

111<sup>TH</sup> CONGRESS  
1<sup>ST</sup> SESSION

# H. R. 1479

To enhance the availability of capital, credit, and other banking and financial services for all citizens and communities, to ensure that community reinvestment requirements are updated to account for changes in the financial industry and that reinvestment requirements keep 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 12, 2009

Ms. EDDIE BERNICE JOHNSON of Texas introduced the following bill; which was referred to the Committee on Financial Services, and in addition to the Committee on Rules, for a period to be subsequently determined by the Speaker, in each case for consideration of such provisions as fall within the jurisdiction of the committee concerned

---

## A BILL

To enhance the availability of capital, credit, and other banking and financial services for all citizens and communities, to ensure that community reinvestment requirements are updated to account for changes in the financial industry and that reinvestment requirements keep 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,*

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

4 (a) **SHORT TITLE.**—This Act may be cited as the  
 5 “Community Reinvestment Modernization Act of 2009”.

6 (b) **TABLE OF CONTENTS.**—The table of contents of  
 7 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. Small business loan data collection.
- Sec. 106. Data collection of deposit accounts.
- Sec. 107. Responsiveness to community needs for securities and investment services.
- Sec. 108. Responsiveness to community needs for mortgages and mortgage related services by mortgage banks.
- Sec. 109. Responsiveness to community needs for insurance services.
- Sec. 110. Satisfactory ratings required by securities company, mortgage bank, and insurance company affiliates of financial holding companies.
- Sec. 111. Responsiveness to community needs by credit unions.

**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 Council.

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.
- Sec. 309. Annual report and congressional hearings.

1 **SEC. 2. FINDINGS.**

2 The Congress finds as follows:

3 (1) Because the Community Reinvestment Act  
 4 of 1977 requires that community needs be met in a  
 5 safe and sound manner, the Act must be updated  
 6 and applied to nonbank financial institutions as well  
 7 as depository institutions.

8 (2) The Community Reinvestment Act of 1977  
 9 promotes community development through financing  
 10 activities including affordable housing (rental and  
 11 homeowner), small businesses, and economic devel-  
 12 opment.

1           (3) It is necessary to increase homeownership  
2           and small business ownership for low- and moderate-  
3           income borrowers and persons of color through safe  
4           and sound lending. It also is necessary to close the  
5           wealth gap in the United States and to increase ac-  
6           cess to insurance and securities products.

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

13          (5) The Community Reinvestment Act of 1977  
14          has leveraged more than \$6,000,000,000,000 in  
15          loans and investments for low- and moderate-income  
16          communities according to the National Community  
17          Reinvestment Coalition.

18          (6) Major studies, including those conducted by  
19          the Secretary of the Treasury, the Board of Gov-  
20          ernors of the Federal Reserve System, and Harvard  
21          University, have found that the Community Rein-  
22          vestment Act of 1977 increases home mortgage lend-  
23          ing to minority and low- and moderate-income com-  
24          munities and that this lending is profitable.

1           (7) The Community Reinvestment Act of 1977  
2           has leveraged a tremendous increase in home mort-  
3           gage lending to minority and low- and moderate-in-  
4           come borrowers as compared to Whites and middle-  
5           income borrowers; from 1993 through 2002, home  
6           mortgage lending has increased by 79.5 percent to  
7           Blacks, by 185.8 percent to Hispanics, by 29.6 per-  
8           cent to Whites, by 90.6 percent to low- and mod-  
9           erate-income borrowers, and by 51.4 percent to mid-  
10          dle-income borrowers.

11          (8) As recorded by data required by the Com-  
12          munity Reinvestment Act of 1977, the annual dollar  
13          amount of community development loans more than  
14          tripled—from \$17,700,000,000 in 1996 to  
15          \$63,800,000,000 in 2007. Depository institutions  
16          also made 14,800,000 small business loans totaling  
17          more than \$581,000,000,000 in low- and moderate-  
18          income neighborhoods from 1996 through 2007.

19          (9) Yet, inequalities in access to credit and bar-  
20          riers to healthy product choice remain: the Board of  
21          Governors of the Federal Reserve System documents  
22          that lenders covered by the Community Reinvest-  
23          ment Act of 1977 are less likely to offer high-cost  
24          and risky loan products such as piggyback loans  
25          than lenders which are not subject to such Act.

1           (10) The disproportionate amount of high-cost  
2           lending in minority and working class communities  
3           would be reduced if the Community Reinvestment  
4           Act of 1977 was expanded to non-bank institutions  
5           currently not covered by the Act.

6           (11) Wealth inequalities are stark, and could be  
7           reduced in reinvestment requirements were extended  
8           to other segments of the financial industry.

9           (12) In 2002, the median net worth for His-  
10          panic and African-American households was \$7,932  
11          and \$5,988 respectively, while, in sharp contrast, the  
12          median net worth for White households was  
13          \$88,651.

14          (13) Access to insurance remains unequal, as  
15          research conducted by the chief economist of the Na-  
16          tional Association of Insurance Commissioners found  
17          that after controlling for risk of loss, a 10 percent-  
18          age point increase in the number of minorities in a  
19          zip code is associated with a 2 percentage point in-  
20          crease in the number of “FAIR plans”, which are  
21          Government-sponsored insurance plans of last resort  
22          for those who cannot obtain insurance in the private  
23          market.

24          (14) In order to increase access to credit,  
25          wealth and insurance, it is necessary to modernize

1 the Community Reinvestment Act of 1977 to reflect  
2 shifting trends in the financial services industry as  
3 mergers among banks and non-bank financial insti-  
4 tutions as well as changes in banking and lending  
5 practices.

6 **SEC. 3. PURPOSES.**

7 The purposes of this Act are as follows:

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

11 (2) To enhance the ability of financial institu-  
12 tions to meet the capital and credit needs, and needs  
13 for other banking and financial services of all citi-  
14 zens and communities, including and especially mi-  
15 nority and low- and moderate-income communities  
16 and populations.

17 (3) To ensure that community reinvestment  
18 keeps pace with developments in the financial indus-  
19 try and with the affiliation of banks, securities  
20 firms, and other financial service providers, as pro-  
21 vided by the Gramm-Leach-Bliley Act.

1 **TITLE I—MODERNIZATION OF**  
2 **COMMUNITY REINVESTMENT**  
3 **ACT OF 1977 AND COMMUNITY**  
4 **SERVICE OBLIGATIONS**

5 **SEC. 101. REPEAL OF RECENT REGULATORY CHANGES TO**  
6 **THE APPLICATION OF THE COMMUNITY RE-**  
7 **INVESTMENT ACT OF 1977 AND RESTORATION**  
8 **OF COMPREHENSIVE EXAMINATIONS.**

9 (a) IN GENERAL.—The revisions to the regulations  
10 of the Comptroller of the Currency, the Board of Gov-  
11 ernors of the Federal Reserve System, the Federal Deposit  
12 Insurance Corporation, and the Director of the Office of  
13 Thrift Supervision that are described in subsection (b)  
14 shall cease to be effective as of such date and the regula-  
15 tions of such agencies in effect before the date of the pub-  
16 lication of the regulations described in subsection (b) shall  
17 apply after such date of enactment.

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

21 (1) The regulations published jointly in final  
22 form on August 2, 2005, 70 Federal Register 44256  
23 et seq.—



1 (A) by the Comptroller of the Currency,  
2 amending 12 Code of Federal Regulations part  
3 25;

4 (B) by the Board of Governors of the Fed-  
5 eral Reserve System, amending 12 Code of Fed-  
6 eral Regulations part 228; and

7 (C) by the Federal Deposit Insurance Cor-  
8 poration, amending 12 Code of Federal Regula-  
9 tions part 345.

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

15 (3) The regulation published as a final regula-  
16 tion on March 2, 2005, 70 Federal Register 10023,  
17 et seq., by the Director of the Office of Thrift Su-  
18 pervision, also amending 12 Code of Federal Regula-  
19 tions part 563e.

20 (4) The regulation published as a final regula-  
21 tion on March 22, 2007, 72, Federal Register  
22 13429, et seq., by the Director of the Office of  
23 Thrift Supervision, also amending 12 Code of Fed-  
24 eral Regulations part 563e.

1 **SEC. 102. EXTENSION OF COMMUNITY REINVESTMENT OB-**  
2 **LIGATIONS WITHIN A FINANCIAL HOLDING**  
3 **COMPANY.**

4 Section 4(l) of the Bank Holding Company Act of  
5 1956 (12 U.S.C. 1843(l)) is amended by adding at the  
6 end the following new paragraph:

7 “(4) COMMUNITY NEEDS.—

8 “(A) IN GENERAL.—All nonbank affiliates  
9 of any bank holding company that engage in  
10 lending or offer banking products or services,  
11 and all other nonbank financial institution af-  
12 filiates of any bank holding company (including  
13 insurance companies and securities firms), 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;

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; and

3           “(iv) the communities rated by the  
4           evaluation shall include the communities in  
5           which the great majority of loans have  
6           been issued.

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

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

22          “(E) CRA IMPROVEMENT PLAN.—

23                 “(i) IN GENERAL.—Whenever a regu-  
24                 lated financial institution receives a rating  
25                 of ‘low satisfactory’ or lower in any State,

1 metropolitan area, or other community in  
2 which it made more than 0.5 percent of  
3 total amount of loans, the financial institu-  
4 tion shall submit a CRA improvement  
5 plan, subject to public notice and com-  
6 ment, to the appropriate Federal financial  
7 supervisory agency.

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

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

1           “(iv) QUARTERLY REPORTS.—After  
2           an appropriate Federal financial super-  
3           visory regulatory agency which receives a  
4           CRA improvement plan under clause (i)  
5           from a regulated financial institution ap-  
6           proves the plan, the financial institution  
7           shall submit reports and data to the agen-  
8           cy on a quarterly basis so that the regu-  
9           latory agency and the general public can  
10          monitor CRA performance.

11          “(v) ADDITIONAL LIMITATIONS.—If  
12          any regulated financial institution receives  
13          a rating of ‘Needs-to-improve’ or ‘Substan-  
14          tial noncompliance’ in any assessment  
15          area, the appropriate Federal financial su-  
16          pervisory agency may not accept or ap-  
17          prove any application by such institution  
18          or any merger applications involving such  
19          institution until the institution improves  
20          this performance on a subsequent evalua-  
21          tion.

22          “(vi) CONSIDERATION OF PERFORM-  
23          ANCE IN CERTAIN REVIEWS.—The appro-  
24          priate Federal financial supervisory agency  
25          shall consider the progress of a regulated

1 financial institution that submits a CRA  
2 improvement plan in meeting the goals de-  
3 scribed in such plan as an integral factor  
4 in reviews of any application by such insti-  
5 tution or any merger applications involving  
6 such institution.

7 “(vii) CRA IMPROVEMENT PLAN.—  
8 For purposes of this paragraph, the term  
9 ‘CRA improvement plan’ means a plan of  
10 a regulated financial institution to improve  
11 its performance in meeting the credit  
12 needs, including minority and low- and  
13 moderate-income neighborhoods, in the  
14 service areas where the institution received  
15 a rating of ‘low satisfactory’ or lower.”.

16 (b) ADDITIONAL PERFORMANCE FACTORS.—Section  
17 804(a)(1) of the Community Reinvestment Act of 1977  
18 (12 U.S.C. 2903(a)(1)) is amended—

19 (1) by inserting “and neighborhoods of different  
20 racial characteristics” after “low- and moderate-in-  
21 come neighborhoods”; and

22 (2) by inserting “, taking into account the insti-  
23 tution’s share of the total amount of credit extended  
24 in neighborhoods of different racial and income



1 characteristics within such community” before the  
2 semicolon at the end.

3 (c) TECHNICAL AND CONFORMING AMENDMENTS.—

4 (1) Section 807(b)(1)(A)(iii) of the Community  
5 Reinvestment Act of 1977 (12 U.S.C.  
6 2906(b)(1)(A)(iii)) is amended—

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

9 (B) by inserting “, taking into account  
10 each of the initial ratings determined under  
11 subparagraph (B) for each State, metropolitan,  
12 and service area in which the institution makes  
13 more than 0.5 percent of the total amount of  
14 loans” before the period at the end.

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

17 (A) by striking subsection (d); and

18 (B) by redesignating subsection (e) as sub-  
19 section (d).

20 **SEC. 104. REDUCTION OF CRA RATING DUE TO PREDATORY**  
21 **LENDING AND OTHER NEGATIVE CREDIT**  
22 **PRACTICES.**

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

1       “(d) TREATMENT OF PREDATORY LENDING AND  
2 OTHER DISCRIMINATORY CREDIT PRACTICES.—

3           “(1) IN GENERAL.—In the case of a regulated  
4 financial institution, or an affiliate or business part-  
5 ner of any such institution, which the appropriate  
6 Federal financial supervisory agency determines has  
7 engaged in any credit practice or securitization ac-  
8 tivity which has a negative impact on a community  
9 or neighborhood, such as predatory lending or abu-  
10 sive payday lending, or has engaged in any other  
11 practice or service in a manner which unlawfully dis-  
12 criminate against any person or against minority or  
13 low- and moderate-income neighborhoods, the agen-  
14 cy—

15           “(A) may not take any such practice or  
16 service into account in assessing the institu-  
17 tion’s record of meeting the credit needs of its  
18 entire community; and

19           “(B) shall reduce the rating that would  
20 otherwise obtain under section 807 with respect  
21 to such institution after consideration of the ex-  
22 tent of such negative or discriminatory practice  
23 or service.

24           “(2) UNLAWFUL DISCRIMINATION AND PREDA-  
25 TORY LENDING.—For purposes of paragraph (1),

1 the terms ‘predatory lending’ and ‘unlawfully dis-  
2 criminate’ include any lending or discriminatory  
3 practice those that violates the Fair Housing Act,  
4 the Equal Credit Opportunity Act, the Truth in  
5 Lending Act, the Real Estate Settlement Procedures  
6 Act, the Federal Trade Commission Act, or any  
7 other consumer and fair lending law, including the  
8 law of any State or political subdivision of any  
9 State.

10 “(e) MAINTENANCE OF CERTAIN RECORDS.—For  
11 purposes of determining whether a regulated financial in-  
12 stitution engages in any practice or service described in  
13 subsection (d), an appropriate Federal financial super-  
14 visory agency may require, by regulation, regulated finan-  
15 cial institutions to maintain records of the terms and con-  
16 ditions of credit extended by the institution or the terms  
17 and conditions at which credit was offered even though  
18 no credit was extended.”.

19 **SEC. 105. SMALL BUSINESS LOAN DATA COLLECTION.**

20 (a) IN GENERAL.—The Equal Credit Opportunity  
21 Act (15 U.S.C. 1691 et seq.) is amended by inserting after  
22 section 704A the following new section:

23 **“SEC. 704B. SMALL BUSINESS LOAN DATA COLLECTION.**

24 “(a) IN GENERAL.—Subject to the requirements of  
25 this section, in the case of any application to a depository

1 institution for credit for a small business, the depository  
2 institution shall—

3           “(1) inquire whether the business is a women-  
4 or minority-owned business, without regard to  
5 whether such application is received in person, by  
6 mail, by telephone, by electronic mail or other form  
7 of electronic transmission, or by any other means  
8 and whether or not such application is in response  
9 to a solicitation by the depository institution; and

10           “(2) maintain a record of the responses to such  
11 inquiry separate from the application and accom-  
12 panying information.

13           “(b) RIGHT TO REFUSE.—Any applicant for credit  
14 may refuse to provide any information requested pursuant  
15 to subsection (a) in connection with any application for  
16 credit.

17           “(c) NO ACCESS BY UNDERWRITERS.—No loan un-  
18 derwriter or other officer or employee of a depository insti-  
19 tution, or any affiliate of a depository institution, involved  
20 in making any determination concerning an application for  
21 credit shall have access to any information provided by  
22 the applicant pursuant to a request under subsection (a)  
23 in connection with such application.

24           “(d) FORM AND MANNER OF INFORMATION.—

1           “(1) IN GENERAL.—Each depository institution  
2 shall compile and maintain, in accordance with regu-  
3 lations of the Board, a record of the information  
4 provided by any loan applicant pursuant to a request  
5 under subsection (a).

6           “(2) ITEMIZED.—Information compiled and  
7 maintained under paragraph (1) shall also be  
8 itemized in order to clearly and conspicuously dis-  
9 close the following:

10           “(A) The number of the application and  
11 the date the application was received.

12           “(B) The type and purpose of the loan or  
13 other credit being applied for.

14           “(C) The amount of the credit or credit  
15 limit applied for and the amount of the credit  
16 transaction or the credit limit approved for such  
17 applicant.

18           “(D) The type of action taken with respect  
19 to such application and the date of such action.

20           “(E) The census tract in which is located  
21 the principal place of business of the small busi-  
22 ness loan applicant.

23           “(F) The gross annual revenue of the busi-  
24 ness in the last fiscal year of the small business

1 loan applicant preceding the date of the appli-  
2 cation.

3 “(3) NO PERSONALLY IDENTIFIABLE INFORMA-  
4 TION.—In compiling and maintaining any record of  
5 information under this section, a depository institu-  
6 tion may not include in such record the name, spe-  
7 cific address (other than the census tract required  
8 under paragraph (1)(E)), telephone number, elec-  
9 tronic mail address, and any other personally identi-  
10 fiable information concerning any individual who is,  
11 or is connected with, the small business loan appli-  
12 cant.

13 “(e) AVAILABILITY OF INFORMATION.—

14 “(1) SUBMISSION TO AGENCIES.—The data re-  
15 quired to be compiled and maintained under this  
16 section by any depository institution shall be sub-  
17 mitted annually to the agency to whom the enforce-  
18 ment of the requirements of this title are committed  
19 under section 704.

20 “(2) AVAILABILITY OF INFORMATION.—Infor-  
21 mation compiled and maintained under this section  
22 shall be retained for not less than 3 years after the  
23 date of preparation and shall be made available to  
24 the public, upon request, in the form required under

1 regulations prescribed by the Board. In addition, the  
2 Board shall annually provide this data to the public.

3 “(f) DEFINITIONS.—For purposes of this section, the  
4 following definitions shall apply:

5 “(1) DEPOSITORY INSTITUTION.—The term ‘de-  
6 pository institution’—

7 “(A) has the meaning given the term in  
8 section 3 of the Federal Deposit Insurance Act;  
9 and

10 “(B) includes any credit union.

11 “(2) MINORITY-OWNED BUSINESS.—The term  
12 ‘minority-owned business’ means a business—

13 “(A) more than 50 percent of the owner-  
14 ship or control of which is held by 1 or more  
15 minority individuals; and

16 “(B) more than 50 percent of the net prof-  
17 it or loss of which accrues to 1 or more minor-  
18 ity individuals.

19 “(3) WOMEN-OWNED BUSINESS.—The term  
20 ‘women-owned business’ means a business—

21 “(A) more than 50 percent of the owner-  
22 ship or control of which is held by 1 or more  
23 women; and

24 “(B) more than 50 percent of the net prof-  
25 it or loss of which accrues to 1 or more women.

1           “(4) MINORITY.—The term ‘minority’ has the  
2 meaning given to such term by section 1204(c)(3) of  
3 the Financial Institutions Reform, Recovery and En-  
4 forcement Act of 1989.

5           “(5) SMALL BUSINESS LOAN.—The term ‘small  
6 business loan’ includes any loan described or defined  
7 as a small business loan under any of the following  
8 provisions of title 12 of the Code of Federal Regula-  
9 tions:

10                   “(A) Section 25.12(u) of subpart A of part  
11           25.

12                   “(B) Section 228.12(u) of part 228.

13                   “(C) Section 345.12(u) of part 345.

14                   “(D) Section 563e.12(t) of part 563e.”.

15           (b) TECHNICAL AND CONFORMING AMENDMENTS.—  
16 Section 701(b) of the Equal Credit Opportunity Act (15  
17 U.S.C. 1691(b)) is amended—

18                   (1) by striking “or” after the semicolon at the  
19 end of paragraph (3);

20                   (2) in paragraph (4), by striking the period at  
21 the end and inserting “; or”; and

22                   (3) by inserting after paragraph (4), the fol-  
23 lowing new paragraph:

24                   “(5) to make an inquiry under section 704B in  
25 accordance with the requirements of such section.”.



1 (c) CLERICAL AMENDMENT.—The table of sections  
2 for title VII of the Consumer Credit Protection Act is  
3 amended by inserting after the item relating to section  
4 704A the following new item:

“704B. Small business loan data collection.”.

5 (d) EFFECTIVE DATE.—This section and the amend-  
6 ments made by this section shall take effect at the end  
7 of the 6-month period beginning on the date of the enact-  
8 ment of this Act.

9 **SEC. 106. DATA COLLECTION OF DEPOSIT ACCOUNTS.**

10 (a) IN GENERAL.—

11 (1) RECORDS REQUIRED.—For each branch,  
12 automated teller machine at which deposits are ac-  
13 cepted, and other deposit taking service facility with  
14 respect to any depository institution, the depository  
15 institution shall maintain records of the number and  
16 dollar amounts of deposit accounts of customers.

17 (2) GEOCODED ADDRESSES OF DEPOSITORS.—  
18 The customers’ addresses shall be geocoded so that  
19 data shall be collected regarding the census tracts of  
20 the residence or business location of the customers.

21 (3) IDENTIFICATION OF TYPE OF DEPOSITOR.—  
22 In maintaining records on any depositor under this  
23 paragraph, the depository institution shall also re-  
24 port whether the deposit account is for a residential  
25 or commercial customer.

1 (4) PUBLIC AVAILABILITY.—

2 (A) IN GENERAL.—The following informa-  
3 tion shall be publicly available on an annual  
4 basis:

5 (i) The address and census tracts of  
6 each branch, automated teller machine at  
7 which deposits are accepted, and other de-  
8 posit taking service facility with respect to  
9 any depository institution.

10 (ii) The type of deposit account in-  
11 cluding whether the account was a check-  
12 ing or savings account.

13 (iii) Data on the number and dollar  
14 amounts of the accounts, presented by cen-  
15 sus tract location of the residential and  
16 commercial customers, shall also be col-  
17 lected and disseminated.

18 (B) PROTECTION OF IDENTITY.—In the  
19 publicly available data, any personally identifi-  
20 able data element shall be removed so as to pro-  
21 tect the identities of the commercial and resi-  
22 dential customers.

23 (b) AVAILABILITY OF INFORMATION.—

24 (1) SUBMISSION TO AGENCIES.—The data re-  
25 quired to be compiled and maintained under this

1 section by any depository institution shall be sub-  
2 mitted annually to the agency to whom the enforce-  
3 ment of the requirements of this title are committed.

4 (2) AVAILABILITY OF INFORMATION.—Informa-  
5 tion compiled and maintained under this section  
6 shall be retained for not less than 3 years after the  
7 date of preparation and shall be made available to  
8 the public, upon request, in the form required under  
9 regulations prescribed by the Board.

10 (c) DEFINITIONS.—For purposes of this section, the  
11 following definitions shall apply:

12 (1) DEPOSITORY INSTITUTION.—The term “de-  
13 pository institution”—

14 (A) has the meaning given the term in sec-  
15 tion 3 of the Federal Deposit Insurance Act;  
16 and

17 (B) includes any credit union.

18 (2) DEPOSIT ACCOUNT.—The term “deposit ac-  
19 count” includes any checking, savings, and other  
20 types of accounts, as defined by the Board of Gov-  
21 ernors of the Federal Reserve System.

22 (d) AGENCY USE.—Any Federal agency with jurisdic-  
23 tion over any depository institution shall—

24 (1) use the data on branches and deposit ac-  
25 counts acquired under this section as part of the ex-

1 amination of the depository institution under the  
2 Community Reinvestment Act of 1977; and

3 (2) assess the distribution of residential and  
4 commercial accounts at such depository institution  
5 across income and minority level of census tracts.

6 **SEC. 107. RESPONSIVENESS TO COMMUNITY NEEDS FOR**  
7 **SECURITIES AND INVESTMENT SERVICES.**

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

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

17 (1) **ASSESSMENT AREA.**—The term “assessment  
18 area” means, with respect to a securities company,  
19 each community, including a State, metropolitan  
20 areas, and rural counties, in which such company—

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

23 (B) has not less than 0.5 percent of the  
24 total market in securities; or

1           (C) the communities constituting assess-  
2           ment areas shall include the communities in  
3           which the great majority of securities have been  
4           issued.

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

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

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

17                (B) a registered investment adviser, prop-  
18                erly registered by or on behalf of either the Se-  
19                curities and Exchange Commission, with re-  
20                spect to the investment advisory activities of  
21                such investment adviser and activities incidental  
22                to such investment advisory activities; or

23                (C) an investment company that is reg-  
24                istered under the Investment Company Act of  
25                1940.

1 (c) PROGRAM.—

2 (1) IN GENERAL.—The Securities and Ex-  
3 change Commission, in consultation with the Sec-  
4 retary of the Treasury, shall develop a program to  
5 ensure that securities companies meet the obliga-  
6 tions described in subsection (a) and the require-  
7 ments of the program under this subsection.

8 (2) FACTORS TO BE INCLUDED.—

9 (A) CUSTOMER EVALUATION.—The pro-  
10 gram shall include, as appropriate, a method  
11 for evaluating a securities company's record of  
12 helping to meet the securities investment needs  
13 of its assessment area, including—

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 investments made by such customers;

19 (ii) the number and distribution of  
20 customers residing in minority and low-  
21 and moderate-income census tracts; and

22 (iii) the extent to which the company  
23 has adopted innovative and flexible mar-  
24 keting methods, such as low minimum  
25 amounts to open accounts and low trans-

1           action fees, that facilitate the sale of secu-  
2           rities to low- and moderate-income cus-  
3           tomers.

4           (B) COMMUNITY DEVELOPMENT INVEST-  
5           MENTS.—The program shall include, as appro-  
6           priate, a method for evaluating a securities  
7           company’s record of community development in-  
8           vestment in each assessment area, including—

9                   (i) the number and dollar amount of  
10                  community development investments in the  
11                  assessment area; and

12                  (ii) the responsiveness of the securi-  
13                  ties company, through community develop-  
14                  ment investments, to the credit, capital,  
15                  and community development needs of the  
16                  assessment area, including low- and mod-  
17                  erate-income neighborhoods.

18           (C) SERVICE PERFORMANCE.—The pro-  
19           gram shall include, as appropriate, a method  
20           for evaluating a securities company’s record of  
21           providing access to securities services in each  
22           assessment area, including—

23                   (i) the distribution of the company’s  
24                  retail offices by income level and minority  
25                  level of census tract and the range of serv-

1 ices offered by retail offices across census  
2 tracts by income level and minority level;

3 (ii) the company's record of opening  
4 or closing retail offices in the assessment  
5 area;

6 (iii) the extent to which the securities  
7 company has adopted effective alternate  
8 service systems in minority and low- and  
9 moderate-income neighborhoods, such as  
10 providing the means for minority and low-  
11 and moderate-income individuals to gain  
12 electronic access to the company at work-  
13 places, community centers, and similar lo-  
14 cations in low- and moderate-income neigh-  
15 borhoods; and

16 (iv) the extent to which the securities  
17 company has provided investment edu-  
18 cation and other investment services, such  
19 as financial counseling classes, in minority  
20 and low- and moderate-income neighbor-  
21 hoods in the assessment area.

22 (3) RATING.—

23 (A) IN GENERAL.—At least once in each 2-  
24 year period beginning after the date of the en-



1 actment of this Act, the program shall provide  
2 for—

3 (i) an evaluation and an initial rating  
4 of the performance of each securities com-  
5 pany in meeting the obligation established  
6 under subsection (a) in each assessment  
7 area of the company; and

8 (ii) an overall rating, based on the ini-  
9 tial ratings pursuant to clause (i) of the  
10 overall achievement of the securities com-  
11 pany in meeting such obligation.

12 (B) RATING CATEGORIES.—The rating cat-  
13 egories used in rating the performance of any  
14 securities company shall include “Outstanding”,  
15 “High Satisfactory”, “Satisfactory”, “Low Sat-  
16 isfactory”, “Needs-to-Improve”, and “Substan-  
17 tial Noncompliance”.

18 (C) TREATMENT OF INVESTMENT PRAC-  
19 TICES WITH NEGATIVE IMPACTS.—In the case  
20 of any securities company which the Securities  
21 and Exchange Commission determines has en-  
22 gaged in securities and investment practices  
23 which have a negative impact on any assess-  
24 ment area of the company or has otherwise en-  
25 gaged in any practice or provided any service in

1 a manner which unlawfully discriminates  
2 against any person or against low- and mod-  
3 erate-income neighborhoods, the Commission—

4 (i) may not take any such practice  
5 into account in assessing the extent to  
6 which such company has met its obligation  
7 under subsection (a); and

8 (ii) shall reduce the rating that would  
9 otherwise obtain under subparagraph (A)  
10 with respect to such company, after consid-  
11 ering the extent of such negative or dis-  
12 criminatory practice or service.

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

25 (E) IMPROVEMENT PLAN.—

1 (i) IN GENERAL.—Whenever a securi-  
2 ties company receives a rating of “low sat-  
3 isfactory” or lower in any assessment area,  
4 the company shall submit a improvement  
5 plan, subject to public notice and com-  
6 ment, to the Commission.

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

15 (iii) REVIEW OF PLAN.—The Commis-  
16 sion shall review any improvement sub-  
17 mitted under clause (i) by a securities com-  
18 pany and either approve the plan or send  
19 it back to the company for revisions.

20 (iv) QUARTERLY REPORTS.—After the  
21 Commission approves a improvement plan  
22 submitted by a securities company under  
23 clause (i), the company shall submit re-  
24 ports and data on a quarterly basis so that

1 the Commission and the general public can  
2 monitor performance.

3 (v) ADDITIONAL LIMITATIONS.—If  
4 any securities company receives a rating of  
5 “Needs-to-improve” or “Substantial non-  
6 compliance” in any assessment area, the  
7 Commission may not accept or approve  
8 any application by such securities company  
9 or any merger applications involving such  
10 company until the securities company im-  
11 proves performance on a subsequent eval-  
12 uation.

13 (vi) CONSIDERATION OF PERFORM-  
14 ANCE IN CERTAIN REVIEWS.—The Com-  
15 mission shall consider the progress in  
16 meeting the goals described in any im-  
17 provement plan as an integral factor in re-  
18 views of any application by such securities  
19 company or any merger applications involv-  
20 ing such company.

21 (4) CONSIDERATION OF SECURITIES COMPANY  
22 RATING.—Whenever the Commission considers an  
23 application to the Commission by a securities com-  
24 pany, the Securities and Exchange Commission  
25 shall—

1 (A) take into account the overall rating of  
2 the securities company under this section and  
3 any improvement plans submitted pursuant to  
4 this section;

5 (B) provide opportunity for public com-  
6 ment on such rating (at least a 30 day public  
7 comment period); and

8 (C) take into account changes in the com-  
9 munity reinvestment performance of such com-  
10 pany since the last overall rating and the likely  
11 future community reinvestment performance of  
12 such company.

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

20 **SEC. 108. RESPONSIVENESS TO COMMUNITY NEEDS FOR**  
21 **MORTGAGES AND MORTGAGE RELATED**  
22 **SERVICES BY MORTGAGE BANKS.**

23 (a) AFFIRMATIVE OBLIGATION.—Each mortgage  
24 bank shall have, with respect to each community com-  
25 prising an assessment area of such mortgage bank, a con-

1 tinuing and affirmative obligation to meet the mortgage  
2 credit and mortgage service needs of such communities,  
3 including extensions of credit in low- and moderate-income  
4 neighborhoods of such communities.

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

7 (1) ASSESSMENT AREA.—The term “assessment  
8 area” means, with respect to a mortgage bank, each  
9 community, including a State, metropolitan areas,  
10 and rural counties, in which such company—

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

13 (B) has not less than 0.5 percent of the  
14 total market in housing-related loans; or

15 (C) the communities constituting assess-  
16 ment areas shall include the communities in  
17 which the great majority of loans have been  
18 issued.

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

1       ing, community services, small-business development,  
2       and economic development.

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

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

9       (c) PROGRAM.—

10              (1) IN GENERAL.—The Secretary, in consulta-  
11       tion with the Secretary of the Treasury, shall de-  
12       velop a program to ensure that mortgage banks  
13       meet the obligations described in subsection (a) and  
14       the requirements of the program under this sub-  
15       section.

16              (2) FACTORS TO BE INCLUDED.—

17              (A) CUSTOMER EVALUATION.—The pro-  
18       gram shall include, as appropriate, a method  
19       for evaluating a mortgage bank’s record of  
20       helping to meet the mortgage credit and mort-  
21       gage service needs of its assessment area, in-  
22       cluding—

23              (i) the number and distribution of  
24       customers throughout the community, in-  
25       cluding minority and low- and moderate-in-

1           come customers and the dollar amounts of  
2           the mortgage credit extended to such cus-  
3           tomers by the mortgage bank;

4           (ii) the number and distribution of  
5           customers residing in minority and low-  
6           and moderate-income neighborhoods and  
7           the dollar amounts of the mortgage credit  
8           extended to such customers by the mort-  
9           gage bank;

10          (iii) the mortgage bank's market  
11          share in neighborhoods of different racial  
12          and income characteristics;

13          (iv) the mortgage bank's market share  
14          to borrowers of different racial and income  
15          characteristics;

16          (v) a comparison of the rate at which  
17          the mortgage bank rejects applications  
18          from minority and White applicants;

19          (vi) any evidence of illegal discrimina-  
20          tory credit practices, including steering, or  
21          offering less favorable loan products to ap-  
22          plicants of different racial backgrounds;  
23          and

24          (vii) the extent to which the mortgage  
25          bank has adopted innovative and flexible



1 marketing methods and products that fa-  
2 cilitate the extension of mortgage credit on  
3 a nondiscriminatory basis to low- and mod-  
4 erate-income customers.

5 (B) COMMUNITY DEVELOPMENT INVEST-  
6 MENTS.—The program shall include, as appro-  
7 priate, a method for evaluating a mortgage  
8 bank’s record of community development invest-  
9 ment in each assessment area, including—

10 (i) the number and dollar amount of  
11 community development investments in the  
12 assessment area; and

13 (ii) the responsiveness of the mort-  
14 gage bank, through community develop-  
15 ment investments, to the credit, capital,  
16 and community development needs of the  
17 assessment area, including low- and mod-  
18 erate-income neighborhoods.

19 (C) SERVICE PERFORMANCE.—The pro-  
20 gram shall include, as appropriate, a method  
21 for evaluating a mortgage bank’s record of pro-  
22 viding access to mortgage credit and mortgage  
23 services in each assessment area, including—

24 (i) the distribution of the mortgage  
25 bank’s retail offices by income level and

1 minority level of census tract and the  
2 range of services offered by retail offices  
3 across census tracts by income level and  
4 minority level;

5 (ii) the bank's record of opening or  
6 closing retail offices in the assessment  
7 area;

8 (iii) the extent to which the mortgage  
9 bank has adopted effective alternate serv-  
10 ice systems in minority and low- and mod-  
11 erate-income neighborhoods, such as pro-  
12 viding the means for low- and moderate-in-  
13 come individuals to gain electronic access  
14 to the mortgage bank at workplaces, com-  
15 munity centers, and similar locations in  
16 minority and low- and moderate-income  
17 neighborhoods; and

18 (iv) the extent to which the mortgage  
19 bank has provided home purchaser and  
20 home owner education and other coun-  
21 seling services, such as financial counseling  
22 classes, in minority and low- and mod-  
23 erate-income neighborhoods in the assess-  
24 ment area.

25 (3) RATING.—

1 (A) IN GENERAL.—The program shall pro-  
2 vide for—

3 (i) an evaluation and an initial rating  
4 of the performance of each mortgage bank  
5 in meeting the obligation established under  
6 subsection (a) in each assessment area of  
7 the bank; and

8 (ii) an overall rating, based on the ini-  
9 tial ratings pursuant to clause (i) of the  
10 overall achievement of the mortgage bank  
11 in meeting such obligation.

12 (B) RATING CATEGORIES.—The rating cat-  
13 egories used in rating the performance of any  
14 mortgage bank shall include “Outstanding”,  
15 “High Satisfactory”, “Satisfactory”, “Low Sat-  
16 isfactory”, “Needs-to-Improve”, and “Substan-  
17 tial Noncompliance”.

18 (C) TREATMENT OF CREDIT PRACTICES  
19 WITH NEGATIVE IMPACTS.—

20 (i) IN GENERAL.—In the case of any  
21 mortgage bank which the Secretary deter-  
22 mines has engaged in credit practices  
23 which have a negative impact on any indi-  
24 viduals or any assessment area of the com-  
25 pany, such as predatory mortgage lending,

1 or has otherwise engaged in any practice  
2 or provided any service in a manner which  
3 unlawfully discriminates against any per-  
4 son or against minority or low- and mod-  
5 erate-income neighborhoods, the Sec-  
6 retary—

7 (I) may not take any such prac-  
8 tice into account in assessing the ex-  
9 tent to which such company has met  
10 its obligation under subsection (a);  
11 and

12 (II) shall reduce the rating that  
13 would otherwise obtain under sub-  
14 paragraph (A) with respect to such  
15 company, after considering the extent  
16 of such negative or discriminatory  
17 practice or service.

18 (ii) UNLAWFUL DISCRIMINATION AND  
19 PREDATORY MORTGAGE LENDING.—For  
20 purposes of (i), the terms “predatory mort-  
21 gage lending” and “unlawfully discrimi-  
22 nates” include any lending or discrimina-  
23 tory practice those that violates the Fair  
24 Housing Act, the Equal Credit Oppor-  
25 tunity Act, the Truth in Lending Act, the

1           Real Estate Settlement Procedures Act,  
2           the Federal Trade Commission Act, or any  
3           other consumer and fair lending law, in-  
4           cluding the law of any State or political  
5           subdivision of any State.

6           (D)     MAINTENANCE     OF     CERTAIN  
7           RECORDS.—For purposes of determining wheth-  
8           er a mortgage bank engages in any practice or  
9           service described in subparagraph (B), the Sec-  
10          retary may require, by regulation, mortgage  
11          banks to maintain records of the terms and  
12          conditions at which mortgage loans and other  
13          services were provided by the company and the  
14          terms and conditions at which such mortgage  
15          loans and other products and services were of-  
16          fered by the bank even though no transaction  
17          occurred.

18          (E) IMPROVEMENT PLAN.—

19                 (i) IN GENERAL.—Whenever a mort-  
20                 gage bank receives a rating of “low satis-  
21                 factory” or lower in any assessment area,  
22                 the bank shall submit a improvement plan,  
23                 subject to public notice and comment, to  
24                 the Secretary.

1           (ii) CONTENTS OF PLAN.—Any im-  
2           provement plan submitted to the Secretary  
3           by a mortgage bank pursuant to clause (i)  
4           shall describe how the bank intends to im-  
5           prove its performance in any assessment  
6           area where the bank received a rating of  
7           “low satisfactory” or lower.

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

13          (iv) QUARTERLY REPORTS.—After the  
14          Secretary approves a improvement plan  
15          submitted by a mortgage bank under  
16          clause (i), the bank shall submit reports  
17          and data on a quarterly basis so that the  
18          Secretary and the general public can mon-  
19          itor performance.

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

1 merger applications involving such bank  
2 until performance improves on a subse-  
3 quent evaluation.

4 (vi) CONSIDERATION OF PERFORM-  
5 ANCE IN CERTAIN REVIEWS.—The Sec-  
6 retary shall consider the progress in meet-  
7 ing the goals described in any improvement  
8 plan as an integral factor in reviews of any  
9 application by such mortgage bank or any  
10 merger applications involving such bank.

11 (d) CONSIDERATION OF MORTGAGE BANK'S RAT-  
12 ING.—

13 (1) REVIEW OF RATING.—At least once in each  
14 2-year period beginning after the date of the enact-  
15 ment of this Act, the Secretary shall—

16 (A) conduct an examination of, and assign  
17 ratings to, mortgage banks under this sub-  
18 section;

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

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

23 (D) review changes in the community rein-  
24 vestment performance of such mortgage bank  
25 since the last overall rating and the likely fu-

1           ture community reinvestment performance of  
2           such mortgage bank.

3           (2) CONSIDERATION OF MORTGAGE BANK'S  
4           RATING.—Whenever the Secretary considers an ap-  
5           plication by a mortgage bank, the Secretary shall—

6                   (A) take into account the overall rating of  
7                   the mortgage company under this section and  
8                   any improvement plans submitted pursuant to  
9                   this section;

10                   (B) provide opportunity for public com-  
11                   ment on such rating (at least a 30 day public  
12                   comment period); and

13                   (C) take into account changes in the com-  
14                   munity reinvestment performance of such com-  
15                   pany since the last overall rating and the likely  
16                   future community reinvestment performance of  
17                   such company.

18           (3) NOTIFICATION OF UNSATISFACTORY PER-  
19           FORMANCE.—If, in conjunction with a review pursu-  
20           ant to paragraph (1), the Secretary determines that  
21           a mortgage bank has failed to meet the bank's obli-  
22           gations described in subsection (a) and the require-  
23           ments of the program under this subsection or failed  
24           to make satisfactory improvements in meeting such  
25           obligations and requirements, the Secretary shall no-



1       tify the mortgage bank of such determination, de-  
2       scribing the conditions giving rise to the notice.

3           (4) AGREEMENT TO CORRECT CONDITIONS RE-  
4       QUIRED.—Not later than 45 days after the date of  
5       receipt by a mortgage bank of a notice given under  
6       paragraph (3) (or such additional period as the Sec-  
7       retary may permit), the mortgage bank shall execute  
8       an agreement, based on an improvement plan, with  
9       the Secretary to comply with the obligations and re-  
10      quirements applicable to the mortgage bank under  
11      this section.

12          (5) SECRETARY MAY IMPOSE LIMITATIONS.—  
13      Until the conditions described in a notice to a mort-  
14      gage bank under paragraph (3) are corrected, the  
15      Secretary may impose such limitations on the extent  
16      to which mortgage loans originated, held, or serviced  
17      by such mortgage bank may be acquired by the Fed-  
18      eral Home Mortgage Corporation, the Federal Na-  
19      tional Mortgage Association, or the Government Na-  
20      tional Mortgage Association, as the Secretary deter-  
21      mines to be appropriate under the circumstances  
22      and consistent with the purposes of this section.

23          (6) FAILURE TO CORRECT.—If the conditions  
24      described in a notice to a mortgage bank under  
25      paragraph (3) are not corrected within 180 days

1 after the date of receipt by the mortgage bank of a  
2 notice under paragraph (3), the Secretary shall pro-  
3 hibit the Federal Home Mortgage Corporation, the  
4 Federal National Mortgage Association, or the Gov-  
5 ernment National Mortgage Association from acquir-  
6 ing any mortgage loan originated, held, or serviced  
7 by such mortgage bank.

8 (7) CONSULTATION.—In taking any action  
9 under this subsection, the Secretary shall consult  
10 with all relevant Federal and State regulatory agen-  
11 cies and authorities.

12 **SEC. 109. RESPONSIVENESS TO COMMUNITY NEEDS FOR IN-**  
13 **SURANCE SERVICES.**

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

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

23 (1) ASSESSMENT AREA.—The term “assessment  
24 area” means, with respect to an insurance company,

1 each community, including a State, metropolitan  
2 areas, and rural counties, in which such company—

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

5 (B) has not less than 0.5 percent of the  
6 total market in insurance; or

7 (C) the communities constituting assess-  
8 ment areas shall include the communities in  
9 which the great majority of policies have been  
10 issued.

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

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

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 insurance companies  
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 an insurance company’s record of  
11          helping to meet the insurance needs of its as-  
12          sessment area, including—

13               (i) the number and distribution of  
14               customers throughout the community, in-  
15               cluding minority and low- and moderate-in-  
16               come customers, and the dollar amounts of  
17               the insurance policies held by such cus-  
18               tomers;

19               (ii) the number and distribution of  
20               customers residing in minority and low-  
21               and moderate-income neighborhoods and  
22               the dollar amounts of the insurance poli-  
23               cies held by such customers; and

24               (iii) the extent to which the company  
25               has adopted innovative and flexible mar-

1           keting methods and products that facilitate  
2           the sale of insurance on a nondiscrim-  
3           inatory basis to minority and low- and  
4           moderate-income customers.

5           (B) COMMUNITY DEVELOPMENT INVEST-  
6           MENTS.—The program shall include, as appro-  
7           priate, a method for evaluating an insurance  
8           company’s record of community development in-  
9           vestment in each assessment area, including—

10                   (i) the number and dollar amount of  
11                   community development investments in the  
12                   assessment area; and

13                   (ii) the responsiveness of the insur-  
14                   ance company, through community devel-  
15                   opment investments, to the credit, capital,  
16                   and community development needs of the  
17                   assessment area, including low- and mod-  
18                   erate-income neighborhoods.

19           (C) SERVICE PERFORMANCE.—The pro-  
20           gram shall include, as appropriate, a method  
21           for evaluating an insurance company’s record of  
22           providing access to insurance services in each  
23           assessment area, including—

24                   (i) the distribution of the insurance  
25                   company’s retail offices by income level

1 and minority level of census tract and the  
2 range of services offered by retail offices  
3 across census tracts by income level and  
4 minority level;

5 (ii) the company's record of opening  
6 or closing retail offices or affiliating with  
7 agents in the assessment area;

8 (iii) the extent to which the insurance  
9 company has adopted effective alternate  
10 servicing systems in minority and low- and  
11 moderate-income neighborhoods, such as  
12 providing the means for minority and low-  
13 and moderate-income individuals to gain  
14 electronic access to the company at work-  
15 places, community centers, and similar lo-  
16 cations in minority and low- and moderate-  
17 income neighborhoods; and

18 (iv) the extent to which the insurance  
19 company has provided insurance education  
20 and other insurance services, such as fi-  
21 nancial counseling classes, in minority and  
22 low- and moderate-income neighborhoods  
23 in the assessment areas.

24 (3) RATING.—

1 (A) IN GENERAL.—The program shall pro-  
2 vide for—

3 (i) an evaluation and an initial rating  
4 of the performance of each insurance com-  
5 pany in meeting the obligation established  
6 under subsection (a) in each assessment  
7 area of the company; and

8 (ii) an overall rating, based on the ini-  
9 tial ratings pursuant to clause (i) of the  
10 overall achievement of the insurance com-  
11 pany in meeting such obligation.

12 (B) RATING CATEGORIES.—The rating cat-  
13 egories used in rating the performance of any  
14 insurance company shall include “Out-  
15 standing”, “High Satisfactory”, “Satisfactory”,  
16 “Low Satisfactory”, “Needs-to-Improve”, and  
17 “Substantial Noncompliance”.

18 (C) TREATMENT OF INSURANCE PRAC-  
19 TICES WITH NEGATIVE IMPACTS.—In the case  
20 of any insurance company which the Secretary  
21 determines has engaged in practices which have  
22 a negative impact in any assessment area of the  
23 company or has otherwise engaged in any prac-  
24 tice or provided any service in a manner which  
25 unlawfully discriminates against any person or

1 against any minority or low- or moderate-in-  
2 come neighborhood, the Secretary—

3 (i) may not take any such practice  
4 into account in assessing the extent to  
5 which such company has met its obligation  
6 under subsection (a); and

7 (ii) shall reduce the rating that would  
8 otherwise obtain under subparagraph (A)  
9 with respect to such company after consid-  
10 eration of the extent of such negative or  
11 discriminatory practice or service.

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

23 (E) IMPROVEMENT PLAN.—

24 (i) IN GENERAL.—Whenever an insur-  
25 ance company receives a rating of “low



1 satisfactory” or lower in any assessment  
2 area, the company shall submit an im-  
3 provement plan, subject to public notice  
4 and comment, to the Secretary.

5 (ii) CONTENTS OF PLAN.—Any im-  
6 provement plan submitted to the Secretary  
7 by an insurance company pursuant to  
8 clause (i) shall describe how the institution  
9 intends to improve its performance in any  
10 assessment area where the company re-  
11 ceived a rating of “low satisfactory” or  
12 lower.

13 (iii) REVIEW OF PLAN.—The Sec-  
14 retary shall review any improvement sub-  
15 mitted under clause (i) by an insurance  
16 company and either approve the plan or  
17 send it back to the company for revisions.

18 (iv) QUARTERLY REPORTS.—After the  
19 Secretary approves an improvement plan  
20 submitted by an insurance company under  
21 clause (i), the company shall submit re-  
22 ports and data on a quarterly basis so that  
23 the Secretary and the general public can  
24 monitor performance.

1 (v) ADDITIONAL LIMITATIONS.—If  
2 any insurance company receives a rating of  
3 “Needs-to-improve” or “Substantial non-  
4 compliance” in any assessment area, the  
5 Secretary may not accept or approve any  
6 application by such insurance company or  
7 any merger applications involving such  
8 company until performance improves on a  
9 subsequent evaluation.

10 (vi) CONSIDERATION OF PERFORM-  
11 ANCE IN CERTAIN REVIEWS.—The Sec-  
12 retary shall consider the progress in meet-  
13 ing the goals described in any improvement  
14 plan as an integral factor in reviews of any  
15 application by such insurance company or  
16 any merger applications involving such  
17 company.

18 (d) CONSIDERATION OF INSURANCE COMPANY’S  
19 RATING.—

20 (1) REVIEW OF RATING.—At least once in each  
21 2-year period beginning after the date of the enact-  
22 ment of this Act, the Secretary shall—

23 (A) conduct an examination of and assign  
24 ratings to each insurance company under this  
25 section;

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

3 (C) review changes in the community rein-  
4 vestment performance of such insurance com-  
5 pany since the last overall rating and the likely  
6 future community reinvestment performance of  
7 such insurance company.

8 (2) CONSIDERATION OF INSURANCE COMPANY  
9 RATING.—Whenever the Secretary considers an ap-  
10 plication to the agency by an insurance company,  
11 the agency shall—

12 (A) take into account the overall rating of  
13 the insurance company under this section and  
14 any improvement plans submitted pursuant to  
15 this section;

16 (B) provide opportunity for public com-  
17 ment on such rating (at least a 30 day public  
18 comment period); and

19 (C) take into account changes in the com-  
20 munity reinvestment performance of such com-  
21 pany since the last overall rating and the likely  
22 future community reinvestment performance of  
23 such company.

24 (3) NOTIFICATION OF UNSATISFACTORY PER-  
25 FORMANCE.—If, in conjunction with a review pursu-

1 ant to paragraph (1), the Secretary determines that  
2 an insurance company has failed to meet the com-  
3 pany's obligations described in subsection (a) and  
4 the requirements of the program under this sub-  
5 section or failed to make satisfactory improvements  
6 in meeting such obligations and requirements, the  
7 Secretary shall notify the insurance company and  
8 each appropriate State insurance regulator of such  
9 determination, describing the conditions giving rise  
10 to the notice.

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

20 (5) SECRETARY MAY IMPOSE LIMITATIONS.—  
21 Until the conditions described in a notice to an in-  
22 surance company under paragraph (3) are corrected,  
23 the Secretary may impose such limitations on the ex-  
24 tent to which mortgage loans secured by real prop-  
25 erty insured by such insurance company may be ac-

1       quired by the Federal Home Mortgage Corporation,  
2       the Federal National Mortgage Association, or the  
3       Government National Mortgage Association, as the  
4       Secretary determines to be appropriate under the  
5       circumstances and consistent with the purposes of  
6       this section.

7               (6) FAILURE TO CORRECT.—If the conditions  
8       described in a notice to an insurance company under  
9       paragraph (3) are not corrected within 180 days  
10      after the date of receipt by the insurance company  
11      of a notice under paragraph (3), the Secretary  
12      shall—

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

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

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

23               (7) CONSULTATION.—In taking any action  
24      under this subsection, the Secretary shall consult

1 with all relevant Federal and State regulatory agen-  
2 cies and authorities.

3 (e) HEALTH AND LIFE INSURANCE LINES NOT IN-  
4 CLUDED.—This section and section 110 shall not apply  
5 to life or health lines of insurance or to insurance compa-  
6 nies that provide only life or health insurance products.

7 **SEC. 110. SATISFACTORY RATINGS REQUIRED BY SECURI-**  
8 **TIES COMPANY, MORTGAGE BANK, AND IN-**  
9 **SURANCE COMPANY AFFILIATES OF FINAN-**  
10 **CIAL HOLDING COMPANIES.**

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

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

16 (2) by redesignating subparagraph (C) as sub-  
17 paragraph (F); and

18 (3) by inserting after subparagraph (B) the fol-  
19 lowing new subparagraphs:

20 “(C) all of the securities company affiliates  
21 of the bank holding company have a satisfac-  
22 tory rating of meeting community needs under  
23 section 107 of the Community Reinvestment  
24 Modernization Act of 2009;

1           “(D) all of the mortgage bank affiliates of  
2           the bank holding company have a satisfactory  
3           rating of meeting community needs under sec-  
4           tion 108 of the Community Reinvestment Mod-  
5           ernization Act of 2009;

6           “(E) all of the insurance company affli-  
7           ates of the bank holding company have a satis-  
8           factory rating of meeting community needs  
9           under section 109 of the Community Reinvest-  
10          ment Modernization Act of 2009; and”.

11       (b) TECHNICAL AND CONFORMING AMENDMENTS.—

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

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

20       **SEC. 111. RESPONSIVENESS TO COMMUNITY NEEDS BY**  
21                                       **CREDIT UNIONS.**

22          Title II of the Federal Credit Union Act (12 U.S.C.  
23          1781 et seq.) is amended by adding at the end the fol-  
24          lowing new section:

1 **“SEC. 217. AFFIRMATIVE OBLIGATION TO MEET THE CRED-**  
2 **IT NEEDS OF THE COMMUNITY.**

3 “(a) CONTINUING AND AFFIRMATIVE OBLIGATION.—  
4 The purpose of this section is to reaffirm that covered  
5 credit unions have a continuing and affirmative obligation  
6 to meet the needs of its assessment area, including minor-  
7 ity and low- and moderate-income neighborhoods, con-  
8 sistent with safe and sound operation.

9 “(b) DEFINITIONS.—For purposes of this section the  
10 following definitions shall apply:

11 “(1) ASSESSMENT AREA.—The term ‘assess-  
12 ment area’ means an area delineated by a covered  
13 credit union consistent with the requirements de-  
14 scribed in subsection (d).

15 “(2) COVERED CREDIT UNION.—The term ‘cov-  
16 ered credit union’—

17 “(A) means an insured credit union (as de-  
18 fined in section 101); and

19 “(B) does not include a credit union des-  
20 ignated by the Board as a low-income credit  
21 union for purposes of the Community Develop-  
22 ment Credit Union Revolving Loan Fund  
23 Transfer Act.

24 “(3) FEDERAL BANKING AGENCIES.—The term  
25 ‘Federal banking agencies’ has the same meaning as  
26 in section 3 of the Federal Deposit Insurance Act.



1           “(4) LOW-INCOME AND MODERATE-INCOME.—  
2           The term ‘low-income and moderate-income’ shall be  
3           defined by the Board, by regulation, consistent with  
4           the definition of such terms in regulations prescribed  
5           by the Federal banking agencies to implement the  
6           Community Reinvestment Act of 1977.

7           “(5) CRA IMPROVEMENT PLAN.—The term  
8           ‘CRA improvement plan’ means a plan of a covered  
9           credit union to improve its performance in meeting  
10          the credit needs, including minority and low- and  
11          moderate-income neighborhoods, in the service areas  
12          where the credit union received a rating of ‘low sat-  
13          isfactory’ or lower.

14          “(c) ASSESSMENT OF RECORD OF MEETING COMMU-  
15          NITY CREDIT NEEDS.—

16                 “(1) REGULATIONS.—The Board shall prescribe  
17                 regulations for evaluating not less than once every  
18                 two years a covered credit union’s record of meeting  
19                 its obligations described in subsection (a).

20                 “(2) PERFORMANCE TESTS.—The regulations  
21                 prescribed under paragraph (1) shall

22                         “(A) include performance criteria for lend-  
23                         ing, investment, services tests, and other tests  
24                         substantially similar to such tests established in  
25                         regulations prescribed by the Federal banking

1 agencies to implement the Community Reinvest-  
2 ment Act of 1977; and

3 “(B) ensure that the criteria established  
4 pursuant to subparagraph (A) include an as-  
5 sessment of the covered credit union’s home  
6 mortgage, small business, and consumer lending  
7 activities, including to low- and moderate-in-  
8 come individuals.

9 “(3) ASSESSMENT INFORMATION.—In addition  
10 to the criteria prescribed under paragraph (2), the  
11 Board’s evaluation of a covered credit union shall in-  
12 clude consideration, for purposes of subsections (a)  
13 and (f), of—

14 “(A) any information about lending, in-  
15 vestment, and service opportunities maintained  
16 by the covered credit union or obtained from  
17 community organizations, state, local, and tri-  
18 bunal governments, economic development  
19 agencies, or other sources;

20 “(B) a covered credit union’s investment in  
21 community development financial institutions  
22 pursuant to the Community Development Bank-  
23 ing and Financial Institutions Act of 1994;

24 “(C) a covered credit union’s lending and  
25 investment activities that revitalize and stabilize

1 minority or low- and moderate-income neighbor-  
2 hoods, or directly benefit minority or low- and  
3 moderate-income individuals, including financ-  
4 ing and investment in affordable housing, com-  
5 munity services, and economic development;

6 “(D) a covered credit union’s lending activ-  
7 ity in its assessment area in comparison to the  
8 credit union’s total lending activity and such  
9 relative percentage shall be taken into consider-  
10 ation for purposes of the credit union’s lending  
11 test under paragraph (2)(A);

12 “(E) the covered credit union’s perform-  
13 ance in comparison to similarly situated lend-  
14 ers, including banks, savings associations and  
15 credit unions, based on information contained  
16 in such lenders’ public file, data collected pur-  
17 suant to the Home Mortgage Disclosure Act,  
18 and any other publicly available information  
19 that may assist the Board in a meaningful com-  
20 parison; and

21 “(F) any written comments about the cov-  
22 ered credit union’s record of performance under  
23 this section submitted to the credit union or to  
24 the Board.

1           “(4) MEETING OBLIGATIONS.—A single com-  
2           mon-bond credit union with fewer than 3,000 mem-  
3           bers in which the common-bond is not based on em-  
4           ployment in a trade, industry, or profession shall be  
5           considered to have met its obligation under sub-  
6           section (a).

7           “(d) ASSESSMENT AREA.—

8           “(1) CRITERIA FOR DELINEATING.—The Board  
9           shall, by regulation, prescribe criteria for a covered  
10          credit union to use in delineating 1 or more assess-  
11          ment areas.

12          “(2) CRITERIA FOR REGULATIONS.—Regula-  
13          tions prescribed pursuant to paragraph (1) shall—

14               “(A) be consistent with regulations pre-  
15               scribed by the Federal banking agencies under  
16               the Community Reinvestment Act of 1977;

17               “(B) take into consideration, as appro-  
18               priate, the differences between common-bond  
19               and community credit unions to the extent that  
20               such differences affect a covered credit union’s  
21               delineation of an assessment area;

22               “(C) ensure that the assessment area in-  
23               cludes areas in which a covered credit union in-  
24               cludes membership permitted by section  
25               109(c)(2);

1           “(D) provide for consideration of a covered  
2 credit union’s shared branch;

3           “(E) provide that if the covered credit  
4 union’s field of membership is based on a com-  
5 mon-bond other than geography the credit  
6 union may delineate such field of membership  
7 as its assessment area; and

8           “(F) provide that the delineation of a cov-  
9 ered credit union’s assessment area may include  
10 a combination of geographic boundaries and  
11 field of membership, such as a covered credit  
12 union that includes membership permitted by  
13 section 109(c)(2).

14           “(3) FACILITATING COMPLIANCE.—The Board  
15 shall ensure that any assessment area of a covered  
16 credit union is delineated in a manner that—

17           “(A) does not permit the covered credit  
18 union to evade its obligations under this sec-  
19 tion; and

20           “(B) reflects the spirit and intent of this  
21 section.

22           “(4) PROHIBITIONS.—A covered credit union’s  
23 assessment area shall not—

24           “(A) reflect illegal discrimination; or

1           “(B) exclude minority or low- or moderate-  
2           income segments of, or communities in, the cov-  
3           ered credit union’s field of membership.

4           “(e) WRITTEN EVALUATIONS.—Upon the conclusion  
5 of each examination of a covered credit union the Board  
6 shall prepare a written evaluation of the credit union’s  
7 record of meeting the credit needs of its entire community,  
8 including minority and low- and moderate-income neigh-  
9 borhoods.

10           “(1) PUBLIC SECTION.—Each written evalua-  
11 tion required by this subsection shall have a public  
12 section.

13           “(2) PUBLIC SECTION.—The public section of  
14 the written evaluation shall—

15           “(A) state the conclusion for each perform-  
16           ance test identified in the regulations prescribed  
17           pursuant to subsection (c);

18           “(B) discuss the facts and data supporting  
19           such conclusions; and

20           “(C) contain the credit union’s rating and  
21           an explanation describing the basis for the rat-  
22           ing.

23           “(3) RATINGS.—The covered credit union’s rat-  
24           ing referred to in paragraph (2)(C) shall be one of  
25           the following:

1           “(A) Outstanding record of meeting com-  
2           munity needs.

3           “(B) High Satisfactory record of meeting  
4           community needs.

5           “(C) Satisfactory record of meeting com-  
6           munity needs.

7           “(D) Low Satisfactory record of meeting  
8           community needs.

9           “(E) Needs to improve record of meeting  
10          community needs.

11          “(F) Substantial noncompliance in meeting  
12          community needs.

13          “(f) INITIAL SEPARATE EVALUATION AND RATING  
14          FOR STATE, METROPOLITAN, OTHER SERVICE AREAS RE-  
15          QUIRED.—The information required by this act with re-  
16          spect to any credit union shall be presented separately,  
17          and an initial rating shall be determined separately, for—

18               “(1) each metropolitan area in which the credit  
19               union maintains 1 or more domestic branches;

20               “(2) each State in which the credit union main-  
21               tains 1 or more domestic branches outside of a met-  
22               ropolitan area;

23               “(3) each community in which the credit union  
24               makes more than 0.5 percent of the total amount of  
25               loans; and

1           “(4) the communities and assessment areas  
2           rated by the evaluation shall include the commu-  
3           nities and assessment areas in which the great ma-  
4           jority of loans have been issued.

5           “(g) EFFECT OF PERFORMANCE ON APPLICA-  
6 TIONS.—The Board shall provide a 30-day public com-  
7 ment period on applications submitted by credit unions.  
8 The Board shall take into account a covered credit union’s  
9 performance, or expected performance in connection with  
10 a new charter, under this section when considering—

11           “(1) an application for the credit union to—

12                   “(A) convert to an insured Federal credit  
13           union;

14                   “(B) convert to an insured State credit  
15           union; or

16                   “(C) convert to a new field of membership  
17           charter;

18           “(2) an application by a covered credit union to  
19           alter or expand its field of membership;

20           “(3) a merger with another credit union; and

21           “(4) an application to establish or relocate a  
22           branch.

23           “(h) CRA IMPROVEMENT PLAN.—

24           “(1) IN GENERAL.—Whenever a credit union  
25           receives a rating of ‘low satisfactory’ or lower in any



1 State, metropolitan area, or other community in  
2 which it made more than 0.5 percent of total  
3 amount of loans, the credit union shall submit a  
4 CRA improvement plan, subject to public notice and  
5 comment, to the appropriate Federal financial super-  
6 visory agency.

7 “(2) CONTENTS OF PLAN.—Any CRA improve-  
8 ment plan submitted to the Board by the credit  
9 union pursuant to paragraph (1) shall describe how  
10 the institution intends to improve its performance in  
11 meeting the credit needs, including minority and  
12 low- and moderate-income neighborhoods, in the  
13 service areas where the institution received a rating  
14 of ‘low satisfactory’ or lower.

15 “(3) REVIEW OF PLAN.—The Board which re-  
16 ceives a CRA improvement plan under paragraph  
17 (1) from a credit union shall review the plan and ei-  
18 ther approve the plan or send it back to the credit  
19 union for revisions.

20 “(4) QUARTERLY REPORTS.—After the Board  
21 receives a CRA improvement plan under paragraph  
22 (1) from a credit union approves the plan, the credit  
23 union shall submit reports and data to the agency  
24 on a quarterly basis so that the regulatory agency  
25 and the general public can monitor to the perform-

1       ance of the credit union in meeting the credit needs,  
2       including minority and low- and moderate-income  
3       neighborhoods, in the service areas where the insti-  
4       tution received a rating of ‘low satisfactory’ or lower.

5           “(5) ADDITIONAL LIMITATIONS.—If any credit  
6       union receives a rating of ‘Needs-to-improve’ or  
7       ‘Substantial noncompliance’ in any assessment area,  
8       the Board may not accept or approve any applica-  
9       tion by such institution or any merger applications  
10      involving such institution until performance im-  
11      proves on a subsequent evaluation.

12          “(6) CONSIDERATION OF PERFORMANCE IN  
13      CERTAIN REVIEWS.—The Board shall consider the  
14      progress of the institution in meeting the goals de-  
15      scribed in any CRA improvement plan as an integral  
16      factor in reviews of any application by such institu-  
17      tion or any merger applications involving such insti-  
18      tution.

19          “(i) REPORTING AND PUBLICATION.—

20           “(1) ANNUAL REPORTS.—The Board shall in-  
21      clude in its annual report to the Congress under sec-  
22      tion 102(d) a description of actions the Board has  
23      taken to carry out its responsibilities under this sec-  
24      tion.

1           “(2) PUBLICATION OF EXAM SCHEDULE.—The  
2 Board shall publish at least 30 days in advance of  
3 the beginning of each calendar quarter a list of cov-  
4 ered credit unions scheduled for examinations re-  
5 quired by this section in that quarter.

6           “(j) REPORT ON IMPLEMENTATION.—

7           “(1) REPORT TO THE CONGRESS.—Within 90  
8 days of final issuance of the regulations required  
9 under this section, the Board shall report to the  
10 Congress on—

11                   “(A) the implementation of the regulations  
12 required under this section;

13                   “(B) reasons for instances where the  
14 Board’s regulations deviate from regulations  
15 prescribed by the Federal banking agencies pur-  
16 suant to the Community Reinvestment Act of  
17 1977; and

18                   “(C) the manner in which the Board will  
19 measure whether a covered credit union is  
20 meeting the credit needs of individuals located  
21 in an underserved area, including low-income  
22 individuals in such underserved area.

23           “(2) GENERAL ACCOUNTING OFFICE STUDY.—  
24 Before the end of the three-year period beginning on  
25 the date of final issuance of regulations required

1 under this section, the Comptroller General of the  
 2 United States shall—

3 “(A) conduct a study detailing the effec-  
 4 tiveness of the Board’s implementation of this  
 5 act; and

6 “(B) submit a report containing the find-  
 7 ings and conclusions of the Comptroller General  
 8 in connection with the study required by sub-  
 9 paragraph (A), together with recommendations  
 10 the Comptroller General may determine are  
 11 necessary to improve the Board’s regulations to  
 12 serve the spirit and intent of this act.”.

13 **TITLE II—DATA DISCLOSURE**  
 14 **REQUIREMENTS**

15 **Subtitle A—Disclosure of Insurance**  
 16 **Availability and Insurer Invest-**  
 17 **ment Information**

18 **SEC. 201. SHORT TITLE.**

19 This title may be cited as the “Insurance Disclosure  
 20 Act”.

21 **SEC. 202. ESTABLISHMENT OF GENERAL REQUIREMENTS**  
 22 **TO SUBMIT INFORMATION.**

23 (a) **IN GENERAL.**—The Secretary of Housing and  
 24 Urban Development shall, by regulation, establish require-  
 25 ments for insurers to compile and submit information to

1 the Secretary for each annual reporting period, in accord-  
2 ance with this title.

3 (b) CONSULTATION.—In establishing the require-  
4 ments for the submission of information under this title,  
5 the Secretary shall consult with Federal agencies having  
6 appropriate expertise, the National Association of Insur-  
7 ance Commissioners, State insurance regulators, statis-  
8 tical agents, representatives of small businesses, rep-  
9 resentatives of insurance agents (including minority insur-  
10 ance agents), representatives of property and casualty in-  
11 surers, and community, consumer, and civil rights organi-  
12 zations, as appropriate.

13 (c) HEALTH AND LIFE INSURANCE LINES NOT IN-  
14 CLUDED.—This title shall not apply to life or health lines  
15 of insurance or to insurers that provide only life or health  
16 insurance products.

17 **SEC. 203. REPORTING OF NONCOMMERCIAL INSURANCE IN-**  
18 **FORMATION.**

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

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

24 (A) the availability and affordability of in-  
25 surance coverage and the quality or type of in-

1 insurance coverage, by census tract, including mi-  
2 nority and low- and moderate-income neighbor-  
3 hoods, and the race and gender of policyholders;  
4 and

5 (B) the location of the principal place of  
6 business of insurance agents, and the location  
7 of the principal place of business of insurance  
8 agents terminated, by census tract, including  
9 minority and low- and moderate-income neigh-  
10 borhoods; and

11 (2) specify the data elements required to be re-  
12 ported under this section and require uniformity in  
13 the definitions of the data elements.

14 (b) INSURERS.—

15 (1) AGGREGATE INFORMATION.—The regula-  
16 tions issued under section 202 shall require that  
17 each insurer for a designated line of insurance under  
18 subparagraph (A) or (B) of section 210(a)(1) shall  
19 compile and submit to the Secretary, for each an-  
20 nual reporting period—

21 (A) the total number of policies issued in  
22 such line, total exposures covered by such poli-  
23 cies, and total amount of premiums for such  
24 policies, by designated line and by census tract,  
25 including minority and low- and moderate-in-

1           come neighborhoods, in which the insured risk  
2           is located;

3           (B) the total number of cancellations and  
4           nonrenewals (expressed in terms of policies or  
5           exposures, as determined by the Secretary), by  
6           designated line and by census tract, including  
7           minority and low- and moderate-income neigh-  
8           borhoods, in which the insured risk is located;

9           (C) the total number of—

10           (i) licensed agents of such insurer sell-  
11           ing insurance in the designated line, by  
12           census tract, including minority and low-  
13           and moderate-income neighborhoods, in  
14           which the agent's principal place of busi-  
15           ness is located; and

16           (ii) such agents who were terminated  
17           by the insurer, by census tract in which  
18           the agent's principal place of business was  
19           located; and

20           (D) for such designated line of insurance,  
21           information that will enable the Secretary to as-  
22           sess the aggregate loss experience for the in-  
23           surer, by census tract, including minority and  
24           low- and moderate-income neighborhoods, in  
25           which the insured risk is located.

1           (2) SPECIFICATION OF INFORMATION FOR  
2 ITEMIZED DISCLOSURE.—

3           (A) IN GENERAL.—The regulations issued  
4 under section 202 regarding annual reporting  
5 requirements for insurers for a designated line  
6 of insurance under subparagraph (A) or (B) of  
7 section 210(a)(1) shall, with respect to policies  
8 issued under the designated line or exposure  
9 units covered by such policies, as determined by  
10 the Secretary—

11           (i) specify the data elements that shall  
12 be submitted;

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

15           (iii) provide for the submission of the  
16 information with the least burden on insur-  
17 ers, particularly small insurers, and insur-  
18 ance agents;

19           (iv) take into account existing statis-  
20 tical reporting systems in the insurance in-  
21 dustry;

22           (v) require reporting by census tract,  
23 including minority and low- and moderate-  
24 income neighborhoods, in which the in-  
25 sured risk is located;



1 (vi) provide for the submission of in-  
2 formation that—

3 (I) identifies the designated line,  
4 and subline or coverage type; and

5 (II) where applicable, distin-  
6 guishes between the type of policy  
7 under each such subline or coverage  
8 type that provides full replacement  
9 cost and all other bases for computing  
10 claims, such as actual cash value and  
11 fair market value;

12 (vii) provide for the submission of in-  
13 formation that distinguishes policies writ-  
14 ten in a residual market from policies writ-  
15 ten in the voluntary market;

16 (viii) specify—

17 (I) whether information shall be  
18 submitted on the basis of policy or ex-  
19 posure unit; and

20 (II) whether information, when  
21 submitted, shall be aggregated by like  
22 policyholders with like policies, except  
23 that the Secretary shall not permit  
24 such aggregation if it will adversely

1 affect the accuracy of the information  
2 reported;

3 (ix) in addition to reporting approvals,  
4 provide for the submission of information  
5 regarding the number of denials, cancella-  
6 tions, and nonrenewals of policies under  
7 the designated line by census tract in  
8 which the insured risk is located, by race,  
9 gender, and income of the policyholder,  
10 and by whether the policy was issued in a  
11 voluntary or residual market; and

12 (x) provide for the submission of in-  
13 formation on the racial characteristics,  
14 gender, and income levels of policyholders  
15 at the level of detail comparable to that re-  
16 quired by the Home Mortgage Disclosure  
17 Act of 1975 (and the regulations issued  
18 thereunder).

19 (B) RULES REGARDING OBTAINING RACIAL  
20 INFORMATION.—

21 (i) WRITING REQUIREMENT.—The in-  
22 formation specified in subparagraph (A)(x)  
23 relating to the racial characteristics of ap-  
24 plicants for, and policyholders of, insur-  
25 ance shall be obtained only in accordance

1 with the procedures for requesting and re-  
2 cording racial information established in  
3 Regulation C of the Board of Governors of  
4 the Federal Reserve System under the  
5 Home Mortgage Disclosure Act of 1975, as  
6 in effect on the date of the enactment of  
7 this Act.

8 (ii) NOTICE OF VOLUNTARY NATURE  
9 OF QUESTION.—Any such written question  
10 shall clearly indicate that a response to the  
11 question is voluntary on the part of the ap-  
12 plicant or policyholder, but encouraged,  
13 and that the information is being re-  
14 quested by the Federal Government to  
15 monitor the availability and affordability of  
16 insurance.

17 (iii) PROVISION OF INFORMATION BY  
18 AGENT OR INSURER.—If an applicant for,  
19 or policyholder of, insurance declines to  
20 provide such information, the agent or in-  
21 surer for such insurance may provide such  
22 information.

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

1 (A) information required under subpara-  
2 graphs (A), (B), and (D) of paragraph (1) and  
3 information required pursuant to paragraph  
4 (2), for risks insured under such line that are  
5 located within each census tract any part of  
6 which is located in a State for which the insurer  
7 is offering the designated line; and

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

10 **SEC. 204. REPORTING OF RURAL INSURANCE INFORMA-**  
11 **TION.**

12 (a) IN GENERAL.—The Secretary shall, by regula-  
13 tion, establish requirements for insurers to annually com-  
14 pile and submit to the Secretary information concerning  
15 the availability, affordability, and quality or type of insur-  
16 ance in rural areas and to small businesses.

17 (b) CONTENT.—The regulations under this section  
18 shall provide that the information compiled and submitted  
19 under this section shall be compiled and submitted on the  
20 basis of each census tract in which the insured risks are  
21 located.

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

23 (a) WAIVER FOR STATES COLLECTING EQUIVALENT  
24 INFORMATION.—

1           (1) **AUTHORITY.**—Subject to the requirements  
2           under this section, the Secretary shall provide, by  
3           regulation, for the waiver of the applicability of the  
4           provisions of sections 203 and 204 for each insurer  
5           transacting business within a State referred to in  
6           paragraph (2) of this subsection, but only with re-  
7           spect to information required to be submitted under  
8           such sections that relates to agents or insured risks  
9           located in the State.

10           (2) **REQUIREMENTS.**—The Secretary may make  
11           a waiver pursuant to paragraph (1) only with re-  
12           spect to a State that the Secretary determines has  
13           in effect a law or other requirement that—

14                   (A) requires insurers to submit to the  
15                   State information that is at least the same or  
16                   equivalent to the information that is required to  
17                   be submitted to the Secretary pursuant to sec-  
18                   tions 203 and 204;

19                   (B) provides for adequate enforcement of  
20                   such law or other requirements; and

21                   (C) provides for the same annual reporting  
22                   period used by the Secretary under this title  
23                   and for submission of the information to the  
24                   Secretary in a timely fashion, as determined by  
25                   the Secretary.

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

5           (b) MULTIPLE-STATE AREAS.—In the case of any  
6           census tract that contains area within (1) any State for  
7           which a waiver has been made pursuant to subsection (a),  
8           and (2) any State for which such a waiver has not been  
9           made, the provisions of this title requiring submission of  
10          information to the Secretary regarding such tract or area  
11          shall be considered to apply only to the portion that is  
12          located within the State for which such a waiver has not  
13          been made.

14          (c) AUTHORITY FOR SECRETARY TO OBTAIN INFOR-  
15          MATION DIRECTLY FROM INSURERS.—If the State for  
16          which a waiver has been made pursuant to subsection (a)  
17          does not submit to the Secretary the information required  
18          under subsection (a)(2)(A) or submits information that is  
19          not complete, the Secretary shall require the insurers  
20          transacting business within the State to submit such infor-  
21          mation directly to the Secretary.

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

23          (a) HMDA REPORTING.—On an annual basis, the  
24          Financial Institutions Examination Council shall deter-  
25          mine the extent to which each insurer providing private

1 mortgage insurance is making available to the public and  
2 submitting to the appropriate agency information regard-  
3 ing such insurance that is equivalent to the information  
4 regarding mortgages required to be reported under the  
5 Home Mortgage Disclosure Act of 1975.

6 (b) REPORTING UNDER THIS TITLE.—

7 (1) CERTIFICATION OF NONCOMPLIANCE.—If,  
8 for any annual period referred to in subsection (a),  
9 such Council determines that any insurer providing  
10 private mortgage insurance is not making available  
11 to the public or submitting the information referred  
12 to in subsection (a) or that the information made  
13 available or submitted is not equivalent information  
14 as described in subsection (a), then the Council shall  
15 notify the insurer of such noncompliance. If, after  
16 the expiration of a reasonable period of time, the in-  
17 surer has not remedied such noncompliance to the  
18 satisfaction of the Council, then the Council shall  
19 immediately certify such noncompliance to the Sec-  
20 retary.

21 (2) REQUIREMENT.—Upon the receipt of a cer-  
22 tification under paragraph (1), the Secretary shall,  
23 by order, require such insurer to submit to the Sec-  
24 retary information regarding such insurance that

1 complies with the provisions of section 206 that are  
2 applicable to such insurance.

3 **SEC. 207. REPORTING OF INFORMATION REGARDING IN-**  
4 **VESTMENTS BY INSURERS.**

5 (a) IN GENERAL.—The Secretary of Housing and  
6 Urban Development shall, by regulation, require that each  
7 insurer that makes an investment in a property or busi-  
8 ness or extends credit shall compile and submit to the Sec-  
9 retary for each annual reporting period, the following in-  
10 formation:

11 (1) DIRECT LOANS.—

12 (A) COMMERCIAL REAL ESTATE LOANS.—

13 The total number of loans for the purchase of  
14 commercial real estate made by the insurer, the  
15 aggregate amount of such loans, and the  
16 amount of each such loan, by census tract, in-  
17 cluding minority and low- and moderate-income  
18 neighborhoods, in which the real estate for  
19 which the loan was made is located.

20 (B) SINGLE-FAMILY MORTGAGES.—The

21 total number of mortgage loans for the pur-  
22 chase of 1- to 4-family dwellings made by the  
23 insurer, the aggregate amount of such loans,  
24 and the amount of each such loan, by census  
25 tract, including minority and low- and mod-



1           erate-income neighborhoods, in which the dwell-  
2           ing for which the loan was made is located,  
3           which information shall be disaggregated by ra-  
4           cial characteristics, income level, and gender of  
5           the borrower under the loan.

6           (C)   COMMERCIAL   AND   INDUSTRIAL  
7           LOANS.—The total number of commercial and  
8           industrial loans made by the insurer, the aggre-  
9           gate amount of such loans, and the amount of  
10          each such loan, by census tract, including mi-  
11          nority and low- and moderate-income neighbor-  
12          hoods, in which the property or business in-  
13          volved in the loan is located, which information  
14          shall be disaggregated by the size of business of  
15          the borrower under the loan and by the owner-  
16          ship characteristic of the business, which shall  
17          be classified as either minority-owned, women-  
18          owned, or otherwise-owned.

19          (2) LOAN PURCHASES.—

20          (A) COMMERCIAL REAL ESTATE LOANS.—  
21          The total number of loans for the purchase of  
22          commercial real estate purchased by the in-  
23          surer, the aggregate amount of such loans, and  
24          the amount of each such loan, by census tract,  
25          including minority and low- and moderate-in-

1           come neighborhoods, in which the real estate  
2           for which the loan was made is located.

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

14          (C) COMMERCIAL AND INDUSTRIAL  
15          LOANS.—The total number of commercial and  
16          industrial loans purchased by the insurer, the  
17          aggregate amount of such loans, and the  
18          amount of each such loan, by census tract, in-  
19          cluding low- and moderate-income neighbor-  
20          hoods, in which the property or business in-  
21          volved in the loan is located, which information  
22          shall be disaggregated by the size of business of  
23          the borrower under the loan and by the owner-  
24          ship characteristic of the business, which shall

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

3           (3) OTHER INVESTMENTS.—For such other in-  
4           vestments made by the insurer as the Secretary may  
5           designate pursuant to subsection (b), the total num-  
6           ber of such investments, the aggregate amount of  
7           such investments, and the amount of each such in-  
8           vestment, by census tract, including minority and  
9           low- and moderate-income neighborhoods, in which  
10          the property or business involved in the investment  
11          is located, as determined by the Secretary, which in-  
12          formation shall be disaggregated by the size of busi-  
13          ness of the borrower under the loan and by the own-  
14          ership characteristic of the business, which shall be  
15          classified as either minority-owned, women-owned, or  
16          otherwise-owned.

17          (b) DESIGNATION OF OTHER INVESTMENTS.—

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

24               (2) REQUIREMENT.—In making designations  
25               under this subsection, the Secretary shall designate

1 (A) activities and investments that significantly ben-  
2 efit minority and low- and moderate-income families  
3 and persons, small businesses in distressed commu-  
4 nities, or minority- or women-owned businesses, and  
5 (B) activities and investments that contribute to the  
6 creation of jobs and economic development of dis-  
7 tressed communities.

8 (3) CONSIDERATIONS.—The Secretary shall  
9 specifically consider for designation under this sub-  
10 section investments in community development fi-  
11 nancial institutions, community development cor-  
12 porations, State-issued bonds, and securities backed  
13 by State development funds.

14 (c) SIZE OF BUSINESS.—The Secretary shall, by reg-  
15 ulation, establish various categories of the sizes of busi-  
16 nesses, for purposes of disaggregating information under  
17 paragraphs (1)(C), (2)(C), and (3) of subsection (a) by  
18 various sizes of businesses.

19 **SEC. 208. SUBMISSION OF INFORMATION TO SECRETARY**  
20 **AND MAINTENANCE OF INFORMATION.**

21 (a) PERIOD OF MAINTENANCE.—Each insurer re-  
22 quired by this title to compile and submit information to  
23 the Secretary shall maintain such information for the 3-  
24 year period beginning upon the conclusion of the annual  
25 reporting period to which such information relates. The

1 Secretary shall maintain any information submitted to the  
2 Secretary for such period as the Secretary considers ap-  
3 propriate and feasible to carry out the purposes of this  
4 title and to allow for historical analysis and comparison  
5 of the information.

6 (b) SUBMISSION.—The Secretary shall issue regula-  
7 tions prescribing a standard schedule (taking into consid-  
8 eration the provisions of section 209(a)), format, and  
9 method for submitting information under this title to the  
10 Secretary. The format and method of submitting the infor-  
11 mation shall facilitate and encourage the submission in a  
12 form readable by a computer. Any insurer submitting in-  
13 formation to the Secretary may submit in writing to the  
14 Secretary any additional information or explanations that  
15 the insurer considers relevant to the decision by the in-  
16 surer to sell insurance.

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

18 (a) AVAILABILITY TO PUBLIC.—

19 (1) IN GENERAL.—The Secretary shall main-  
20 tain and make available to the public, in accordance  
21 with the requirements of this section, any informa-  
22 tion submitted to the Secretary under this title and  
23 any information compiled by the Secretary under  
24 this title.

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

6           (b) PUBLIC ACCESS SYSTEM.—

7           (1) IMPLEMENTATION.—The Secretary shall  
8 implement a system to facilitate access to any infor-  
9 mation required to be made available to the public  
10 under this title.

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

13           (A) ACCESS TO ITEMIZED INFORMATION.—

14           With respect to information submitted under by  
15 insurers, on the basis of the insurer submitting  
16 the information, on the basis of the census  
17 tract, including minority and low- and mod-  
18 erate-income neighborhoods, and on any other  
19 basis the Secretary considers feasible and ap-  
20 propriate.

21           (B) ACCESS TO AGGREGATE INFORMA-

22           TION.—With respect to aggregate information  
23 compiled by the Secretary, on the basis of (i)  
24 the insurer submitting the information, and (ii)  
25 the census tract, including minority and low-

1           and moderate-income neighborhoods, and on  
2           any other basis the Secretary considers feasible  
3           and appropriate.

4           (c) PROTECTIONS REGARDING LOSS INFORMA-  
5 TION.—

6           (1) PROHIBITION OF DISCLOSURE OF LOSS IN-  
7 FORMATION.—Notwithstanding any other provision  
8 of this title, the Secretary may not make available  
9 to the public or otherwise disclose any information  
10 submitted under this title regarding the amount or  
11 number of claims paid by any insurer, the amount  
12 of losses of any insurer, or the loss experience for  
13 any insurer, except in the form of a loss ratio (ex-  
14 pressing the relationship of claims paid to pre-  
15 miums) for the industry aggregate on a census tract  
16 level.

17           (2) PROTECTION OF IDENTITY OF INSURER.—  
18 In making available to the public or otherwise dis-  
19 closing a loss ratio for an insurer—

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

22                   (B) the Secretary may disclose the loss  
23 ratio only in a manner that does not allow any  
24 party to determine the identity of the specific  
25 insurer to which the loss ratio relates, except

1 parties having access to information under  
2 paragraph (3).

3 (3) CONFIDENTIALITY OF INFORMATION DIS-  
4 CLOSED TO GOVERNMENTAL AGENCIES.—The Sec-  
5 retary may make information referred to in para-  
6 graph (1) and the identity of the specific insurer to  
7 which such information relates available to any Fed-  
8 eral entity and any State agency responsible for reg-  
9 ulating insurance in a State and may otherwise dis-  
10 close such information to any such entity or agency,  
11 but only to the extent such entity or agency agrees  
12 not to make any such information available or dis-  
13 close such information to any other person.

14 **SEC. 210. DESIGNATIONS.**

15 (a) DESIGNATION OF LINES OF INSURANCE.—

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

19 (A) AUTOMOBILE.—The Secretary shall  
20 designate private passenger automobile insur-  
21 ance and shall also designate any sublines and  
22 coverage types of private passenger automobile  
23 insurance that the Secretary considers appro-  
24 priate to determine and compare the avail-



1 ability, affordability, and type of coverage in  
2 such line among applicable regions.

3 (B) NONCOMMERCIAL INSURANCE FOR  
4 RESIDENTIAL PROPERTY.—The Secretary shall  
5 designate homeowners insurance and dwelling  
6 fire and allied lines, and shall distinguish the  
7 coverage types in such lines by the perils cov-  
8 ered and by market or replacement value. For  
9 purposes of this title, homeowners insurance  
10 shall include any renters coverage or coverage  
11 for the personal property of a condominium  
12 owner

13 (2) REPORT.—At any time the Secretary deter-  
14 mines that any line of insurance not described in  
15 paragraph (1) should be a designated line because  
16 disparities in coverage provided under such line exist  
17 among geographic areas having different income lev-  
18 els or racial composition, the Secretary shall submit  
19 a report recommending designating such line of in-  
20 surance as a designated line for purposes of this title  
21 to the Committee on Financial Services of the House  
22 of Representatives and the appropriate Committees  
23 of the Senate.

24 (3) DURATION.—

1 (A) IN GENERAL.—Except as provided in  
2 subparagraph (B), the Secretary shall make the  
3 designations under this subsection once every 5  
4 years, by regulation, and each line and subline  
5 or coverage type designated under such regula-  
6 tions shall be designated for each of the first 5  
7 successive annual reporting periods occurring  
8 after issuance of the regulations.

9 (B) ALTERATION.—During any 5-year pe-  
10 riod referred to in subparagraph (A) in which  
11 designations are in effect, the Secretary may  
12 amend or revise the designated lines, sublines,  
13 and coverage types only by regulation and only  
14 in accordance with the requirements of this  
15 subsection. Such regulations amending or revis-  
16 ing designations shall apply only to annual re-  
17 porting periods beginning after the expiration  
18 of the 6-month period beginning on the date of  
19 issuance of the regulations.

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

1           (c) OBTAINING INFORMATION.—The Secretary may  
2 require insurers to submit to the Secretary such informa-  
3 tion as the Secretary considers necessary to make designa-  
4 tions specifically required under this title. The Secretary  
5 may not require insurers to submit any information under  
6 this subsection that relates to any line of insurance not  
7 specifically authorized to be designated pursuant to this  
8 title or that is to be used solely for the purpose of a report  
9 under subsection (a)(2).

10 **SEC. 211. ENFORCEMENT.**

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

17           (b) INJUNCTION.—The Secretary may bring an ac-  
18 tion in an appropriate United States district court for ap-  
19 propriate declaratory and injunctive relief against any in-  
20 surer who violates the requirements referred to in sub-  
21 section (a).

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

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

2 (a) EXEMPTION FOR UNITED STATES PROGRAMS.—

3 Reporting shall not be required under this title with re-  
4 spect to insurance provided by any program underwritten  
5 or administered by the United States.

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

13 **SEC. 213. REGULATIONS.**

14 (a) AUTHORIZATION.—

15 (1) IN GENERAL.—The Secretary shall issue  
16 any regulations required under this title and any  
17 other regulations that may be necessary to carry out  
18 this title.

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

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

1 (b) BURDENS.—In prescribing such regulations, the  
2 Secretary shall take into consideration the administrative,  
3 paperwork, and other burdens on insurance agents, includ-  
4 ing independent insurance agents, involved in complying  
5 with the requirements of this title and shall minimize the  
6 burdens imposed by such requirements with respect to  
7 such agents.

8 **SEC. 214. DEFINITIONS.**

9 For purposes of this subtitle, the following definitions  
10 shall apply:

11 (1) AGENT.—The term “agent”—

12 (A) means, with respect to an insurer, an  
13 agent licensed by a State who sells property and  
14 casualty insurance; and

15 (B) includes agents who are employees of  
16 the insurer, agents who are independent con-  
17 tractors working exclusively for the insurer, and  
18 agents who are independent contractors ap-  
19 pointed to represent the insurer on a nonexclu-  
20 sive basis.

21 (2) COMMERCIAL INSURANCE.—The term  
22 “commercial insurance” means any line of property  
23 and casualty insurance, except private passenger  
24 automobile, homeowner’s insurance and dwelling fire

1 and allied lines, and other personal lines of insur-  
2 ance.

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

7 (4) EXPOSURES.—The term “exposures”  
8 means, for purposes of section 203, with respect to  
9 an insurance policy, an expression of an exposure  
10 unit covered under the policy compared to the dura-  
11 tion of the policy (pursuant to standards established  
12 by the Secretary for uniform reporting of expo-  
13 sures).

14 (5) EXPOSURE UNITS.—The term “exposure  
15 units” means, for purposes of section 203, an auto-  
16 mobile or dwelling covered under an insurance policy  
17 for private passenger automobile or homeowners or  
18 dwelling fire and allied lines coverage.

19 (6) INSURANCE.—The term “insurance” means  
20 property and casualty insurance. Such term includes  
21 primary insurance, surplus lines insurance, and any  
22 other arrangement for the shifting and distributing  
23 of risks that is determined to be insurance under the  
24 law of any State in which the insurer or insurer  
25 group engages in an insurance business.

1 (7) INSURER.—The term “insurer”—

2 (A) means any corporation, association, so-  
3 ciety, order, firm, company, mutual, partner-  
4 ship, individual, aggregation of individuals, or  
5 any other legal entity that is authorized to  
6 transact the business of property or casualty in-  
7 surance in any State or that is engaged in a  
8 property or casualty insurance business; and

9 (B) does not include an individual or entity  
10 which represents an insurer as agent solely for  
11 the purpose of selling or which represents a  
12 consumer as a broker solely for the purpose of  
13 buying insurance.

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

17 (9) JOINT UNDERWRITING ASSOCIATION.—The  
18 term “joint underwriting association” means an un-  
19 incorporated association of insurers established to  
20 provide a particular form of insurance to the public.

21 (10) MORTGAGE INSURANCE.—The term  
22 “mortgage insurance” means insurance against the  
23 nonpayment of, or default on, a mortgage or loan  
24 for residential or commercial property.

1           (11) PRIVATE MORTGAGE INSURANCE.—The  
2 term “private mortgage insurance” means mortgage  
3 insurance other than mortgage insurance made  
4 available under the National Housing Act, title 38 of  
5 the United States Code, or title V of the Housing  
6 Act of 1949.

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

9           (A) means insurance against loss of or  
10 damage to property, insurance against loss of  
11 income or extra expense incurred because of  
12 loss of, or damage to, property, and insurance  
13 against third party liability claims caused by  
14 negligence or imposed by statute or contract;  
15 and

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

18           (13) RESIDUAL MARKET.—The term “residual  
19 market”—

20           (A) means an assigned risk plan, joint un-  
21 derwriting association, or any similar mecha-  
22 nism designed to make insurance available to  
23 those unable to obtain it in the voluntary mar-  
24 ket; and



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

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

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

7 (B) has a continuous boundary; and

8 (C) contains only areas that are rural  
9 areas, as such term is defined in section 520 of  
10 the Housing Act of 1949 (except that clause  
11 (3)(B) of such section 520 shall not apply for  
12 purposes of this title).

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

16 (16) STATE.—The term “State” means any  
17 State, the District of Columbia, the Commonwealth  
18 of Puerto Rico, the Northern Mariana Islands, the  
19 Virgin Islands, American Samoa, and the Trust Ter-  
20 ritory of the Pacific Islands.

21 **SEC. 215. EFFECTIVE DATE.**

22 The requirements of this title relating to reporting  
23 of information by insurers shall take effect with respect  
24 to the first annual reporting period that begins more than  
25 24 months after the date of the enactment of this Act.

1 **Subtitle B—Improvements in Other**  
2 **Data Disclosure Requirements**

3 **SEC. 221. MAINTENANCE AND DISCLOSURE OF INFORMA-**  
4 **TION BY THE FINANCIAL INSTITUTIONS EX-**  
5 **AMINATION COUNCIL.**

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

17       (b) MAINTENANCE OF DATABASE.—The Financial  
18 Institutions Examination Council shall maintain a com-  
19 prehensive database containing the hierarchical structure  
20 of organizations including financial holding companies,  
21 bank holding companies, depository institutions, and non-  
22 depository institutions.

1       **TITLE III—REGULATORY AND**  
2                   **STRUCTURAL REFORMS**

3       **SEC. 301. ANTIREDLINING REQUIREMENT FOR FINANCIAL**  
4                   **HOLDING COMPANIES.**

5           Section 4(l)(1) of the Bank Holding Company Act of  
6       1956 (12 U.S.C. 1843(l)(1)) (as amended by section 108  
7       of this Act) is amended—

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

10          (2) by striking the period at the end of sub-  
11       paragraph (F) (as so redesignated by such section  
12       110 of title I) and inserting “; and”; and

13          (3) by adding at the end the following new sub-  
14       paragraph:

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

21           “(i) the company or affiliate has not  
22       been adjudicated in any Federal court, and  
23       has not entered into a consent decree filed  
24       in a Federal court or into a settlement  
25       agreement, premised upon a violation of

1 the Fair Housing Act for the activities de-  
2 scribed in this subparagraph; or

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

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

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

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

19 “(A) IN GENERAL.—No financial holding  
20 company shall directly or indirectly acquire, and  
21 no company that becomes a financial holding  
22 company shall directly or indirectly acquire con-  
23 trol of, any company in the United States, in-  
24 cluding through merger, consolidation, or other  
25 type of business combination, that is engaged in

1 activities permitted under this subsection or  
2 subsection (n) or (o), unless—

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

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

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

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

21 “(i) whether the company is in com-  
22 pliance with all applicable criteria set forth  
23 in subsection (b) and the provisions of sub-  
24 section (d);

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

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

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

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

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

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

22          “(viii) the community reinvestment  
23          record of all parties to the proposed trans-  
24          action.

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

7           “(D) SOLICITATION OF VIEWS OF OTHER  
8 SUPERVISORY AGENCIES.—

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

14           “(I) the appropriate Federal  
15 banking agency of any bank involved;

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

20           “(III) the Secretary of the Treas-  
21 ury, the Attorney General, and the  
22 Federal Trade Commission.

23           “(ii) TIMING.—The views and rec-  
24 ommendations of any agency provided no-  
25 tice under this paragraph shall be sub-

1           mitted to the Board not later than 30 cal-  
 2           endar days after the date on which notice  
 3           to the agency was given, unless the Board  
 4           determines that another shorter time pe-  
 5           riod is appropriate.”.

6 **SEC. 303. PUBLIC MEETINGS FOR BANK ACQUISITIONS AND**  
 7 **MERGERS.**

8           (a) BANK HOLDING COMPANY ACT OF 1956.—Sec-  
 9           tion 3(c)(2) of the Bank Holding Company Act of 1956  
 10          (12 U.S.C. 1842(c)(2)) is amended—

11           (1) by striking “FACTORS.—In every case” and  
 12           inserting “FACTORS.—

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

14           (2) by adding at the end the following new sub-  
 15           paragraphs:

16           “(B) MEETINGS.—Upon the request of any  
 17           person that commented on the application, the  
 18           Board shall—

19           “(i) hold a meeting involving the com-  
 20           menters and the institution; and

21           “(ii) gather and consider additional  
 22           information discussed at the meeting.

23           “(C) PUBLIC HEARINGS.—

24           “(i) IN GENERAL.—In the case of  
 25           each application for approval under this



1 section, the Board shall, as necessary and  
2 on a timely basis, conduct public hearings  
3 in 1 or more areas where the Board be-  
4 lieves there will be a substantial public im-  
5 pact.

6 “(ii) NUMBER.—When a significant  
7 number of members of the general public  
8 request a public hearing, the Board shall  
9 hold 1 or more public hearings, the num-  
10 ber of which are to be determined by the  
11 number of requesters of the hearing and  
12 the areas in which the merger is likely to  
13 have a substantial public impact.

14 “(iii) OPPORTUNITY TO BE HEARD ON  
15 IMPACT OF ACQUISITION OR MERGER.—  
16 Public hearings shall provide an oppor-  
17 tunity for commenters and other members  
18 of the general public to speak as witnesses  
19 regarding the impacts of the acquisition or  
20 merger.”.

21 (b) FEDERAL DEPOSIT INSURANCE ACT.—Section  
22 18(c) of the Federal Deposit Insurance Act (12 U.S.C.  
23 1828(c)) is amended by adding at the end the following  
24 new paragraphs:

1           (12) MEETINGS.—Upon the request of any per-  
2           son(s) that commented on the application, the agen-  
3           cy shall hold a meeting involving the commenters  
4           and the institution. The agency shall gather and  
5           consider additional information discussed at the  
6           meeting.

7           “(13) MEETINGS.—Upon the request of any  
8           person that commented on an application, the re-  
9           sponsible agency shall—

10                   “(A) hold a meeting involving the com-  
11                   menters and any insured depository institution  
12                   involved; and

13                   “(B) gather and consider additional infor-  
14                   mation discussed at the meeting.

15           “(14) PUBLIC HEARINGS.—

16                   “(A) IN GENERAL.—In each merger trans-  
17                   action involving 1 or more insured depository  
18                   institutions, the responsible agency shall, as  
19                   necessary and on a timely basis, conduct public  
20                   hearings in 1 or more areas where the agency  
21                   believes there will be a substantial public im-  
22                   pact.

23                   “(B) NUMBER.—When a significant num-  
24                   ber of members of the general public request a  
25                   public hearing, the agency shall hold 1 or more

1 public hearings, the number of which are to be  
2 determined by the number of requesters of the  
3 hearing and the areas in which the merger is  
4 likely to have a substantial public impact.

5 “(C) OPPORTUNITY TO BE HEARD ON IM-  
6 PACT OF ACQUISITION OR MERGER.—Public  
7 hearings shall provide an opportunity for com-  
8 menters and other members of the general pub-  
9 lic to speak as witnesses regarding the impacts  
10 of the acquisition or merger.”.

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 “(a) MEETINGS.—Upon the request of any person  
18 that commented on the application of any national bank,  
19 the Comptroller of the Currency shall—

20 “(1) hold a meeting involving the commenters  
21 and the bank; and

22 “(2) gather and consider additional information  
23 discussed at the meeting.

24 “(b) PUBLIC HEARINGS.—

1           “(1) IN GENERAL.—In each case of a consolida-  
2           tion or merger under this Act, the Comptroller shall,  
3           as necessary and on a timely basis, conduct public  
4           hearings in 1 or more areas where the Comptroller  
5           believes, there will be a substantial public impact.

6           “(2) NUMBER.—When a significant number of  
7           members of the general public request a public hear-  
8           ing, the Comptroller shall hold 1 or more public  
9           hearings, the number of which are to be determined  
10          by the number of requesters of the hearing and the  
11          areas in which the merger is likely to have a sub-  
12          stantial public impact.

13          “(3) OPPORTUNITY TO BE HEARD ON IMPACT  
14          OF ACQUISITION OR MERGER.—Public hearings shall  
15          provide an opportunity for commenters and other  
16          members of the general public to speak as witnesses  
17          regarding the impacts of the acquisition or merger.”.

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

21                 “(7) PUBLIC MEETINGS FOR DEPOSITORY IN-  
22                 STITUTION ACQUISITIONS AND MERGERS.—

23                         “(A) MEETINGS.—Upon the request of any  
24                         person(s) that commented on the application,  
25                         the Director shall hold a meeting involving the

1 commenters and the institution. The Director  
2 shall gather and consider additional information  
3 discussed at the meeting.

4 “(B) PUBLIC HEARINGS.—

5 “(i) IN GENERAL.—In each case in-  
6 volving an application under this sub-  
7 section, the Director shall, as necessary  
8 and on a timely basis, conduct public hear-  
9 ings in 1 or more areas where the Director  
10 believes there will be a substantial public  
11 impact.

12 “(ii) NUMBER.—When a significant  
13 number of members of the general public  
14 request a public hearing, the Director shall  
15 hold 1 or more public hearings, the num-  
16 ber of which are to be determined by the  
17 number of requesters of the hearing and  
18 the areas in which the merger is likely to  
19 have a substantial public impact.

20 “(iii) OPPORTUNITY TO BE HEARD ON  
21 IMPACT OF ACQUISITION OR MERGER.—  
22 Public hearings shall provide an oppor-  
23 tunity for commenters and other members  
24 of the general public to speak as witnesses  
25 regarding the impacts of the merger.”.

1 **SEC. 304. BRANCH CLOSURE REQUIREMENTS.**

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

5 “(3) PUBLIC COMMENT.—Upon receiving a no-  
6 tice from an insured depository institution pursuant  
7 to paragraph (1), the appropriate Federal agency  
8 shall—

9 “(A) promptly initiate a 60-day period for  
10 receiving public comment on the proposed clos-  
11 ing of a branch of the depository institution;  
12 and

13 “(B) provide adequate notice of such pub-  
14 lic comment period in media of general circula-  
15 tion or public broadcast in the area served by  
16 such branch.

17 “(4) PUBLIC MEETING FOR DISCUSSION OF AL-  
18 TERNATIVES.—If, during any period for public com-  
19 ment under paragraph (3) on the proposed closing  
20 of a branch of the depository institution, the appro-  
21 priate Federal banking agency soliciting such com-  
22 ments receives a request for a public hearing on the  
23 proposal, the agency shall promptly schedule a pub-  
24 lic meeting to be held at least 30 days before the  
25 date of the proposed closure at a convenient location

1 in the vicinity of such branch so that alternatives to  
2 closure can be considered by all stakeholders.”.

3 **SEC. 305. CRA EXAMINATION SCHEDULE FOR SMALL**  
4 **BANKS.**

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

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

13 **SEC. 306. CRA SUNSHINE REQUIREMENTS.**

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

17 **SEC. 307. CONTINUING COMMUNITY REINVESTMENT RE-**  
18 **QUIREMENT FOR FINANCIAL HOLDING COM-**

19 **PANIES.**

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

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

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

3           (b) TECHNICAL AND CONFORMING AMENDMENT.—

4           (1) Paragraph (1) of section 4(m) of the Bank  
5           Holding Company Act of 1956 (12 U.S.C.  
6           1843(m)(1)) is amended by striking “subsection  
7           (l)(1)” and inserting “paragraph (1) or (2) of sub-  
8           section (l)”.

9           (2) Paragraph (2) of section 4(m) of the Bank  
10          Holding Company Act of 1956 (12 U.S.C.  
11          1843(m)(2)) is amended by striking “subsection  
12          (l)(1)” and inserting “paragraphs (1) and (2) of  
13          subsection (l)”.

14   **SEC. 308. CHANGES IN REPORTING REQUIREMENTS UNDER**  
15                           **THE HOME MORTGAGE DISCLOSURE ACT OF**  
16                           **1975.**

17          (a) PROHIBITION ON REGULATORY EXEMPTIONS  
18          FROM REPORTING REQUIREMENTS.—Section 304 of the  
19          Home Mortgage Disclosure Act of 1975 (12 U.S.C. 2803)  
20          is amended by adding at the end the following new sub-  
21          section:

22          “(n) PROHIBITION ON REGULATORY EXEMPTIONS  
23          FROM REPORTING REQUIREMENTS.—Subject to sub-  
24          section (i)—



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

5           “(2) any exemption from the requirements of  
6           this title provided in any regulation, such as the ex-  
7           emption provided in Appendix A to part 203 of the  
8           Code of Federal Regulations for lending institutions  
9           described in section 303(2)(B) whose total dollar  
10          amount of purchase loans originated in any year did  
11          not exceed 10 percent of the total dollar amount of  
12          all loan originations by such institution in such year,  
13          shall cease to be effective as of the date of the enact-  
14          ment of the Community Reinvestment Modernization  
15          Act of 2009.”.

16          (b) REPORTING OF ADDITIONAL DATA REQUIRED.—  
17          Section 304(b) of the Home Mortgage Disclosure Act of  
18          1975 (12 U.S.C. 2803(b)) is amended—

19                 (1) by striking “and” at the end of paragraph  
20                 (3);

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

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

24                         “(5) information on loan pricing and terms, in-  
25                         cluding interest rates, annual percentage rates, bona

1       fide discount points, origination fees, other fees re-  
2       quired to be disclosed in the Good Faith Estimate  
3       and the HUD-1 document, yield-spread premiums,  
4       financing of lump sum insurance premium pay-  
5       ments, balloon payment, prepayment penalties, loan-  
6       to-value ratios, debt-to-income ratios, housing pay-  
7       ment-to-income ratios, and credit score information,  
8       information on whether the loan is a fixed-rate loan  
9       or a variable rate mortgage loan (and if it is a vari-  
10      able rate mortgage loan, the length of any initial  
11      rate, and how often the rate adjusts); information on  
12      whether the financial institution required full docu-  
13      mentation of borrower income; information on the  
14      loan channel, including whether a broker received  
15      the loan application and approved or rejected the ap-  
16      plication; and”.

17       (c) REPORTING ON MANUFACTURED HOME LOANS  
18      THAT ARE NOT TREATED BY THE DEPOSITORY INSTITU-  
19      TION AS REAL ESTATE LOANS.—

20               (1) IN GENERAL.—Section 304(b) of the Home  
21      Mortgage Disclosure Act of 1975 (12 U.S.C.  
22      2803(b)) is amended by inserting after paragraph  
23      (5) (as added by subsection (B) of this section) the  
24      following new paragraph:

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

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

10          (d) CREATION OF DATABASE ON LOAN PERFORM-  
11          ANCE.—

12           (1) IN GENERAL.—The Board of Governors of  
13          the Federal Reserve System shall—

14                   (A) create a database on loan performance  
15                   (whether loans are current, delinquent, or in de-  
16                   fault or foreclosure);

17                   (B) link the database on loan performance  
18                   with data collected pursuant to the Home Mort-  
19                   gage Disclosure Act of 1975; and

20                   (C) make such information publicly avail-  
21                   able.

22          (2) OTHER INFORMATION.—The database es-  
23          tablished pursuant to paragraph (1)(A) shall also  
24          contain information on loan modifications, including  
25          the type of loan modification, such as interest rate

1 reductions, principal loan balance reductions, repay-  
2 ment plans, forbearance, and modifications that in-  
3 crease outstanding balance owed.

4 (3) COLLABORATION AND COLLECTION.—The  
5 Board of Governors of the Federal Reserve System  
6 shall—

7 (A) collaborate with other relevant Federal  
8 and State agencies; and

9 (B) collect information for the database on  
10 loan performance from loan servicers and other  
11 financial institutions.

12 (e) ENFORCEMENT POWERS FOR SECRETARY.—Sec-  
13 tion 305 of the Home Mortgage Disclosure Act of 1975  
14 (12 U.S.C. 2804) is amended by inserting at the end the  
15 following new subsection:

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

19 “(1) subsections (b) through (n) of section 8 of  
20 the Federal Deposit Insurance Act shall apply to de-  
21 pository institutions described in section 303(2)(B)  
22 in the same manner they apply to depository institu-  
23 tions (as defined in section 3 of the Federal Deposit  
24 Insurance Act); and

1 “(2) the Secretary shall have the same powers  
2 and duties under such subsections with respect to  
3 depository institutions described in section  
4 303(2)(B) as an appropriate Federal banking agen-  
5 cy (as defined in such Act) has with respect to de-  
6 pository institutions (as defined in section 3 of the  
7 Federal Deposit Insurance Act).”.

8 **SEC. 309. ANNUAL REPORT AND CONGRESSIONAL HEAR-**  
9 **INGS.**

10 (a) IN GENERAL.—On an annual basis, the Com-  
11 mittee on Financial Services of the House of Representa-  
12 tives and the Committee on Banking, Housing, and Urban  
13 Affairs of the Senate shall hold hearings to consider the  
14 effectiveness of implementation of this Act by the Federal  
15 agencies with responsibilities under this Act.

16 (b) CONSIDERATION OF FURTHER AMENDMENTS.—  
17 The Committee on Financial Services of the House of  
18 Representatives and the Committee on Banking, Housing,  
19 and Urban Affairs of the Senate shall consider, as appro-  
20 priate, any enhancements or modifications to this Act to  
21 increase the effectiveness of the objectives and purposes  
22 of this Act and the amendments made by this Act to other  
23 provisions of law.

1 (c) RULES OF HOUSE OF REPRESENTATIVES AND  
2 SENATE.—Subsections (a) and (b) are enacted by the  
3 Congress—

4 (1) as an exercise of the rulemaking power of  
5 the Senate and House of Representatives, respec-  
6 tively, and as such it is deemed a part of the rules  
7 of each House, respectively, but applicable only with  
8 respect to the procedure to be followed in that  
9 House and it supersedes other rules only to the ex-  
10 tent that it is inconsistent with such rules; and

11 (2) with full recognition of the constitutional  
12 right of either House to change the rules (so far as  
13 relating to the procedure of that House) at any time,  
14 in the same manner, and to the same extent as in  
15 the case of any other rule of that House.

○