

111TH CONGRESS
1ST 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 Commu-
 nity Reinvestment Act of 1977 and restoration of comprehen-
 sive 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 re-
 lated 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 compa-
 nies.

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 affili-
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.

○