

tures undertaken by the institution in cooperation with minority- and women-owned financial institutions and low-income credit unions provided that these activities help meet the credit needs of local communities in which such institutions and credit unions are chartered.

**(c) Financial holding company requirement**

**(1) In general**

An election by a bank holding company to become a financial holding company under section 1843 of this title shall not be effective if—

(A) the Board finds that, as of the date the declaration of such election and the certification is filed by such holding company under section 1843(l)(1)(C)<sup>1</sup> of this title, not all of the subsidiary insured depository institutions of the bank holding company had achieved a rating of “satisfactory record of meeting community credit needs”, or better, at the most recent examination of each such institution; and

(B) the Board notifies the company of such finding before the end of the 30-day period beginning on such date.

**(2) Limited exclusions for newly acquired insured depository institutions**

Any insured depository institution acquired by a bank holding company during the 12-month period preceding the date of the submission to the Board of the declaration and certification under section 1843(l)(1)(C)<sup>1</sup> of this title may be excluded for purposes of paragraph (1) during the 12-month period beginning on the date of such acquisition if—

(A) the bank holding company has submitted an affirmative plan to the appropriate Federal financial supervisory agency to take such action as may be necessary in order for such institution to achieve a rating of “satisfactory record of meeting community credit needs”, or better, at the next examination of the institution; and

(B) the plan has been accepted by such agency.

**(3) Definitions**

For purposes of this subsection, the following definitions shall apply:

**(A) Bank holding company; financial holding company**

The terms “bank holding company” and “financial holding company” have the meanings given those terms in section 1841 of this title.

**(B) Board**

The term “Board” means the Board of Governors of the Federal Reserve System.

**(C) Insured depository institution**

The term “insured depository institution” has the meaning given the term in section 1813(c) of this title.

**(d) Low-cost education loans**

In assessing and taking into account, under subsection (a), the record of a financial institu-

tion, the appropriate Federal financial supervisory agency shall consider, as a factor, low-cost education loans provided by the financial institution to low-income borrowers.

(Pub. L. 95-128, title VIII, §804, Oct. 12, 1977, 91 Stat. 1148; Pub. L. 102-550, title IX, §909(1), Oct. 28, 1992, 106 Stat. 3874; Pub. L. 106-102, title I, §103(b), Nov. 12, 1999, 113 Stat. 1350; Pub. L. 110-315, title X, §1031(a), Aug. 14, 2008, 122 Stat. 3488.)

**Editorial Notes**

REFERENCES IN TEXT

Section 1843(l)(1)(C) of this title, referred to in subsec. (c)(1)(A), (2), was redesignated section 1843(l)(1)(D) of this title by Pub. L. 111-203, title VI, §606(a)(2), July 21, 2010, 124 Stat. 1607.

AMENDMENTS

2008—Subsec. (d). Pub. L. 110-315 added subsec. (d).

1999—Subsec. (c). Pub. L. 106-102 added subsec. (c).

1992—Pub. L. 102-550 designated existing provisions as subsec. (a), inserted heading, and added subsec. (b).

**Statutory Notes and Related Subsidiaries**

EFFECTIVE DATE OF 1999 AMENDMENT

Amendment by Pub. L. 106-102 effective 120 days after Nov. 12, 1999, see section 161 of Pub. L. 106-102, set out as a note under section 24 of this title.

REGULATIONS

Pub. L. 110-315, title X, §1031(b), Aug. 14, 2008, 122 Stat. 3488, provided that: “Not later than 1 year after the date of enactment of this Act [Aug. 14, 2008], each appropriate Federal financial supervisory agency shall issue rules in final form to implement section 804(d) of the Community Reinvestment Act of 1977 [12 U.S.C. 2903(d)], as added by this section.”

**§ 2904. Report to Congress**

Each appropriate Federal financial supervisory agency shall include in its annual report to the Congress a section outlining the actions it has taken to carry out its responsibilities under this chapter.

(Pub. L. 95-128, title VIII, §805, Oct. 12, 1977, 91 Stat. 1148.)

**§ 2905. Regulations**

Regulations to carry out the purposes of this chapter shall be published by each appropriate Federal financial supervisory agency, except that the Comptroller of the Currency shall prescribe regulations applicable to savings associations and the Board of Governors shall prescribe regulations applicable to insured State member banks, bank holding companies and savings and loan holding companies,<sup>1</sup> and shall take effect no later than 390 days after October 12, 1977.

(Pub. L. 95-128, title VIII, §806, Oct. 12, 1977, 91 Stat. 1148; Pub. L. 111-203, title III, §358(2), July 21, 2010, 124 Stat. 1548.)

**Editorial Notes**

AMENDMENTS

2010—Pub. L. 111-203 inserted “, except that the Comptroller of the Currency shall prescribe regulations

<sup>1</sup> See References in Text note below.

<sup>1</sup> So in original.

applicable to savings associations and the Board of Governors shall prescribe regulations applicable to insured State member banks, bank holding companies and savings and loan holding companies," after "supervisory agency".

#### **Statutory Notes and Related Subsidiaries**

##### **EFFECTIVE DATE OF 2010 AMENDMENT**

Amendment by Pub. L. 111-203 effective on the transfer date, see section 351 of Pub. L. 111-203, set out as a note under section 906 of Title 2, The Congress.

### **§ 2906. Written evaluations**

#### **(a) Required**

##### **(1) In general**

Upon the conclusion of each examination of an insured depository institution under section 2903 of this title, the appropriate Federal financial supervisory agency shall prepare a written evaluation of the institution's record of meeting the credit needs of its entire community, including low- and moderate-income neighborhoods.

##### **(2) Public and confidential sections**

Each written evaluation required under paragraph (1) shall have a public section and a confidential section.

#### **(b) Public section of report**

##### **(1) Findings and conclusions**

##### **(A) Contents of written evaluation**

The public section of the written evaluation shall—

- (i) state the appropriate Federal financial supervisory agency's conclusions for each assessment factor identified in the regulations prescribed by the Federal financial supervisory agencies to implement this chapter;
- (ii) discuss the facts and data supporting such conclusions; and
- (iii) contain the institution's rating and a statement describing the basis for the rating.

##### **(B) Metropolitan area distinctions**

The information required by clauses (i) and (ii) of subparagraph (A) shall be presented separately for each metropolitan area in which a regulated depository institution maintains one or more domestic branch offices.

##### **(2) Assigned rating**

The institution's rating referred to in paragraph (1)(C)<sup>1</sup> shall be 1 of the following:

- (A) "Outstanding record of meeting community credit needs".
- (B) "Satisfactory record of meeting community credit needs".
- (C) "Needs to improve record of meeting community credit needs".
- (D) "Substantial noncompliance in meeting community credit needs".

Such ratings shall be disclosed to the public on and after July 1, 1990.

#### **(c) Confidential section of report**

##### **(1) Privacy of named individuals**

The confidential section of the written evaluation shall contain all references that iden-

tify any customer of the institution, any employee or officer of the institution, or any person or organization that has provided information in confidence to a Federal or State financial supervisory agency.

##### **(2) Topics not suitable for disclosure**

The confidential section shall also contain any statements obtained or made by the appropriate Federal financial supervisory agency in the course of an examination which, in the judgment of the agency, are too sensitive or speculative in nature to disclose to the institution or the public.

##### **(3) Disclosure to depository institution**

The confidential section may be disclosed, in whole or part, to the institution, if the appropriate Federal financial supervisory agency determines that such disclosure will promote the objectives of this chapter. However, disclosure under this paragraph shall not identify a person or organization that has provided information in confidence to a Federal or State financial supervisory agency.

#### **(d) Institutions with interstate branches**

##### **(1) State-by-State evaluation**

In the case of a regulated financial institution that maintains domestic branches in 2 or more States, the appropriate Federal financial supervisory agency shall prepare—

(A) a written evaluation of the entire institution's record of performance under this chapter, as required by subsections (a), (b), and (c); and

(B) for each State in which the institution maintains 1 or more domestic branches, a separate written evaluation of the institution's record of performance within such State under this chapter, as required by subsections (a), (b), and (c).

##### **(2) Multistate metropolitan areas**

In the case of a regulated financial institution that maintains domestic branches in 2 or more States within a multistate metropolitan area, the appropriate Federal financial supervisory agency shall prepare a separate written evaluation of the institution's record of performance within such metropolitan area under this chapter, as required by subsections (a), (b), and (c). If the agency prepares a written evaluation pursuant to this paragraph, the scope of the written evaluation required under paragraph (1)(B) shall be adjusted accordingly.

##### **(3) Content of State level evaluation**

A written evaluation prepared pursuant to paragraph (1)(B) shall—

(A) present the information required by subparagraphs (A) and (B) of subsection (b)(1) separately for each metropolitan area in which the institution maintains 1 or more domestic branch offices and separately for the remainder of the nonmetropolitan area of the State if the institution maintains 1 or more domestic branch offices in such nonmetropolitan area; and

(B) describe how the Federal financial supervisory agency has performed the examination of the institution, including a list of the individual branches examined.

<sup>1</sup> So in original. Probably should be paragraph "(1)(A)(iii)".