA.—Section 807(b)(1)
7 of the Community Reinvestment Act of 1977 (12 U.S.C.
8 2906(b)(1)) is amended by striking subparagraph (B) and
9 inserting the following new subparagraphs:

10 “(B) INITIAL SEPARATE EVALUATION AND
11 RATING FOR STATE, METROPOLITAN, OTHER
12 SERVICE AREAS REQUIRED.—The information
13 required by clauses (i) and (ii) of subparagraph
14 (A) with respect to any regulated financial in-
15 stitution shall be presented separately, and an
16 initial rating shall be determined separately,
17 for—

18 “(i) each metropolitan area in which
19 the regulated financial institution main-
20 tains 1 or more domestic branches;

21 “(ii) each State in which the regulated
22 financial institution maintains 1 or more
23 domestic branches outside of a metropoli-
24 tan area; and

25 “(iii) each community in which the
26 regulated financial institution makes more

1 than 0.5 percent of the total amount of
2 loans.

3 “(C) CONTENT OF SEPARATE EVALUA-
4 TION.—A written evaluation to which subpara-
5 graph (B) applies shall describe how the Fed-
6 eral financial supervisory agency has performed
7 the examination of the regulated financial insti-
8 tution, including a list of the individual domes-
9 tic branches examined.

10 “(D) LOW AND HIGH SATISFACTORY RAT-
11 INGS.—In assigning ratings under subpara-
12 graphs (A) and (B), a Federal financial super-
13 visory agency may assign a rating of ‘low satis-
14 factory record of meeting community credit
15 needs’ or ‘high satisfactory record of meeting
16 community credit needs’ in lieu of the rating re-
17 ferred to in paragraph (2)(B).

18 “(E) CRA IMPROVEMENT PLAN.—

19 “(i) IN GENERAL.—Whenever a regu-
20 lated financial institution receives a rating
21 of ‘low satisfactory’ or lower in any State,
22 metropolitan area, or other community in
23 which it made more than 0.5 percent of
24 total amount of loans, the financial institu-
25 tion shall submit a CRA improvement

1 plan, subject to public notice and com-
2 ment, to the appropriate Federal financial
3 supervisory agency.

4 “(ii) CONTENTS OF PLAN.—Any CRA
5 improvement plan submitted to an appro-
6 priate Federal financial supervisory agency
7 by a regulated financial institution pursu-
8 ant to clause (i) shall describe how the in-
9 stitution intends to improve its perform-
10 ance in meeting the credit needs, including
11 low- and moderate-income neighborhoods,
12 in the service areas where the institution
13 received a rating of ‘low satisfactory’ or
14 lower.

15 “(iii) REVIEW OF PLAN.—Any appro-
16 priate Federal financial supervisory agency
17 regulatory agency which receives a CRA
18 improvement plan under clause (i) from a
19 regulated financial institution shall review
20 the plan and either approve the plan or
21 send it back to the institution for revisions.

22 “(iv) QUARTERLY REPORTS.—After
23 an appropriate Federal financial super-
24 visory agency regulatory agency which re-
25 ceives a CRA improvement plan under

1 clause (i) from a regulated financial insti-
2 tution approves the plan, the financial in-
3 stitution shall submit reports and data to
4 the agency on a quarterly basis so that the
5 regulatory agency and the general public
6 can monitor CRA performance.

7 “(v) ADDITIONAL LIMITATIONS.—If
8 any regulated financial institution receives
9 a rating of ‘Needs-to-improve’ or ‘Substan-
10 tial noncompliance’ in any service area, the
11 appropriate Federal financial supervisory
12 agency may not accept or approve any ap-
13 plication by such institution or any merger
14 applications involving such institution.

15 “(vi) CONSIDERATION OF PERFORM-
16 ANCE IN CERTAIN REVIEWS.—If any regu-
17 lated financial institution receives a rating
18 of ‘low satisfactory’ in any service area, the
19 appropriate Federal financial supervisory
20 agency shall consider the progress of the
21 institution in meeting the goals described
22 in the CRA improvement plan as an inte-
23 gral factor in reviews of any application by
24 such institution or any merger applications
25 involving such institution.”.

1 (b) ADDITIONAL PERFORMANCE FACTORS.—Section
2 804(a)(1) of the Community Reinvestment Act of 1977
3 (12 U.S.C. 2903(a)(1)) is amended—

4 (1) by inserting “and neighborhoods of different
5 racial characteristics” after “low- and moderate-in-
6 come neighborhoods”; and

7 (2) By inserting “, taking into account the in-
8 stitution’s share of the total amount of credit ex-
9 tended in neighborhoods of different racial and in-
10 come characteristics within such community” before
11 the semicolon at the end.

12 (c) TECHNICAL AND CONFORMING AMENDMENTS.—

13 (1) Section 807(b)(1)(A)(iii) of the Community
14 Reinvestment Act of 1977 (12 U.S.C.
15 2906(b)(1)(A)(iii)) is amended—

16 (A) by inserting “overall” after “the insti-
17 tution’s”; and

18 (B) by inserting “, taking into account
19 each of the initial ratings determined under
20 subparagraph (B) for each State, metropolitan,
21 and service area in which the institution makes
22 more than 0.5 percent of the total amount of
23 loans” before the period at the end.

24 (2) Section 807 of the Community Reinvest-
25 ment Act of 1977 (12 U.S.C. 2906) is amended—

- 1 (A) by striking subsection (d); and
2 (B) by redesignating subsection (e) as sub-
3 section (d).

4 **SEC. 104. REDUCTION OF CRA RATING DUE TO PREDATORY**
5 **LENDING AND OTHER NEGATIVE CREDIT**
6 **PRACTICES.**

7 (a) IN GENERAL.—Section 804 of the Community
8 Reinvestment Act of 1977 (12 U.S.C. 2903) is amended
9 by adding at the end the following new subsections:

10 “(d) TREATMENT OF PREDATORY LENDING AND
11 OTHER DISCRIMINATORY CREDIT PRACTICES.—

12 “(1) IN GENERAL.—In the case of a regulated
13 financial institution, or an affiliate or business part-
14 ner of any such institution, which the appropriate
15 Federal financial supervisory agency determines has
16 engaged in any credit practice which has a negative
17 impact on a community or neighborhood, such as
18 predatory lending or abusive payday lending, or has
19 engaged in any other lending practice or service in
20 a manner which unlawfully discriminates against
21 any person or against minority or low- and mod-
22 erate-income neighborhoods, the agency—

23 “(A) may not take any such practice or
24 service into account in assessing the institu-

1 tion’s record of meeting the credit needs of its
2 entire community; and

3 “(B) shall reduce the rating that would
4 otherwise obtain under section 807 with respect
5 to such institution after consideration of the ex-
6 tent of such negative or discriminatory practice
7 or service.

8 “(2) UNLAWFUL DISCRIMINATION AND PREDATORY LENDING.—For purposes of paragraph (1),
9 the terms ‘predatory lending’ and ‘unlawfully dis-
10 criminates’ include any lending or discriminatory
11 practice those that violates the Fair Housing Act,
12 the Equal Credit Opportunity Act, the Truth in
13 Lending Act, the Real Estate Settlement Procedures
14 Act, the Federal Trade Commission Act, or any
15 other consumer and fair lending law, including the
16 law of any State or political subdivision of any
17 State.

18 “(e) MAINTENANCE OF CERTAIN RECORDS.—For
19 purposes of determining whether a regulated financial in-
20 stitution engages in any practice or service described in
21 subsection (d), an appropriate Federal financial super-
22 visory agency may require, by regulation, regulated finan-
23 cial institutions to maintain records of the terms and con-
24 ditions of credit extended by the institution or the terms
25 of credit extended by the institution or the terms

1 and conditions at which credit was offered even though
2 no credit was extended.”.

3 **SEC. 105. RESPONSIVENESS TO COMMUNITY NEEDS FOR**
4 **SECURITIES AND INVESTMENT SERVICES.**

5 (a) **AFFIRMATIVE OBLIGATION.**—The purpose of this
6 section is to recognize that each securities company has,
7 with respect to each community comprising an assessment
8 area of such company, a continuing and affirmative obliga-
9 tion to meet the need for financial services in such commu-
10 nities, including the needs of low- and moderate-income
11 neighborhoods and persons of modest means.

12 (b) **DEFINITIONS.**—For purposes of this section, the
13 following definitions shall apply:

14 (1) **ASSESSMENT AREA.**—The term “assessment
15 area” means, with respect to a securities company,
16 each community in which such company—

17 (A) maintains a retail office or is rep-
18 resented by an agent; or

19 (B) has not less than 0.5 percent of the
20 total market in securities.

21 (2) **COMMUNITY DEVELOPMENT INVEST-**
22 **MENT.**—The term “community development invest-
23 ment” means investment in activities that revitalize
24 and stabilize low- and moderate-income neighbor-
25 hoods and directly benefit low- and moderate-income

1 individuals, including investment in affordable hous-
2 ing, community services, small-business development,
3 and economic development.

4 (3) SECURITIES COMPANY.—The term “securi-
5 ties company” means any person who is—

6 (A) a broker or dealer that is registered
7 under the Securities Exchange Act of 1934;

8 (B) a registered investment adviser, prop-
9 erly registered by or on behalf of either the Se-
10 curities and Exchange Commission, with re-
11 spect to the investment advisory activities of
12 such investment adviser and activities incidental
13 to such investment advisory activities; or

14 (C) an investment company that is reg-
15 istered under the Investment Company Act of
16 1940.

17 (c) PROGRAM.—

18 (1) IN GENERAL.—The Securities and Ex-
19 change Commission, in consultation with the Sec-
20 retary of the Treasury, shall develop a program to
21 ensure that securities companies meet the obliga-
22 tions described in subsection (a) and the require-
23 ments of the program under this subsection.

24 (2) FACTORS TO BE INCLUDED.—

1 (A) CUSTOMER EVALUATION.—The pro-
2 gram shall include, as appropriate, a method
3 for evaluating a securities company's record of
4 helping to meet the securities investment needs
5 of its assessment area, including—

6 (i) the number and distribution of
7 customers throughout the community, in-
8 cluding minority and low- and moderate-in-
9 come customers and the dollar amounts of
10 the investments made by such customers;

11 (ii) the number and distribution of
12 customers residing in minority and low-
13 and moderate-income census tracts; and

14 (iii) the extent to which the company
15 has adopted innovative and flexible mar-
16 keting methods, such as low minimum
17 amounts to open accounts and low trans-
18 action fees, that facilitate the sale of secu-
19 rities to low- and moderate-income cus-
20 tomers.

21 (B) COMMUNITY DEVELOPMENT INVEST-
22 MENTS.—The program shall include, as appro-
23 priate, a method for evaluating a securities
24 company's record of community development in-
25 vestment in each assessment area, including—

1 (i) the number and dollar amount of
2 community development investments in the
3 assessment area; and

4 (ii) the responsiveness of the securi-
5 ties company, through community develop-
6 ment investments, to the credit, capital,
7 and community development needs of the
8 assessment area, including low- and mod-
9 erate-income neighborhoods.

10 (C) SERVICE PERFORMANCE.—The pro-
11 gram shall include, as appropriate, a method
12 for evaluating a securities company’s record of
13 providing access to securities services in each
14 assessment area, including—

15 (i) the distribution of the company’s
16 retail offices by income level and minority
17 level of census tract and the range of serv-
18 ices offered by retail offices across census
19 tracts by income level and minority level;

20 (ii) the company’s record of opening
21 or closing retail offices in the assessment
22 area;

23 (iii) the extent to which the securities
24 company has adopted effective alternate
25 service systems in minority and low- and

1 moderate-income neighborhoods, such as
2 providing the means for minority and low-
3 and moderate-income individuals to gain
4 electronic access to the company at work-
5 places, community centers, and similar lo-
6 cations in low- and moderate-income neigh-
7 borhoods; and

8 (iv) the extent to which the securities
9 company has provided investment edu-
10 cation and other investment services, such
11 as financial counseling classes, in minority
12 and low- and moderate-income neighbor-
13 hoods in the assessment area.

14 (3) RATING.—

15 (A) IN GENERAL.—At least once in each 2-
16 year period beginning after the date of the en-
17 actment of this Act, the program shall provide
18 for—

19 (i) an evaluation and an initial rating
20 of the performance of each securities com-
21 pany in meeting the obligation established
22 under subsection (a) in each assessment
23 area of the company; and

24 (ii) an overall rating, based on the ini-
25 tial ratings pursuant to clause (i) of the

1 overall achievement of the securities com-
2 pany in meeting such obligation.

3 (B) RATING CATEGORIES.—The rating cat-
4 egories used in rating the performance of any
5 securities company shall include “Outstanding”,
6 “High Satisfactory”, “Satisfactory”, “Low Sat-
7 isfactory”, “Needs-to-Improve”, and “Substan-
8 tial Noncompliance” or such other categories as
9 the Commission may establish by regulation.

10 (C) TREATMENT OF INVESTMENT PRAC-
11 TICES WITH NEGATIVE IMPACTS.—In the case
12 of any securities company which the Securities
13 and Exchange Commission determines has en-
14 gaged in securities and investment practices
15 which have a negative impact on any assess-
16 ment area of the company or has otherwise en-
17 gaged in any practice or provided any service in
18 a manner which unlawfully discriminates
19 against any person or against low- and mod-
20 erate-income neighborhoods, the Commission—

21 (i) may not take any such practice
22 into account in assessing the extent to
23 which such company has met its obligation
24 under subsection (a); and

1 (ii) shall reduce the rating that would
2 otherwise obtain under subparagraph (A)
3 with respect to such company, after consid-
4 ering the extent of such negative or dis-
5 criminatory practice or service.”.

6 (D) MAINTENANCE OF CERTAIN
7 RECORDS.—For purposes of determining wheth-
8 er a securities company engages in any practice
9 or service described in subparagraph (B), the
10 Securities and Exchange Commission may re-
11 quire, by regulation, securities companies to
12 maintain records of the terms and conditions at
13 which securities products and services were pro-
14 vided by the company and the terms and condi-
15 tions at which such securities products or serv-
16 ices were offered by the company even though
17 no transaction occurred.

18 (E) IMPROVEMENT PLAN.—

19 (i) IN GENERAL.—Whenever a securi-
20 ties company receives a rating of “low sat-
21 isfactory” or lower in any assessment area,
22 the company shall submit a improvement
23 plan, subject to public notice and com-
24 ment, to the Commission.

1 (ii) CONTENTS OF PLAN.—Any im-
2 provement plan submitted to the Commis-
3 sion by a securities company pursuant to
4 clause (i) shall describe how the institution
5 intends to improve its performance in any
6 assessment area where the company re-
7 ceived a rating of “low satisfactory” or
8 lower.

9 (iii) REVIEW OF PLAN.—The Commis-
10 sion shall review any improvement sub-
11 mitted under clause (i) by a securities com-
12 pany and either approve the plan or send
13 it back to the company for revisions.

14 (iv) QUARTERLY REPORTS.—After the
15 Commission approves a improvement plan
16 submitted by a securities company under
17 clause (i), the company shall submit re-
18 ports and data on a quarterly basis so that
19 the Commission and the general public can
20 monitor performance.

21 (v) ADDITIONAL LIMITATIONS.—If
22 any securities company receives a rating of
23 “Needs-to-improve” or “Substantial non-
24 compliance” in any assessment area, the
25 Commission may not accept or approve

1 any application by such securities company
2 or any merger applications involving such
3 company.

4 (vi) CONSIDERATION OF PERFORM-
5 ANCE IN CERTAIN REVIEWS.—If any secu-
6 rities company receives a rating of “low
7 satisfactory” rating in any assessment area
8 while such company is operating under an
9 approved improvement plan, the Commis-
10 sion shall consider the progress in meeting
11 the goals described in the improvement
12 plan as an integral factor in reviews of any
13 application by such securities company or
14 any merger applications involving such
15 company.

16 (4) CONSIDERATION OF SECURITIES COMPANY
17 RATING.—Whenever the Commission considers an
18 application to the Commission by a securities com-
19 pany, the Securities and Exchange Commission
20 shall—

21 (A) take into account the overall rating of
22 the securities company under this section and
23 any improvement plans submitted pursuant to
24 this section;

1 (B) provide opportunity for public com-
2 ment on such rating; and

3 (C) take into account changes in the com-
4 munity reinvestment performance of such com-
5 pany since the last overall rating and the likely
6 future community reinvestment performance of
7 such company.

8 (d) RELEASE OF DATA.—Information collected by
9 the Securities and Exchange Commission in connection
10 with the program under subsection (c) shall be made pub-
11 licly available by the Commission in a format similar to
12 the format for public disclosure of information under the
13 Home Mortgage Disclosure Act of 1975, as determined
14 to be appropriate by the Commission.

15 **SEC. 106. RESPONSIVENESS TO COMMUNITY NEEDS FOR**
16 **MORTGAGES AND MORTGAGE RELATED**
17 **SERVICES BY MORTGAGE BANKS.**

18 (a) AFFIRMATIVE OBLIGATION.—Each mortgage
19 bank shall have, with respect to each community com-
20 prising an assessment area of such mortgage bank, a con-
21 tinuing and affirmative obligation to meet the mortgage
22 credit and mortgage service needs of such communities,
23 including extensions of credit in low- and moderate-income
24 neighborhoods of such communities.

1 (b) DEFINITIONS.—For purposes of this section, the
2 following definitions shall apply:

3 (1) ASSESSMENT AREA.—The term “assessment
4 area” means, with respect to a mortgage bank, each
5 community in which such company—

6 (A) maintains a retail office or is rep-
7 resented by an agent; or

8 (B) has not less than 0.5 percent of the
9 total market in housing-related loans.

10 (2) COMMUNITY DEVELOPMENT INVEST-
11 MENT.—The term “community development invest-
12 ment” means investment in activities that revitalize
13 and stabilize low- and moderate-income neighbor-
14 hoods and directly benefit low- and moderate-income
15 individuals, including investment in affordable hous-
16 ing, community services, small-business development,
17 and economic development.

18 (3) MORTGAGE BANK.—The term “mortgage
19 bank” means any lender who does not accept depos-
20 its (as defined in section 3 of the Federal Deposit
21 Insurance Act) and originates housing-related loans.

22 (4) SECRETARY.—The term “Secretary” means
23 the Secretary of Housing and Urban Development.

24 (c) PROGRAM.—

1 (1) IN GENERAL.—The Secretary, in consulta-
2 tion with the Secretary of the Treasury, shall de-
3 velop a program to ensure that mortgage banks
4 meet the obligations described in subsection (a) and
5 the requirements of the program under this sub-
6 section.

7 (2) FACTORS TO BE INCLUDED.—

8 (A) CUSTOMER EVALUATION.—The pro-
9 gram shall include, as appropriate, a method
10 for evaluating a mortgage bank’s record of
11 helping to meet the mortgage credit and mort-
12 gage service needs of its assessment area, in-
13 cluding—

14 (i) the number and distribution of
15 customers throughout the community, in-
16 cluding minority and low- and moderate-in-
17 come customers and the dollar amounts of
18 the mortgage credit extended to such cus-
19 tomers by the mortgage bank;

20 (ii) the number and distribution of
21 customers residing in minority and low-
22 and moderate-income neighborhoods and
23 the dollar amounts of the mortgage credit
24 extended to such customers by the mort-
25 gage bank;

1 (iii) the mortgage bank's market
2 share in neighborhoods of different racial
3 and income characteristics;

4 (iv) the mortgage bank's market share
5 to borrowers of different racial and income
6 characteristics;

7 (v) a comparison of the rate at which
8 the mortgage bank rejects applications
9 from minority and white applicants;

10 (vi) any evidence of illegal discrimina-
11 tory credit practices, including
12 prescreening, or offering less favorable
13 loan products to applicants of different ra-
14 cial backgrounds; and

15 (vii) the extent to which the mortgage
16 bank has adopted innovative and flexible
17 marketing methods and products that fa-
18 cilitate the extension of mortgage credit on
19 a nondiscriminatory basis to low- and mod-
20 erate-income customers.

21 (B) COMMUNITY DEVELOPMENT INVEST-
22 MENTS.—The program shall include, as appro-
23 priate, a method for evaluating a mortgage
24 bank's record of community development invest-
25 ment in each assessment area, including—

1 (i) the number and dollar amount of
2 community development investments in the
3 assessment area; and

4 (ii) the responsiveness of the mort-
5 gage bank, through community develop-
6 ment investments, to the credit, capital,
7 and community development needs of the
8 assessment area, including low- and mod-
9 erate-income neighborhoods.

10 (C) SERVICE PERFORMANCE.—The pro-
11 gram shall include, as appropriate, a method
12 for evaluating a mortgage bank’s record of pro-
13 viding access to mortgage credit and mortgage
14 services in each assessment area, including—

15 (i) the distribution of the mortgage
16 bank’s retail offices by income level and
17 minority level of census tract and the
18 range of services offered by retail offices
19 across census tracts by income level and
20 minority level;

21 (ii) the bank’s record of opening or
22 closing retail offices in the assessment
23 area;

24 (iii) the extent to which the mortgage
25 bank has adopted effective alternate serv-

1 ice systems in minority and low- and mod-
2 erate-income neighborhoods, such as pro-
3 viding the means for low- and moderate-in-
4 come individuals to gain electronic access
5 to the mortgage bank at workplaces, com-
6 munity centers, and similar locations in
7 minority and low- and moderate-income
8 neighborhoods;

9 (iv) the extent to which the mortgage
10 bank has provided home purchaser and
11 home owner education and other coun-
12 seling services, such as financial counseling
13 classes, in minority and low- and mod-
14 erate-income neighborhoods in the assess-
15 ment area;

16 (v) the mortgage bank's market share
17 in neighborhoods of different racial and in-
18 come characteristics;

19 (vi) the number of applications re-
20 ceived from and loans made to minorities
21 and low- and moderate-income persons;

22 (vii) a comparison of the rate at which
23 the mortgage bank rejects applications
24 from minority and white applicants; and

1 (viii) any evidence of illegal discrimi-
2 natory credit practices, including
3 prescreening, or offering less favorable
4 loan products to applicants of different ra-
5 cial backgrounds.

6 (3) RATING.—

7 (A) IN GENERAL.—The program shall pro-
8 vide for—

9 (i) an evaluation and an initial rating
10 of the performance of each mortgage bank
11 in meeting the obligation established under
12 subsection (a) in each assessment area of
13 the bank; and

14 (ii) an overall rating, based on the ini-
15 tial ratings pursuant to clause (i) of the
16 overall achievement of the mortgage bank
17 in meeting such obligation.

18 (B) RATING CATEGORIES.—The rating cat-
19 egories used in rating the performance of any
20 mortgage bank shall include “Outstanding”,
21 “High Satisfactory”, “Satisfactory”, “Low Sat-
22 isfactory”, “Needs-to-Improve”, and “Substan-
23 tial Noncompliance” or such other categories as
24 the Secretary may establish by regulation.

1 (C) TREATMENT OF CREDIT PRACTICES
2 WITH NEGATIVE IMPACTS.—

3 (i) IN GENERAL.—In the case of any
4 mortgage bank which the Secretary deter-
5 mines has engaged in credit practices
6 which have a negative impact on any indi-
7 viduals or any assessment area of the com-
8 pany, such as prescreening or predatory
9 mortgage lending, or has otherwise en-
10 gaged in any practice or provided any serv-
11 ice in a manner which unlawfully discrimi-
12 nates against any person or against minor-
13 ity or low- and moderate-income neighbor-
14 hoods, the Secretary—

15 (I) may not take any such prac-
16 tice into account in assessing the ex-
17 tent to which such company has met
18 its obligation under subsection (a);
19 and

20 (II) shall reduce the rating that
21 would otherwise obtain under sub-
22 paragraph (A) with respect to such
23 company, after considering the extent
24 of such negative or discriminatory
25 practice or service.

1 (ii) UNLAWFUL DISCRIMINATION AND
2 PREDATORY MORTGAGE LENDING.—For
3 purposes of (i), the terms “predatory mort-
4 gage lending” and “unlawfully discrimi-
5 nates” include any lending or discrimina-
6 tory practice those that violates the Fair
7 Housing Act, the Equal Credit Oppor-
8 tunity Act, the Truth in Lending Act, the
9 Real Estate Settlement Procedures Act,
10 the Federal Trade Commission Act, or any
11 other consumer and fair lending law, in-
12 cluding the law of any State or political
13 subdivision of any State.

14 (D) MAINTENANCE OF CERTAIN
15 RECORDS.—For purposes of determining wheth-
16 er a mortgage bank engages in any practice or
17 service described in subparagraph (B), the Sec-
18 retary may require, by regulation, mortgage
19 banks to maintain records of the terms and
20 conditions at which mortgage loans and other
21 services were provided by the company and the
22 terms and conditions at which such mortgage
23 loans and other products and services were of-
24 fered by the bank even though no transaction
25 occurred.

1 (E) IMPROVEMENT PLAN.—

2 (i) IN GENERAL.—Whenever a mort-
3 gage bank receives a rating of “low satis-
4 factory” or lower in any assessment area,
5 the bank shall submit a improvement plan,
6 subject to public notice and comment, to
7 the Secretary.

8 (ii) CONTENTS OF PLAN.—Any im-
9 provement plan submitted to the Secretary
10 by a mortgage bank pursuant to clause (i)
11 shall describe how the bank intends to im-
12 prove its performance in any assessment
13 area where the bank received a rating of
14 “low satisfactory” or lower.

15 (iii) REVIEW OF PLAN.—The Sec-
16 retary shall review any improvement sub-
17 mitted under clause (i) by a mortgage
18 bank and either approve the plan or send
19 it back to the bank for revisions.

20 (iv) QUARTERLY REPORTS.—After the
21 Secretary approves a improvement plan
22 submitted by a mortgage bank under
23 clause (i), the bank shall submit reports
24 and data on a quarterly basis so that the

1 Secretary and the general public can mon-
2 itor performance.

3 (v) ADDITIONAL LIMITATIONS.—If
4 any mortgage bank receives a rating of
5 “Needs-to-improve” or “Substantial non-
6 compliance” in any assessment area, the
7 Secretary may not accept or approve any
8 application by such mortgage bank or any
9 merger applications involving such bank.

10 (vi) CONSIDERATION OF PERFORM-
11 ANCE IN CERTAIN REVIEWS.—If any mort-
12 gage bank receives a rating of “low satis-
13 factory” rating in any assessment area, the
14 Secretary shall consider the progress in
15 meeting the goals described in the improve-
16 ment plan as an integral factor in reviews
17 of any application by such mortgage bank
18 or any merger applications involving such
19 bank.

20 (d) CONSIDERATION OF MORTGAGE BANK’S RAT-
21 ING.—

22 (1) REVIEW OF RATING.—At least once in each
23 2-year period beginning after the date of the enact-
24 ment of this Act, the Secretary shall—

1 (A) conduct an examination of, and assign
2 ratings to, mortgage banks under this sub-
3 section;

4 (B) review the overall rating of each mort-
5 gage bank under this subsection;

6 (C) provide opportunity for public com-
7 ment on such rating; and

8 (D) review changes in the community rein-
9 vestment performance of such mortgage bank
10 since the last overall rating and the likely fu-
11 ture community reinvestment performance of
12 such mortgage bank.

13 (2) NOTIFICATION OF UNSATISFACTORY PER-
14 FORMANCE.—If, in conjunction with a review pursu-
15 ant to paragraph (1), the Secretary determines that
16 a mortgage bank has failed to meet the bank’s obli-
17 gations described in subsection (a) and the require-
18 ments of the program under this subsection or failed
19 to make satisfactory improvements in meeting such
20 obligations and requirements, the Secretary shall no-
21 tify the mortgage bank of such determination, de-
22 scribing the conditions giving rise to the notice.

23 (3) AGREEMENT TO CORRECT CONDITIONS RE-
24 QUIRED.—Not later than 45 days after the date of
25 receipt by a mortgage bank of a notice given under

1 paragraph (2) (or such additional period as the Sec-
2 retary may permit), the mortgage bank shall execute
3 an agreement, based on an improvement plan, with
4 the Secretary to comply with the obligations and re-
5 quirements applicable to the mortgage bank under
6 this section.

7 (4) SECRETARY MAY IMPOSE LIMITATIONS.—
8 Until the conditions described in a notice to a mort-
9 gage bank under paragraph (2) are corrected, the
10 Secretary may impose such limitations on the extent
11 to which mortgage loans originated, held, or serviced
12 by such mortgage bank may be acquired by the Fed-
13 eral Home Mortgage Corporation, the Federal Na-
14 tional Mortgage Association, or the Government Na-
15 tional Mortgage Association, as the Secretary deter-
16 mines to be appropriate under the circumstances
17 and consistent with the purposes of this section.

18 (5) FAILURE TO CORRECT.—If the conditions
19 described in a notice to a mortgage bank under
20 paragraph (2) are not corrected within 180 days
21 after the date of receipt by the mortgage bank of a
22 notice under paragraph (2), the Secretary shall pro-
23 hibit the Federal Home Mortgage Corporation, the
24 Federal National Mortgage Association, or the Gov-
25 ernment National Mortgage Association from acquir-

1 ing any mortgage loan originated, held, or serviced
2 by such mortgage bank.

3 (6) CONSULTATION.—In taking any action
4 under this subsection, the Secretary shall consult
5 with all relevant Federal and State regulatory agen-
6 cies and authorities.

7 **SEC. 107. RESPONSIVENESS TO COMMUNITY NEEDS FOR IN-**
8 **SURANCE SERVICES.**

9 (a) AFFIRMATIVE OBLIGATION.—The purpose of this
10 section is to recognize that each insurance company has,
11 with respect to each community comprising an assessment
12 area of such company, a continuing and affirmative obliga-
13 tion to meet the need for insurance services in such com-
14 munities, including the needs of low- and moderate-income
15 neighborhoods and persons of modest means.

16 (b) DEFINITIONS.—For purposes of this section, the
17 following definitions shall apply:

18 (1) ASSESSMENT AREA.—The term “assessment
19 area” means, with respect to an insurance company,
20 each community in which such company—

21 (A) maintains a retail office or is rep-
22 resented by an agent; or

23 (B) has not less than 0.5 percent of the
24 total market in insurance.

1 (2) COMMUNITY DEVELOPMENT INVEST-
2 MENT.—The term “community development invest-
3 ment” means investment in activities that revitalize
4 and stabilize low- and moderate-income neighbor-
5 hoods and directly benefit low- and moderate-income
6 individuals, including investment in affordable hous-
7 ing, community services, small-business development,
8 and economic development.

9 (3) INSURANCE COMPANY.—The term “insur-
10 ance company” includes any person engaged in the
11 business of insurance to the extent of such activities.

12 (4) SECRETARY.—The term “Secretary” means
13 the Secretary of Housing and Urban Development.

14 (c) PROGRAM.—

15 (1) IN GENERAL.—The Secretary, in consulta-
16 tion with the Secretary of the Treasury, shall de-
17 velop a program to ensure that insurance companies
18 meet the obligations described in subsection (a) and
19 the requirements of the program under this sub-
20 section.

21 (2) FACTORS TO BE INCLUDED.—

22 (A) CUSTOMER EVALUATION.—The pro-
23 gram shall include, as appropriate, a method
24 for evaluating an insurance company’s record of

1 helping to meet the insurance needs of its as-
2 sessment area, including—

3 (i) the number and distribution of
4 customers throughout the community, in-
5 cluding minority and low- and moderate-in-
6 come customers, and the dollar amounts of
7 the insurance policies held by such cus-
8 tomers;

9 (ii) the number and distribution of
10 customers residing in minority and low-
11 and moderate-income neighborhoods and
12 the dollar amounts of the insurance poli-
13 cies held by such customers; and

14 (iii) the extent to which the company
15 has adopted innovative and flexible mar-
16 keting methods and products that facilitate
17 the sale of insurance on a nondiscrim-
18 inatory basis to minority and low- and
19 moderate-income customers.

20 (B) COMMUNITY DEVELOPMENT INVEST-
21 MENTS.—The program shall include, as appro-
22 priate, a method for evaluating an insurance
23 company's record of community development in-
24 vestment in each assessment area, including—

1 (i) the number and dollar amount of
2 community development investments in the
3 assessment area; and

4 (ii) the responsiveness of the insur-
5 ance company, through community devel-
6 opment investments, to the credit, capital,
7 and community development needs of the
8 assessment area, including low- and mod-
9 erate-income neighborhoods.

10 (C) SERVICE PERFORMANCE.—The pro-
11 gram shall include, as appropriate, a method
12 for evaluating an insurance company’s record of
13 providing access to insurance services in each
14 assessment area, including—

15 (i) the distribution of the insurance
16 company’s retail offices by income level
17 and minority level of census tract and the
18 range of services offered by retail offices
19 across census tracts by income level and
20 minority level;

21 (ii) the company’s record of opening
22 or closing retail offices or affiliating with
23 agents in the assessment area;

24 (iii) the extent to which the insurance
25 company has adopted effective alternate

1 servicing systems in minority and low- and
2 moderate-income neighborhoods, such as
3 providing the means for minority and low-
4 and moderate-income individuals to gain
5 electronic access to the company at work-
6 places, community centers, and similar lo-
7 cations in minority and low- and moderate-
8 income neighborhoods; and

9 (iv) the extent to which the insurance
10 company has provided insurance education
11 and other insurance services, such as fi-
12 nancial counseling classes, in minority and
13 low- and moderate-income neighborhoods
14 in the assessment areas.

15 (3) RATING.—

16 (A) IN GENERAL.—The program shall pro-
17 vide for—

18 (i) an evaluation and an initial rating
19 of the performance of each insurance com-
20 pany in meeting the obligation established
21 under subsection (a) in each assessment
22 area of the company; and

23 (ii) an overall rating, based on the ini-
24 tial ratings pursuant to clause (i) of the

1 overall achievement of the insurance com-
2 pany in meeting such obligation.

3 (B) RATING CATEGORIES.—The rating cat-
4 egories used in rating the performance of any
5 insurance company shall include “Out-
6 standing”, “High Satisfactory”, “Satisfactory”,
7 “Low Satisfactory”, “Needs-to-Improve”, and
8 “Substantial Noncompliance” or such other cat-
9 egories as the Secretary may establish by regu-
10 lation.

11 (C) TREATMENT OF INSURANCE PRAC-
12 TICES WITH NEGATIVE IMPACTS.—In the case
13 of any insurance company which the Secretary
14 determines has engaged in practices which have
15 a negative impact in any assessment area of the
16 company or has otherwise engaged in any prac-
17 tice or provided any service in a manner which
18 unlawfully discriminates against any person or
19 against any minority or low- or moderate-in-
20 come neighborhood, the Secretary—

21 (i) may not take any such practice
22 into account in assessing the extent to
23 which such company has met its obligation
24 under subsection (a); and

1 (ii) shall reduce the rating that would
2 otherwise obtain under subparagraph (A)
3 with respect to such company after consid-
4 eration of the extent of such negative or
5 discriminatory practice or service.

6 (D) MAINTENANCE OF CERTAIN
7 RECORDS.—For purposes of determining wheth-
8 er an insurance company engages in any prac-
9 tice or service described in subparagraph (B),
10 the Secretary may require, by regulation, insur-
11 ance companies to maintain records of the
12 terms and conditions at which insurance prod-
13 ucts and services were provided by the company
14 and the terms and conditions at which such in-
15 surance products or services were offered by the
16 company even though no transaction occurred.

17 (E) IMPROVEMENT PLAN.—

18 (i) IN GENERAL.—Whenever an insur-
19 ance company receives a rating of “low
20 satisfactory” or lower in any assessment
21 area, the company shall submit a improve-
22 ment plan, subject to public notice and
23 comment, to the Secretary.

24 (ii) CONTENTS OF PLAN.—Any im-
25 provement plan submitted to the Secretary

1 by an insurance company pursuant to
2 clause (i) shall describe how the institution
3 intends to improve its performance in any
4 assessment area where the company re-
5 ceived a rating of “low satisfactory” or
6 lower.

7 (iii) REVIEW OF PLAN.—The Sec-
8 retary shall review any improvement sub-
9 mitted under clause (i) by an insurance
10 company and either approve the plan or
11 send it back to the company for revisions.

12 (iv) QUARTERLY REPORTS.—After the
13 Secretary approves a improvement plan
14 submitted by an insurance company under
15 clause (i), the company shall submit re-
16 ports and data on a quarterly basis so that
17 the Secretary and the general public can
18 monitor performance.

19 (v) ADDITIONAL LIMITATIONS.—If
20 any insurance company receives a rating of
21 “Needs-to-improve” or “Substantial non-
22 compliance” in any assessment area, the
23 Secretary may not accept or approve any
24 application by such insurance company or

1 any merger applications involving such
2 company.

3 (vi) CONSIDERATION OF PERFORM-
4 ANCE IN CERTAIN REVIEWS.—If any insur-
5 ance company receives a rating of “low
6 satisfactory” rating in any assessment
7 area, the Secretary shall consider the
8 progress in meeting the goals described in
9 the improvement plan as an integral factor
10 in reviews of any application by such insur-
11 ance company or any merger applications
12 involving such company.

13 (d) CONSIDERATION OF INSURANCE COMPANY’S
14 RATING.—

15 (1) REVIEW OF RATING.—At least once in each
16 2-year period beginning after the date of the enact-
17 ment of this Act, the Secretary shall—

18 (A) conduct an examination of and assign
19 ratings to each insurance company under this
20 section;

21 (B) provide opportunity for public com-
22 ment on such rating; and

23 (C) review changes in the community rein-
24 vestment performance of such insurance com-
25 pany since the last overall rating and the likely

1 future community reinvestment performance of
2 such insurance company.

3 (2) NOTIFICATION OF UNSATISFACTORY PER-
4 FORMANCE.—If, in conjunction with a review pursu-
5 ant to paragraph (1), the Secretary determines that
6 an insurance company has failed to meet the com-
7 pany’s obligations described in subsection (a) and
8 the requirements of the program under this sub-
9 section or failed to make satisfactory improvements
10 in meeting such obligations and requirements, the
11 Secretary shall notify the insurance company and
12 each appropriate State insurance regulator of such
13 determination, describing the conditions giving rise
14 to the notice.

15 (3) AGREEMENT TO CORRECT CONDITIONS RE-
16 QUIRED.—Not later than 45 days after the date of
17 receipt by an insurance company of a notice given
18 under paragraph (2) (or such additional period as
19 the Secretary may permit), the insurance company
20 shall execute an agreement, based on an improve-
21 ment plan, with the Secretary to comply with the ob-
22 ligations and requirements applicable to the insur-
23 ance company under this section.

24 (4) SECRETARY MAY IMPOSE LIMITATIONS.—
25 Until the conditions described in a notice to an in-

1 insurance company under paragraph (2) are corrected,
2 the Secretary may impose such limitations on the ex-
3 tent to which mortgage loans secured by real prop-
4 erty insured by such insurance company may be ac-
5 quired by the Federal Home Mortgage Corporation,
6 the Federal National Mortgage Association, or the
7 Government National Mortgage Association, as the
8 Secretary determines to be appropriate under the
9 circumstances and consistent with the purposes of
10 this section.

11 (5) FAILURE TO CORRECT.—If the conditions
12 described in a notice to an insurance company under
13 paragraph (2) are not corrected within 180 days
14 after the date of receipt by the insurance company
15 of a notice under paragraph (2), the Secretary
16 shall—

17 (A) prohibit the Federal Home Mortgage
18 Corporation, the Federal National Mortgage
19 Association, and the Government National
20 Mortgage Association from acquiring any mort-
21 gage loan secured by real property insured by
22 such insurance company;

23 (B) publish notice of such failure to cor-
24 rect in the Federal Register; and

1 (C) notify each appropriate State insur-
2 ance regulator of such failure to correct.

3 (6) CONSULTATION.—In taking any action
4 under this subsection, the Secretary shall consult
5 with all relevant Federal and State regulatory agen-
6 cies and authorities.

7 (e) HEALTH AND LIFE INSURANCE LINES NOT IN-
8 CLUDED.—This section and section 108 shall not apply
9 to life or health lines of insurance or to insurance compa-
10 nies that provide only life or health insurance products.

11 **SEC. 108. SATISFACTORY RATINGS REQUIRED BY SECURI-**
12 **TIES COMPANY, MORTGAGE BANK, AND IN-**
13 **SURANCE COMPANY AFFILIATES OF FINAN-**
14 **CIAL HOLDING COMPANIES.**

15 (a) IN GENERAL.—Section 4(l)(1) of the Bank Hold-
16 ing Company Act of 1956 (12 U.S.C. 1843(l)(1)) is
17 amended—

18 (1) by striking “and” at the end of subpara-
19 graph (B);

20 (2) by redesignating subparagraph (C) as sub-
21 paragraph (F); and

22 (3) by inserting after subparagraph (B) the fol-
23 lowing new subparagraphs:

24 “(C) all of the securities company affiliates
25 of the bank holding company have a satisfac-

1 tory rating of meeting community needs under
2 section 104 of the Community Reinvestment
3 Modernization Act of 2007;

4 “(D) all of the mortgage bank affiliates of
5 the bank holding company have a satisfactory
6 rating of meeting community needs under sec-
7 tion 106 of the Community Reinvestment Mod-
8 ernization Act of 2007;

9 “(E) all of the insurance company affili-
10 ates of the bank holding company have a satis-
11 factory rating of meeting community needs
12 under section 107 of the Community Reinvest-
13 ment Modernization Act of 2007; and”.

14 (b) TECHNICAL AND CONFORMING AMENDMENTS.—

15 (1) Section 5(a) of the Bank Holding Company
16 Act of 1956 (12 U.S.C. 1844(a)) is amended by
17 striking “section 4(l)(1)(C)” and inserting “section
18 4(l)(1)(F)”.

19 (2) Section 8(c)(3)(A) of the International
20 Banking Act of 1978 (12 U.S.C. 3106(c)(3)(A)) is
21 amended by striking “section 4(l)(1)(C)” and insert-
22 ing “section 4(l)(1)(F)”.

1 **TITLE II—DATA DISCLOSURE**
2 **REQUIREMENTS**
3 **Subtitle A—Disclosure of Insurance**
4 **Availability and Insurer Invest-**
5 **ment Information**

6 **SEC. 201. SHORT TITLE.**

7 This title may be cited as the “Insurance Disclosure
8 Act”.

9 **SEC. 202. ESTABLISHMENT OF GENERAL REQUIREMENTS**
10 **TO SUBMIT INFORMATION.**

11 (a) **IN GENERAL.**—The Secretary of Housing and
12 Urban Development shall, by regulation, establish require-
13 ments for insurers to compile and submit information to
14 the Secretary for each annual reporting period, in accord-
15 ance with this title.

16 (b) **CONSULTATION.**—In establishing the require-
17 ments for the submission of information under this title,
18 the Secretary shall consult with Federal agencies having
19 appropriate expertise, the National Association of Insur-
20 ance Commissioners, State insurance regulators, statis-
21 tical agents, representatives of small businesses, rep-
22 resentatives of insurance agents (including minority insur-
23 ance agents), representatives of property and casualty in-
24 surers, and community, consumer, and civil rights organi-
25 zations, as appropriate.

1 (c) HEALTH AND LIFE INSURANCE LINES NOT IN-
2 CLUDED.—This title shall not apply to life or health lines
3 of insurance or to insurers that provide only life or health
4 insurance products.

5 **SEC. 203. REPORTING OF NONCOMMERCIAL INSURANCE IN-**
6 **FORMATION.**

7 (a) IN GENERAL.—The requirements established pur-
8 suant to section 202 to carry out this section shall—

9 (1) be designed to ensure that information is
10 submitted and compiled under this section as may be
11 necessary to permit analysis and comparison of—

12 (A) the availability and affordability of in-
13 surance coverage and the quality or type of in-
14 surance coverage, by census tract, including
15 low- and moderate-income neighborhoods, and
16 the race and gender of policyholders; and

17 (B) the location of the principal place of
18 business of insurance agents, and the location
19 of the principal place of business of insurance
20 agents terminated, by census tract, including
21 low- and moderate-income neighborhoods; and

22 (2) specify the data elements required to be re-
23 ported under this section and require uniformity in
24 the definitions of the data elements.

25 (b) INSURERS.—

1 (1) AGGREGATE INFORMATION.—The regula-
2 tions issued under section 203 shall require that
3 each insurer for a designated line of insurance under
4 subparagraph (A) or (B) of section 210(a)(1) shall
5 compile and submit to the Secretary, for each an-
6 nual reporting period—

7 (A) the total number of policies issued in
8 such line, total exposures covered by such poli-
9 cies, and total amount of premiums for such
10 policies, by designated line and by census tract,
11 including low- and moderate-income neighbor-
12 hoods, in which the insured risk is located;

13 (B) the total number of cancellations and
14 nonrenewals (expressed in terms of policies or
15 exposures, as determined by the Secretary), by
16 designated line and by census tract, including
17 low- and moderate-income neighborhoods, in
18 which the insured risk is located;

19 (C) the total number of—

20 (i) licensed agents of such insurer sell-
21 ing insurance in the designated line, by
22 census tract, including low- and moderate-
23 income neighborhoods, in which the agent’s
24 principal place of business is located; and

1 (ii) such agents who were terminated
2 by the insurer, by census tract in which
3 the agent's principal place of business was
4 located; and

5 (D) for such designated line of insurance,
6 information that will enable the Secretary to as-
7 sess the aggregate loss experience for the in-
8 surer, by census tract, including low- and mod-
9 erate-income neighborhoods, in which the in-
10 sured risk is located.

11 (2) SPECIFICATION OF INFORMATION FOR
12 ITEMIZED DISCLOSURE.—

13 (A) IN GENERAL.—The regulations issued
14 under section 202 regarding annual reporting
15 requirements for insurers for a designated line
16 of insurance under subparagraph (A) or (B) of
17 section 210(a)(1) shall, with respect to policies
18 issued under the designated line or exposure
19 units covered by such policies, as determined by
20 the Secretary—

21 (i) specify the data elements that shall
22 be submitted;

23 (ii) provide for the submission of in-
24 formation on an individual insurer basis;

1 (iii) provide for the submission of the
2 information with the least burden on insur-
3 ers, particularly small insurers, and insur-
4 ance agents;

5 (iv) take into account existing statis-
6 tical reporting systems in the insurance in-
7 dustry;

8 (v) require reporting by census tract,
9 including low- and moderate-income neigh-
10 borhoods, in which the insured risk is lo-
11 cated;

12 (vi) provide for the submission of in-
13 formation that—

14 (I) identifies the designated line,
15 and subline or coverage type; and

16 (II) where applicable, distin-
17 guishes between the type of policy
18 under each such subline or coverage
19 type that provides full replacement
20 cost and all other bases for computing
21 claims, such as actual cash value and
22 fair market value;

23 (vii) provide for the submission of in-
24 formation that distinguishes policies writ-

1 ten in a residual market from policies writ-
2 ten in the voluntary market;

3 (viii) specify—

4 (I) whether information shall be
5 submitted on the basis of policy or ex-
6 posure unit; and

7 (II) whether information, when
8 submitted, shall be aggregated by like
9 policyholders with like policies, except
10 that the Secretary shall not permit
11 such aggregation if it will adversely
12 affect the accuracy of the information
13 reported;

14 (ix) in addition to reporting approvals,
15 provide for the submission of information
16 regarding the number of denials, cancella-
17 tions, and nonrenewals of policies under
18 the designated line by census tract in
19 which the insured risk is located, by race,
20 gender, and income of the policyholder,
21 and by whether the policy was issued in a
22 voluntary or residual market; and

23 (x) provide for the submission of in-
24 formation on the racial characteristics,
25 gender, and income levels of policyholders

1 at the level of detail comparable to that re-
2 quired by the Home Mortgage Disclosure
3 Act of 1975 (and the regulations issued
4 thereunder).

5 (B) RULES REGARDING OBTAINING RACIAL
6 INFORMATION.—

7 (i) WRITING REQUIREMENT.—The in-
8 formation specified in subparagraph (A)(x)
9 relating to the racial characteristics of ap-
10 plicants for, and policyholders of, insur-
11 ance shall be obtained only in accordance
12 with the procedures for requesting and re-
13 cording racial information established in
14 Regulation C of the Board of Governors of
15 the Federal Reserve System under the
16 Home Mortgage Disclosure Act of 1975, as
17 in effect on the date of the enactment of
18 this Act.

19 (ii) NOTICE OF VOLUNTARY NATURE
20 OF QUESTION.—Any such written question
21 shall clearly indicate that a response to the
22 question is voluntary on the part of the ap-
23 plicant or policyholder, but encouraged,
24 and that the information is being re-
25 quested by the Federal Government to

1 monitor the availability and affordability of
2 insurance.

3 (iii) PROVISION OF INFORMATION BY
4 AGENT OR INSURER.—If an applicant for,
5 or policyholder of, insurance declines to
6 provide such information, the agent or in-
7 surer for such insurance may provide such
8 information.

9 (3) RULE FOR REPORTING BY INSURERS.—An
10 insurer for a designated line shall submit—

11 (A) information required under subpara-
12 graphs (A), (B), and (D) of paragraph (1) and
13 information required pursuant to paragraph
14 (2), for risks insured under such line that are
15 located within each census tract any part of
16 which is located in a State for which the insurer
17 is offering the designated line; and

18 (B) information required under paragraph
19 (1)(C) for agents within such census tracts.

20 **SEC. 204. REPORTING OF RURAL INSURANCE INFORMA-**
21 **TION.**

22 (a) IN GENERAL.—The Secretary shall, by regula-
23 tion, establish requirements for insurers to annually com-
24 pile and submit to the Secretary information concerning

1 the availability, affordability, and quality or type of insur-
2 ance in rural areas and to small businesses.

3 (b) CONTENT.—The regulations under this section
4 shall provide that the information compiled and submitted
5 under this section shall be compiled and submitted on the
6 basis of each census tract in which the insured risks are
7 located.

8 **SEC. 205. WAIVER OF REPORTING REQUIREMENTS.**

9 (a) WAIVER FOR STATES COLLECTING EQUIVALENT
10 INFORMATION.—

11 (1) AUTHORITY.—Subject to the requirements
12 under this section, the Secretary shall provide, by
13 regulation, for the waiver of the applicability of the
14 provisions of sections 203 and 204 for each insurer
15 transacting business within a State referred to in
16 paragraph (2), but only with respect to information
17 required to be submitted under such sections that
18 relates to agents or insured risks located in the
19 State.

20 (2) REQUIREMENTS.—The Secretary may make
21 a waiver pursuant to paragraph (1) only with re-
22 spect to a State that the Secretary determines has
23 in effect a law or other requirement that—

24 (A) requires insurers to submit to the
25 State information that is at least the same or

1 equivalent to the information that is required to
2 be submitted to the Secretary pursuant to sec-
3 tions 203 and 204;

4 (B) provides for adequate enforcement of
5 such law or other requirements; and

6 (C) provides for the same annual reporting
7 period used by the Secretary under this title
8 and for submission of the information to the
9 Secretary in a timely fashion, as determined by
10 the Secretary.

11 (3) DURATION.—A waiver pursuant to para-
12 graph (1) may remain in effect only during the pe-
13 riod for which the State law or other requirement re-
14 quired under paragraph (2) remains in effect.

15 (b) MULTIPLE-STATE AREAS.—In the case of any
16 census tract that contains area within (1) any State for
17 which a waiver has been made pursuant to subsection (a),
18 and (2) any State for which such a waiver has not been
19 made, the provisions of this title requiring submission of
20 information to the Secretary regarding such tract or area
21 shall be considered to apply only to the portion that is
22 located within the State for which such a waiver has not
23 been made.

24 (c) AUTHORITY FOR SECRETARY TO OBTAIN INFOR-
25 MATION DIRECTLY FROM INSURERS.—If the State for

1 which a waiver has been made pursuant to subsection (a)
2 does not submit to the Secretary the information required
3 under subsection (a)(2)(A) or submits information that is
4 not complete, the Secretary shall require the insurers
5 transacting business within the State to submit such infor-
6 mation directly to the Secretary.

7 **SEC. 206. REPORTING BY PRIVATE MORTGAGE INSURERS.**

8 (a) HMDA REPORTING.—On an annual basis, the
9 Financial Institutions Examination Council shall deter-
10 mine the extent to which each insurer providing private
11 mortgage insurance is making available to the public and
12 submitting to the appropriate agency information regard-
13 ing such insurance that is equivalent to the information
14 regarding mortgages required to be reported under the
15 Home Mortgage Disclosure Act of 1975.

16 (b) REPORTING UNDER THIS TITLE.—

17 (1) CERTIFICATION OF NONCOMPLIANCE.—If,
18 for any annual period referred to in subsection (a),
19 such Council determines that any insurer providing
20 private mortgage insurance is not making available
21 to the public or submitting the information referred
22 to in subsection (a) or that the information made
23 available or submitted is not equivalent information
24 as described in subsection (a), then the Council shall
25 notify the insurer of such noncompliance. If, after

1 the expiration of a reasonable period of time, the in-
2 surer has not remedied such noncompliance to the
3 satisfaction of the Council, then the Council shall
4 immediately certify such noncompliance to the Sec-
5 retary.

6 (2) REQUIREMENT.—Upon the receipt of a cer-
7 tification under paragraph (1), the Secretary shall,
8 by order, require such insurer to submit to the Sec-
9 retary information regarding such insurance that
10 complies with the provisions of section 203 that are
11 applicable to such insurance.

12 **SEC. 207. REPORTING OF INFORMATION REGARDING IN-**
13 **VESTMENTS BY INSURERS.**

14 (a) IN GENERAL.—The Secretary of Housing and
15 Urban Development shall, by regulation, require that each
16 insurer that makes an investment in a property or busi-
17 ness or extends credit shall compile and submit to the Sec-
18 retary for each annual reporting period, the following in-
19 formation:

20 (1) DIRECT LOANS.—

21 (A) COMMERCIAL REAL ESTATE LOANS.—

22 The total number of loans for the purchase of
23 commercial real estate made by the insurer, the
24 aggregate amount of such loans, and the
25 amount of each such loan, by census tract, in-

1 including low- and moderate-income neighbor-
2 hoods, in which the real estate for which the
3 loan was made is located.

4 (B) SINGLE-FAMILY MORTGAGES.—The
5 total number of mortgage loans for the pur-
6 chase of 1- to 4-family dwellings made by the
7 insurer, the aggregate amount of such loans,
8 and the amount of each such loan, by census
9 tract, including low- and moderate-income
10 neighborhoods, in which the dwelling for which
11 the loan was made is located, which information
12 shall be disaggregated by racial characteristics,
13 income level, and gender of the borrower under
14 the loan.

15 (C) COMMERCIAL AND INDUSTRIAL
16 LOANS.—The total number of commercial and
17 industrial loans made by the insurer, the aggre-
18 gate amount of such loans, and the amount of
19 each such loan, by census tract, including low-
20 and moderate-income neighborhoods, in which
21 the property or business involved in the loan is
22 located, which information shall be
23 disaggregated by the size of business of the bor-
24 rower under the loan and by the ownership
25 characteristic of the business, which shall be

1 classified as either minority-owned, women-
2 owned, or otherwise-owned.

3 (2) LOAN PURCHASES.—

4 (A) COMMERCIAL REAL ESTATE LOANS.—

5 The total number of loans for the purchase of
6 commercial real estate purchased by the in-
7 surer, the aggregate amount of such loans, and
8 the amount of each such loan, by census tract,
9 including low- and moderate-income neighbor-
10 hoods, in which the real estate for which the
11 loan was made is located.

12 (B) SINGLE-FAMILY MORTGAGES.—The
13 total number of mortgage loans for the pur-
14 chase of 1- to 4-family dwellings purchased by
15 the insurer, the aggregate amount of such
16 loans, and the amount of each such loan, by
17 census tract, including low- and moderate-in-
18 come neighborhoods, in which the dwelling for
19 which the loan was made is located, which in-
20 formation shall be disaggregated by racial char-
21 acteristics, income level, and gender of the bor-
22 rower under the loan.

23 (C) COMMERCIAL AND INDUSTRIAL
24 LOANS.—The total number of commercial and
25 industrial loans purchased by the insurer, the

1 aggregate amount of such loans, and the
2 amount of each such loan, by census tract, in-
3 cluding low- and moderate-income neighbor-
4 hoods, in which the property or business in-
5 volved in the loan is located, which information
6 shall be disaggregated by the size of business of
7 the borrower under the loan and by the owner-
8 ship characteristic of the business, which shall
9 be classified as either minority-owned, women-
10 owned, or otherwise-owned.

11 (3) OTHER INVESTMENTS.—For such other in-
12 vestments made by the insurer as the Secretary may
13 designate pursuant to subsection (b), the total num-
14 ber of such investments, the aggregate amount of
15 such investments, and the amount of each such in-
16 vestment, by census tract, including low- and mod-
17 erate-income neighborhoods, in which the property
18 or business involved in the investment is located, as
19 determined by the Secretary, which information shall
20 be disaggregated by the size of business of the bor-
21 rower under the loan and by the ownership char-
22 acteristic of the business, which shall be classified as
23 either minority-owned, women-owned, or otherwise-
24 owned.

25 (b) DESIGNATION OF OTHER INVESTMENTS.—

1 (1) IN GENERAL.—For purposes of subsection
2 (a)(3), the Secretary may designate activities and in-
3 vestments other than the investments described in
4 paragraphs (1) and (2) of subsection (a) for which
5 insurers shall compile and submit information under
6 this section.

7 (2) REQUIREMENT.—In making designations
8 under this subsection, the Secretary shall designate
9 (A) activities and investments that significantly ben-
10 efit low- and moderate-income families and persons,
11 small businesses in distressed communities, or
12 minority- or women-owned businesses, and (B) ac-
13 tivities and investments that contribute to the cre-
14 ation of jobs and economic development of distressed
15 communities.

16 (3) CONSIDERATIONS.—The Secretary shall
17 specifically consider for designation under this sub-
18 section investments in community development fi-
19 nancial institutions, community development cor-
20 porations, State-issued bonds, and securities backed
21 by State development funds.

22 (c) SIZE OF BUSINESS.—The Secretary shall, by reg-
23 ulation, establish various categories of the sizes of busi-
24 nesses, for purposes of disaggregating information under

1 paragraphs (1)(C), (2)(C), and (3) of subsection (a) by
2 various sizes of businesses.

3 **SEC. 208. SUBMISSION OF INFORMATION TO SECRETARY**
4 **AND MAINTENANCE OF INFORMATION.**

5 (a) PERIOD OF MAINTENANCE.—Each insurer re-
6 quired by this title to compile and submit information to
7 the Secretary shall maintain such information for the 3-
8 year period beginning upon the conclusion of the annual
9 reporting period to which such information relates. The
10 Secretary shall maintain any information submitted to the
11 Secretary for such period as the Secretary considers ap-
12 propriate and feasible to carry out the purposes of this
13 title and to allow for historical analysis and comparison
14 of the information.

15 (b) SUBMISSION.—The Secretary shall issue regula-
16 tions prescribing a standard schedule (taking into consid-
17 eration the provisions of section 209(a)), format, and
18 method for submitting information under this title to the
19 Secretary. The format and method of submitting the infor-
20 mation shall facilitate and encourage the submission in a
21 form readable by a computer. Any insurer submitting in-
22 formation to the Secretary may submit in writing to the
23 Secretary any additional information or explanations that
24 the insurer considers relevant to the decision by the in-
25 surer to sell insurance.

1 **SEC. 209. AVAILABILITY AND ACCESS SYSTEM.**

2 (a) AVAILABILITY TO PUBLIC.—

3 (1) IN GENERAL.—The Secretary shall main-
4 tain and make available to the public, in accordance
5 with the requirements of this section, any informa-
6 tion submitted to the Secretary under this title and
7 any information compiled by the Secretary under
8 this title.

9 (2) TIMING.—The Secretary shall make such
10 information publicly available on a timetable deter-
11 mined by the Secretary, but not later than 9 months
12 after the conclusion of the annual reporting period
13 to which the information relates.

14 (b) PUBLIC ACCESS SYSTEM.—

15 (1) IMPLEMENTATION.—The Secretary shall
16 implement a system to facilitate access to any infor-
17 mation required to be made available to the public
18 under this title.

19 (2) BASES OF AVAILABILITY.—The system shall
20 provide access in the following manners:

21 (A) ACCESS TO ITEMIZED INFORMATION.—

22 With respect to information submitted under by
23 insurers, on the basis of the insurer submitting
24 the information, on the basis of the census
25 tract, including low- and moderate-income

1 neighborhoods, and on any other basis the Sec-
2 retary considers feasible and appropriate.

3 (B) ACCESS TO AGGREGATE INFORMA-
4 TION.—With respect to aggregate information
5 compiled by the Secretary, on the basis of (i)
6 the insurer submitting the information, and (ii)
7 the census tract, including low- and moderate-
8 income neighborhoods, and on any other basis
9 the Secretary considers feasible and appro-
10 priate.

11 (c) PROTECTIONS REGARDING LOSS INFORMA-
12 TION.—

13 (1) PROHIBITION OF DISCLOSURE OF LOSS IN-
14 FORMATION.—Notwithstanding any other provision
15 of this title, the Secretary may not make available
16 to the public or otherwise disclose any information
17 submitted under this title regarding the amount or
18 number of claims paid by any insurer, the amount
19 of losses of any insurer, or the loss experience for
20 any insurer, except (A) in the form of a loss ratio
21 (expressing the relationship of claims paid to pre-
22 miums) for the industry aggregate on a census tract
23 level.

1 (2) PROTECTION OF IDENTITY OF INSURER.—

2 In making available to the public or otherwise dis-
3 closing a loss ratio for an insurer—

4 (A) the Secretary may not identify the in-
5 surer to which the loss ratio relates; and

6 (B) the Secretary may disclose the loss
7 ratio only in a manner that does not allow any
8 party to determine the identity of the specific
9 insurer to which the loss ratio relates, except
10 parties having access to information under
11 paragraph (3).

12 (3) CONFIDENTIALITY OF INFORMATION DIS-
13 CLOSED TO GOVERNMENTAL AGENCIES.—The Sec-
14 retary may make information referred to in para-
15 graph (1) and the identity of the specific insurer to
16 which such information relates available to any Fed-
17 eral entity and any State agency responsible for reg-
18 ulating insurance in a State and may otherwise dis-
19 close such information to any such entity or agency,
20 but only to the extent such entity or agency agrees
21 not to make any such information available or dis-
22 close such information to any other person.

23 **SEC. 210. DESIGNATIONS.**

24 (a) DESIGNATION OF LINES OF INSURANCE.—

1 (1) IN GENERAL.—The Secretary shall, by reg-
2 ulation, designate lines of insurance as designated
3 lines for purposes of this title, as follows:

4 (A) AUTOMOBILE.—The Secretary shall
5 designate private passenger automobile insur-
6 ance and shall also designate any sublines and
7 coverage types of private passenger automobile
8 insurance that the Secretary considers appro-
9 priate to determine and compare the avail-
10 ability, affordability, and type of coverage in
11 such line among applicable regions.

12 (B) NONCOMMERCIAL INSURANCE FOR
13 RESIDENTIAL PROPERTY.—The Secretary shall
14 designate homeowners insurance and dwelling
15 fire and allied lines, and shall distinguish the
16 coverage types in such lines by the perils cov-
17 ered and by market or replacement value. For
18 purposes of this title, homeowners insurance
19 shall not include any renters coverage or cov-
20 erage for the personal property of a condo-
21 minium owner.

22 (2) REPORT.—At any time the Secretary deter-
23 mines that any line of insurance not described in
24 paragraph (1) should be a designated line because
25 disparities in coverage provided under such line exist

1 among geographic areas having different income lev-
2 els or racial composition, the Secretary shall submit
3 a report recommending designating such line of in-
4 surance as a designated line for purposes of this title
5 to the Committee on Banking, Finance and Urban
6 Affairs of the House of Representatives and the ap-
7 propriate Committees of the Senate.

8 (3) DURATION.—

9 (A) IN GENERAL.—Except as provided in
10 subparagraph (B), the Secretary shall make the
11 designations under this subsection once every 5
12 years, by regulation, and each line and subline
13 or coverage type designated under such regula-
14 tions shall be designated for each of the first 5
15 successive annual reporting periods occurring
16 after issuance of the regulations.

17 (B) ALTERATION.—During any 5-year pe-
18 riod referred to in subparagraph (A) in which
19 designations are in effect, the Secretary may
20 amend or revise the designated lines, sublines,
21 and coverage types only by regulation and only
22 in accordance with the requirements of this
23 subsection. Such regulations amending or revis-
24 ing designations shall apply only to annual re-
25 porting periods beginning after the expiration

1 of the 6-month period beginning on the date of
2 issuance of the regulations.

3 (b) **TIMING OF DESIGNATIONS.**—The Secretary shall
4 make the designations required by subsection (a)(3)(A)
5 and notify interested parties during the 6-month period
6 ending 6 months before the commencement of the first
7 annual reporting period to which such designations apply.

8 (c) **OBTAINING INFORMATION.**—The Secretary may
9 require insurers to submit to the Secretary such informa-
10 tion as the Secretary considers necessary to make designa-
11 tions specifically required under this title. The Secretary
12 may not require insurers to submit any information under
13 this subsection that relates to any line of insurance not
14 specifically authorized to be designated pursuant to this
15 title or that is to be used solely for the purpose of a report
16 under subsection (a)(2).

17 **SEC. 211. ENFORCEMENT.**

18 (a) **CIVIL PENALTIES.**—Any insurer who is deter-
19 mined by the Secretary, after providing opportunity for
20 a hearing on the record, to have violated any requirement
21 pursuant to this title shall be subject to a civil penalty
22 of not to exceed \$5,000 for each day during which such
23 violation continues.

24 (b) **INJUNCTION.**—The Secretary may bring an ac-
25 tion in an appropriate United States district court for ap-

1 appropriate declaratory and injunctive relief against any in-
2 surer who violates the requirements referred to in sub-
3 section (a).

4 (c) INSURER LIABILITY.—An insurer shall be respon-
5 sible under subsections (a) and (b) for any violation of
6 a statistical agent acting on behalf of the insurer.

7 **SEC. 212. EXEMPTION AND RELATION TO STATE LAWS.**

8 (a) EXEMPTION FOR UNITED STATES PROGRAMS.—
9 Reporting shall not be required under this title with re-
10 spect to insurance provided by any program underwritten
11 or administered by the United States.

12 (b) RELATION TO STATE LAWS.—This title shall not
13 be construed as annulling, altering, or affecting the laws
14 of any State or any political subdivision of a State relating
15 to public disclosure, submission of information, and rec-
16 ordkeeping or exempting any insurer subject to this title
17 from any obligation under, or an obligation to comply
18 with, any such law.

19 **SEC. 213. REGULATIONS.**

20 (a) AUTHORIZATION.—

21 (1) IN GENERAL.—The Secretary shall issue
22 any regulations required under this title and any
23 other regulations that may be necessary to carry out
24 this title.

1 (2) SUBSTANTIVE REGULATIONS.—The regula-
2 tions shall be issued in accordance with the proce-
3 dures under section 553 of title 5, United States
4 Code, for substantive regulations.

5 (3) EFFECTIVE DATE.—Except as otherwise
6 provided in this title, such final regulations shall be
7 issued before the end of the 18-month period begin-
8 ning on the date of the enactment of this Act.

9 (b) BURDENS.—In prescribing such regulations, the
10 Secretary shall take into consideration the administrative,
11 paperwork, and other burdens on insurance agents, includ-
12 ing independent insurance agents, involved in complying
13 with the requirements of this title and shall minimize the
14 burdens imposed by such requirements with respect to
15 such agents.

16 **SEC. 214. DEFINITIONS.**

17 For purposes of this subtitle, the following definitions
18 shall apply:

19 (1) AGENT.—The term “agent”—

20 (A) means, with respect to an insurer, an
21 agent licensed by a State who sells property and
22 casualty insurance; and

23 (B) includes agents who are employees of
24 the insurer, agents who are independent con-
25 tractors working exclusively for the insurer, and

1 agents who are independent contractors ap-
2 pointed to represent the insurer on a nonexclu-
3 sive basis.

4 (2) COMMERCIAL INSURANCE.—The term
5 “commercial insurance” means any line of property
6 and casualty insurance, except private passenger
7 automobile, homeowner’s insurance and dwelling fire
8 and allied lines, and other personal lines of insur-
9 ance.

10 (3) DESIGNATED LINE.—The term “designated
11 line” means a line of insurance or bid, performance,
12 and payment bonds designated by the Secretary
13 under section 210(a).

14 (4) EXPOSURES.—The term “exposures”
15 means, for purposes of section 203, with respect to
16 an insurance policy, an expression of an exposure
17 unit covered under the policy compared to the dura-
18 tion of the policy (pursuant to standards established
19 by the Secretary for uniform reporting of expo-
20 sures).

21 (5) EXPOSURE UNITS.—The term “exposure
22 units” means, for purposes of section 203, an auto-
23 mobile or dwelling covered under an insurance policy
24 for private passenger automobile or homeowners or
25 dwelling fire and allied lines coverage.

1 (6) INSURANCE.—The term “insurance” means
2 property and casualty insurance. Such term includes
3 primary insurance, surplus lines insurance, and any
4 other arrangement for the shifting and distributing
5 of risks that is determined to be insurance under the
6 law of any State in which the insurer or insurer
7 group engages in an insurance business.

8 (7) INSURER.—The term “insurer”—

9 (A) means any corporation, association, so-
10 ciety, order, firm, company, mutual, partner-
11 ship, individual, aggregation of individuals, or
12 any other legal entity that is authorized to
13 transact the business of property or casualty in-
14 surance in any State or that is engaged in a
15 property or casualty insurance business; and

16 (B) does not include an individual or entity
17 which represents an insurer as agent solely for
18 the purpose of selling or which represents a
19 consumer as a broker solely for the purpose of
20 buying insurance.

21 (8) ISSUED.—The term “issued” means, with
22 respect to an insurance policy, newly issued or re-
23 newed.

24 (9) JOINT UNDERWRITING ASSOCIATION.—The
25 term “joint underwriting association” means an un-

1 incorporated association of insurers established to
2 provide a particular form of insurance to the public.

3 (10) MORTGAGE INSURANCE.—The term
4 “mortgage insurance” means insurance against the
5 nonpayment of, or default on, a mortgage or loan
6 for residential or commercial property.

7 (11) PRIVATE MORTGAGE INSURANCE.—The
8 term “private mortgage insurance” means mortgage
9 insurance other than mortgage insurance made
10 available under the National Housing Act, title 38 of
11 the United States Code, or title V of the Housing
12 Act of 1949.

13 (12) PROPERTY AND CASUALTY INSURANCE.—
14 The term “property and casualty insurance”—

15 (A) means insurance against loss of or
16 damage to property, insurance against loss of
17 income or extra expense incurred because of
18 loss of, or damage to, property, and insurance
19 against third party liability claims caused by
20 negligence or imposed by statute or contract;
21 and

22 (B) does not include workers’ compensa-
23 tion, professional liability, or title insurance.

24 (13) RESIDUAL MARKET.—The term “residual
25 market”—

1 (A) means an assigned risk plan, joint un-
2 derwriting association, or any similar mecha-
3 nism designed to make insurance available to
4 those unable to obtain it in the voluntary mar-
5 ket; and

6 (B) includes each statewide plan under
7 part A of title XII of the National Housing Act
8 to assure fair access to insurance requirements.

9 (14) RURAL AREA.—The term “rural area”
10 means any area that—

11 (A) has a population of 10,000 or more;

12 (B) has a continuous boundary; and

13 (C) contains only areas that are rural
14 areas, as such term is defined in section 520 of
15 the Housing Act of 1949 (except that clause
16 (3)(B) of such section 520 shall not apply for
17 purposes of this title).

18 (15) SECRETARY.—The term “Secretary”
19 means the Secretary of Housing and Urban Develop-
20 ment.

21 (16) STATE.—The term “State” means any
22 State, the District of Columbia, the Commonwealth
23 of Puerto Rico, the Northern Mariana Islands, the
24 Virgin Islands, American Samoa, and the Trust Ter-
25 ritory of the Pacific Islands.

1 **SEC. 215. EFFECTIVE DATE.**

2 The requirements of this title relating to reporting
3 of information by insurers shall take effect with respect
4 to the first annual reporting period that begins more than
5 36 months after the date of the enactment of this Act.

6 **Subtitle B—Improvements in Other**
7 **Data Disclosure Requirements**

8 **SEC. 221. MAINTENANCE AND DISCLOSURE OF INFORMA-**
9 **TION BY THE FINANCIAL INSTITUTIONS EX-**
10 **AMINATION COUNSEL.**

11 (a) IN GENERAL.—In collecting information from fi-
12 nancial institutions, and affiliates of financial institutions,
13 under the Community Reinvestment Act of 1977 and the
14 Home Mortgage Disclosure Act of 1975 relating to farm,
15 small business, and home loans, and maintaining such in-
16 formation on and disclosing such information from the na-
17 tional information center database, the Financial Institu-
18 tions Examination Council shall identify whether the fi-
19 nancial institution or affiliate is transmitting such infor-
20 mation pursuant to the Community Reinvestment Act of
21 1977 or the Home Mortgage Disclosure Act of 1975.

22 (b) MAINTENANCE OF DATABASE.—The Financial
23 Institutions Examination Council shall maintain a com-
24 prehensive database containing the hierarchical structure
25 of organizations including financial holding companies,

1 bank holding companies, depository institutions, and non-
2 depository institutions.

3 **TITLE III—REGULATORY AND**
4 **STRUCTURAL REFORMS**

5 **SEC. 301. ANTIREDLINING REQUIREMENT FOR FINANCIAL**
6 **HOLDING COMPANIES.**

7 Section 4(l)(1) of the Bank Holding Company Act of
8 1956 (12 U.S.C. 1843(l)(1)) (as amended by section 108
9 of this Act) is amended—

10 (1) by striking “and” at the end of subpara-
11 graph (E);

12 (2) by striking the period at the end of sub-
13 paragraph (F) (as so redesignated by such section
14 108) and inserting “; and”; and

15 (3) by adding at the end the following new sub-
16 paragraph:

17 “(G) in the case of any bank holding com-
18 pany which underwrites or sells, or any affiliate
19 of which underwrites or sells, annuities con-
20 tracts or contracts insuring, guaranteeing, or
21 indemnifying against loss, harm, damage, ill-
22 ness, disability, or death—

23 “(i) the company or affiliate has not
24 been adjudicated in any Federal court, and
25 has not entered into a consent decree filed

1 in a Federal court or into a settlement
2 agreement, premised upon a violation of
3 the Fair Housing Act for the activities de-
4 scribed in this subparagraph; or

5 “(ii) if such company or affiliate has
6 entered into any such consent decree or
7 settlement agreement, the company or the
8 affiliate is not in violation of the decree or
9 settlement agreement as determined by a
10 court of competent jurisdiction or the
11 agency with which the decree or agreement
12 was entered into.”.

13 **SEC. 302. NOTICE AND PUBLIC COMMENT REQUIRED BE-**
14 **FORE ESTABLISHING A FINANCIAL HOLDING**
15 **COMPANY.**

16 Paragraph (6) of section 4(k) of the Bank Holding
17 Company Act of 1956 (12 U.S.C. 1843(k)) is amended
18 to read as follows:

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

21 “(A) IN GENERAL.—No financial holding
22 company shall directly or indirectly acquire, and
23 no company that becomes a financial holding
24 company shall directly or indirectly acquire con-
25 trol of, any company in the United States, in-

1 including through merger, consolidation, or other
2 type of business combination, that is engaged in
3 activities permitted under this subsection or
4 subsection (n) or (o), unless—

5 “(i) such holding company has pro-
6 vided notice to the Board, not later than
7 60 days prior to such proposed acquisition
8 or prior to becoming a financial holding
9 company, and during that time period, or
10 such longer time period not exceeding an
11 additional 60 days, as established by the
12 Board;

13 “(ii) the Board has provided public
14 notice and opportunity for comment for
15 not less than 30 days; and

16 “(iii) the Board has not issued a no-
17 tice disapproving the proposed acquisition
18 or retention.

19 “(B) FACTORS FOR CONSIDERATION.—In
20 reviewing any prior notice filed under this para-
21 graph, the Board shall take into consider-
22 ation—

23 “(i) whether the company is in com-
24 pliance with all applicable criteria set forth

1 in subsection (b) and the provisions of sub-
2 section (d);

3 “(ii) whether the proposed combina-
4 tion represents an undue aggregation of
5 resources;

6 “(iii) whether the proposed combina-
7 tion poses a risk to the deposit insurance
8 system;

9 “(iv) whether the proposed combina-
10 tion poses a risk to State insurance guar-
11 anty funds;

12 “(v) whether the proposed combina-
13 tion can reasonably be expected to be in
14 the best interests of depositors or policy-
15 holders of the respective entities;

16 “(vi) whether the proposed trans-
17 action can reasonably be expected to fur-
18 ther the purposes of this Act and produce
19 benefits to the public;

20 “(vii) whether, and the extent to
21 which, the proposed combination poses an
22 undue risk to the stability of the financial
23 system in the United States; and

1 “(viii) the community reinvestment
2 record of all parties to the proposed trans-
3 action.

4 “(C) REQUIRED INFORMATION.—The
5 Board may disapprove any prior notice filed
6 under this paragraph if the company submitting
7 such notice neglects, fails, or refuses to furnish
8 to the Board all relevant information required
9 by the Board.

10 “(D) SOLICITATION OF VIEWS OF OTHER
11 SUPERVISORY AGENCIES.—

12 “(i) IN GENERAL.—Upon receiving a
13 prior notice under this paragraph, in order
14 to provide for the submission of their views
15 and recommendations, the Board shall give
16 notice of the proposal to—

17 “(I) the appropriate Federal
18 banking agency of any bank involved;

19 “(II) the appropriate functional
20 regulator of any functionally regulated
21 nondepository institution (as defined
22 in section 5(c)(1)(C)) involved; and

23 “(III) the Secretary of the Treas-
24 ury, the Attorney General, and the
25 Federal Trade Commission.

1 “(ii) TIMING.—The views and rec-
2 ommendations of any agency provided no-
3 tice under this paragraph shall be sub-
4 mitted to the Board not later than 30 cal-
5 endar days after the date on which notice
6 to the agency was given, unless the Board
7 determines that another shorter time pe-
8 riod is appropriate.”

9 **SEC. 303. PUBLIC MEETINGS FOR BANK ACQUISITIONS AND**
10 **MERGERS.**

11 (a) BANK HOLDING COMPANY ACT OF 1956.—Sec-
12 tion 3(c)(2) of the Bank Holding Company Act of 1956
13 (12 U.S.C. 1842(c)(2)) is amended—

14 (1) by striking “FACTORS.—In every case” and
15 inserting “FACTORS.—

16 “(A) IN GENERAL.—In every case”; and

17 (2) by adding at the end the following new sub-
18 paragraph:

19 “(B) PUBLIC MEETINGS.—In the case of
20 each application for approval under this section,
21 the Board shall, as necessary and on a timely
22 basis, conduct public meetings in 1 or more
23 areas where the Board believes, in the sole dis-
24 cretion of the Board, there will be a substantial
25 public impact.”.

1 (b) FEDERAL DEPOSIT INSURANCE ACT.—Section
2 18(c) of the Federal Deposit Insurance Act (12 U.S.C.
3 1828(c)) is amended by adding at the end the following
4 new paragraph:

5 “(12) PUBLIC MEETINGS.—In each merger trans-
6 action involving 1 or more insured depository institutions,
7 the responsible agency shall, as necessary and on a timely
8 basis, conduct public meetings in 1 or more areas where
9 the agency believes, in the sole discretion of the agency,
10 there will be a substantial public impact.”.

11 (c) NATIONAL BANK CONSOLIDATION AND MERGER
12 ACT.—The National Bank Consolidation and Merger Act
13 (12 U.S.C. 215 et seq.) is amended by adding at the end
14 the following new section:

15 **“SEC. 6. PUBLIC MEETINGS FOR BANK CONSOLIDATIONS**
16 **AND MERGERS.**

17 “In each case of a consolidation or merger under this
18 Act, the Comptroller shall, as necessary and on a timely
19 basis, conduct public meetings in 1 or more areas where
20 the Comptroller believes, in the sole discretion of the
21 Comptroller, there will be a substantial public impact.”.

22 (d) HOME OWNERS’ LOAN ACT.—Section 10(e) of
23 the Home Owners’ Loan Act (12 U.S.C. 1463) is amended
24 by adding at the end the following new paragraph:

1 “(7) PUBLIC MEETINGS FOR DEPOSITORY IN-
2 STITUTION ACQUISITIONS AND MERGERS.—In each
3 case involving an application under this subsection,
4 the Director shall, as necessary and on a timely
5 basis, conduct public meetings in 1 or more areas
6 where the Director believes, in the sole discretion of
7 the Director, there will be a substantial public im-
8 pact.”.

9 **SEC. 304. BRANCH CLOSURE REQUIREMENTS.**

10 Subsection (a) of section 42 of the Federal Deposit
11 Insurance Act (12 U.S.C. 1831r-1(a)) is amended by add-
12 ing at the end the following new paragraphs:

13 “(3) PUBLIC COMMENT.—Upon receiving a no-
14 tice from an insured depository institution pursuant
15 to paragraph (1), the appropriate Federal banking
16 agency shall—

17 “(A) promptly initiate a 30-day period for
18 receiving public comment on the proposed clos-
19 ing of a branch of the depository institution;
20 and

21 “(B) provide adequate notice of such pub-
22 lic comment period in media of general circula-
23 tion or public broadcast in the area served by
24 such branch.

1 “(4) PUBLIC MEETING FOR DISCUSSION OF AL-
2 TERNATIVES.—If, during any period for public com-
3 ment under paragraph (3) on the proposed closing
4 of a branch of the depository institution, the appro-
5 priate Federal banking agency soliciting such com-
6 ments receives a request for a public hearing on the
7 proposal, the agency shall promptly schedule a pub-
8 lic meeting to be held at least 30 days before the
9 date of the proposed closure at a convenient location
10 in the vicinity of such branch so that alternatives to
11 closure can be considered by all stakeholders.”.

12 **SEC. 305. CRA EXAMINATION SCHEDULE FOR SMALL**
13 **BANKS.**

14 Section 809(a) of the Community Reinvestment Act
15 of 1977 (12 U.S.C. 2908(a)) is amended to read as fol-
16 lows:

17 “(a) IN GENERAL.—All regulated financial institu-
18 tions shall be examined under this title at least once in
19 each 2-year period and the scheduling of regularly occur-
20 ring examinations may not take into account the size or
21 the aggregate assets of the financial institution.”.

22 **SEC. 306. CRA SUNSHINE REQUIREMENTS.**

23 Section 48 of the Federal Deposit Insurance Act (12
24 U.S.C. 1831y) (as added by section 711 of the Gramm-
25 Leach-Bliley Act) is hereby repealed.

1 **SEC. 307. CONTINUING COMMUNITY REINVESTMENT RE-**
2 **QUIREMENT FOR FINANCIAL HOLDING COM-**
3 **PANIES.**

4 (a) IN GENERAL.—Section 4(l)(2) of the Bank Hold-
5 ing Company Act of 1956 (12 U.S.C. 1843(l)(2)) is
6 amended—

7 (1) in subparagraph (A), by inserting “or con-
8 tinuing” after “commencing”; and

9 (2) in subparagraph (B), by inserting “or main-
10 taining” after “acquiring”.

11 (b) TECHNICAL AND CONFORMING AMENDMENT.—

12 (1) Paragraph (1) of section 4(m) of the Bank
13 Holding Company Act of 1956 (12 U.S.C.
14 1843(m)(1)) is amended by striking “subsection
15 (l)(1)” and inserting “paragraph (1) or (2) of sub-
16 section (l)”.

17 (2) Paragraph (2) of section 4(m) of the Bank
18 Holding Company Act of 1956 (12 U.S.C.
19 1843(m)(2)) is amended by striking “subsection
20 (l)(1)” and inserting “paragraphs (1) and (2) of
21 subsection (l)”.

22 **SEC. 308. CHANGES IN REPORTING REQUIREMENTS UNDER**
23 **THE HOME MORTGAGE DISCLOSURE ACT OF**
24 **1975.**

25 (a) PROHIBITION ON REGULATORY EXEMPTIONS
26 FROM REPORTING REQUIREMENTS.—Section 304 of the

1 Home Mortgage Disclosure Act of 1975 (12 U.S.C. 2803)
2 is amended by adding at the end the following new sub-
3 section:

4 “(n) PROHIBITION ON REGULATORY EXEMPTIONS
5 FROM REPORTING REQUIREMENTS.—Subject to sub-
6 section (i)—

7 “(1) no provision of this title may be construed
8 as authorizing the Board, the Secretary, or any
9 other Federal agency to exempt any depository insti-
10 tution from the requirements of this title; and

11 “(2) any exemption from the requirements of
12 this title provided in any regulation, such as the ex-
13 emption provided in Appendix A to part 203 of the
14 Code of Federal Regulations for lending institutions
15 described in section 303(2)(B) whose total dollar
16 amount of purchase loans originated in any year did
17 not exceed 10 percent of the total dollar amount of
18 all loan originations by such institution in such year,
19 shall cease to be effective as of the date of the enact-
20 ment of the Community Reinvestment Modernization
21 Act of 2007.”

22 (b) REPORTING OF ADDITIONAL DATA REQUIRED.—
23 Section 304(b) of the Home Mortgage Disclosure Act of
24 1975 (12 U.S.C. 2803(b)) is amended—

1 (1) by striking “and” at the end of paragraph
2 (3);

3 (2) by striking the period at the end of para-
4 graph (4) and inserting a semicolon; and

5 (3) by adding at the following new paragraph:

6 “(5) information on loan pricing and terms, in-
7 cluding interest rates, bona fide discount points,
8 origination fees, financing of lump sum insurance
9 premium payments, balloon payment, prepayment
10 penalties, loan-to-value ratios, debt-to-income ratios,
11 housing payment-to-income ratios, and credit score
12 information; and”.

13 (c) REPORTING ON MANUFACTURED HOME LOANS
14 THAT ARE NOT TREATED BY THE DEPOSITORY INSTITU-
15 TION AS REAL ESTATE LOANS.—

16 (1) IN GENERAL.—Section 304(b) of the Home
17 Mortgage Disclosure Act of 1975 (12 U.S.C.
18 2803(b)) is amended by inserting after paragraph
19 (5) (as added by subsection (B) of this section) the
20 following new paragraph:

21 “(6) the number and dollar amount of mort-
22 gage loans secured by manufactured homes (as de-
23 fined in section 603 of the National Manufactured
24 Housing Construction and Safety Act of 1974).”.

1 (2) MORTGAGE LOAN DEFINED TO INCLUDE
2 MANUFACTURED HOME LOANS.—Section 303(1) of
3 the Home Mortgage Disclosure Act of 1975 (12
4 U.S.C. 2802(1)) is amended by inserting “or a man-
5 ufactured home” after “residential real property”.

6 (d) ENFORCEMENT POWERS FOR SECRETARY.—Sec-
7 tion 305 of the Home Mortgage Disclosure Act of 1975
8 (12 U.S.C. 2804) is amended by inserting at the end the
9 following new subsection:

10 “(d) AUTHORITY TO CARRY OUT SUBSECTION
11 (b)(4).—For purposes of enforcing compliance with the re-
12 quirements of this title pursuant to subsection (b)(4)—

13 “(1) subsections (b) through (n) of section 8 of
14 the Federal Deposit Insurance Act shall apply to de-
15 pository institutions described in section 303(2)(B)
16 in the same manner they apply to depository institu-
17 tions (as defined in section 3 of the Federal Deposit
18 Insurance Act); and

19 “(2) the Secretary shall have the same powers
20 and duties under such subsections with respect to
21 depository institutions described in section
22 303(2)(B) as an appropriate Federal banking agen-
23 cy (as defined in such Act) has with respect to de-

1 pository institutions (as defined in section 3 of the
2 Federal Deposit Insurance Act).”.

○