

105TH CONGRESS  
1ST SESSION

# H. R. 229

To amend the Community Reinvestment Act of 1977, the Equal Credit Opportunity Act, and the Fair Housing Act to improve the administration of such Acts, to prohibit redlining in connection with the provision of credit, and for other purposes.

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## IN THE HOUSE OF REPRESENTATIVES

JANUARY 7, 1997

Mr. MCCOLLUM introduced the following bill; which was referred to the Committee on Banking and Financial Services, and in addition to the Committee on the Judiciary, 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

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## A BILL

To amend the Community Reinvestment Act of 1977, the Equal Credit Opportunity Act, and the Fair Housing Act to improve the administration of such Acts, to prohibit redlining in connection with the provision of credit, 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.**

4 This Act may be cited as the “Credit Opportunity  
5 Amendments Act of 1997”.

1 **SEC. 2. AMENDMENTS TO THE COMMUNITY REINVESTMENT**

2 **ACT OF 1977.**

3 (a) RECORD OF MEETING COMMUNITY NEEDS  
4 TAKEN INTO ACCOUNT IN EXAMINATION OF MANAGE-  
5 MENT.—Section 804(a) of the Community Reinvestment  
6 Act of 1977 (12 U.S.C. 2903(a)) is amended—

7 (1) in paragraph (1), by striking “; and” and  
8 inserting “to assure the accuracy of the disclosures  
9 required by section 807.”;

10 (2) by striking “shall—” and all that follows  
11 through “assess” and inserting “shall assess”; and

12 (3) by striking paragraph (2).

13 (b) DISCLOSURE REQUIREMENT.—Section 807 of the  
14 Community Reinvestment Act of 1977 (12 U.S.C. 2906)  
15 is amended to read as follows:

16 **“SEC. 807. DISCLOSURE OF COMMUNITY REINVESTMENT**  
17 **ACTIVITIES.**

18 “Each regulated financial institution shall prepare  
19 and make available to the public at each office of such  
20 institution where deposits are accepted a written descrip-  
21 tion of the lending programs and other activities of the  
22 institution which are designed to enhance the availability  
23 of credit in the community, including low- and moderate-  
24 income neighborhoods, served by the institution.”.

1 **SEC. 3. AMENDMENTS TO EQUAL CREDIT OPPORTUNITY**  
2 **ACT.**

3 (a) REDLINING PROHIBITED.—Section 701(a) of the  
4 Consumer Credit Protection Act (15 U.S.C. 1691(a)) is  
5 amended—

6 (1) in paragraph (2), by striking “or” at the  
7 end;

8 (2) in paragraph (3), by striking the period at  
9 the end and inserting “; or”; and

10 (3) by inserting after paragraph (3), the follow-  
11 ing new paragraph:

12 “(4) on the basis of the racial or ethnic charac-  
13 teristics of the neighborhood surrounding the appli-  
14 cant’s dwelling or business.”.

15 (b) AUTHORITY OF ATTORNEY GENERAL LIMITED  
16 TO REFERRAL CASES.—Section 706(h) of the Consumer  
17 Credit Protection Act (15 U.S.C. 1691e(h)) is amended  
18 by striking “or whenever he has reason to believe one or  
19 more creditors are engaged in a pattern or practice in vio-  
20 lation of this title,”.

21 (c) CLARIFICATION OF CAUSES OF ACTION.—Section  
22 706 of the Consumer Credit Protection Act (15 U.S.C.  
23 1691e) is amended by adding at the end the following new  
24 subsection:

25 “(l) DISPARATE IMPACT CASES.—No provision of  
26 this title shall be construed as allowing statistical data

1 which tends to show that the credit decisions of a creditor  
 2 have had a disparate impact on various classes of credit  
 3 applicants to be used as evidence, in any action under this  
 4 section, that the creditor engaged in a pattern or practice  
 5 in violation of this title without additional evidence that—

6 “(1) the pattern or practice actually discrimi-  
 7 nated against any person or class on a prohibited  
 8 basis; and

9 “(2) the creditor engaged in such pattern or  
 10 practice with the purpose or intent to engage in an  
 11 activity in violation of this title.”.

12 **SEC. 4. AMENDMENTS TO FAIR HOUSING ACT.**

13 (a) REDLINING PROHIBITED.—Section 805(a) of the  
 14 Fair Housing Act (42 U.S.C. 3605(a)) is amended by in-  
 15 serting “or on the basis of the racial or ethnic characteris-  
 16 ties of the neighborhood surrounding the person’s dwell-  
 17 ing” before the period at the end.

18 (b) AUTHORITY OF ATTORNEY GENERAL LIMITED  
 19 TO REFERRAL CASES.—Section 814 of the Fair Housing  
 20 Act (42 U.S.C. 3614) is amended by striking subsection  
 21 (a).

22 (c) CLARIFICATION OF CAUSES OF ACTION.—Section  
 23 813 of the Fair Housing Act (42 U.S.C. 3613) is amended  
 24 by adding at the end the following new subsection:

1       “(f) DISPARATE IMPACT CASES.—No provision of  
2 this title shall be construed as allowing statistical data  
3 which tends to show that the business decisions of any  
4 person have had a disparate impact on various classes of  
5 individuals to be used as evidence, in any action or pro-  
6 ceeding under this title, that such person engaged in a  
7 pattern or practice in violation of this title without addi-  
8 tional evidence that—

9               “(1) the pattern or practice actually discrimi-  
10       nated against any individual or class on a prohibited  
11       basis; and

12               “(2) such person engaged in such pattern or  
13       practice with the purpose or intent to engage in an  
14       activity in violation of this title.”.

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