

AN ACT

IN THE COUNCIL OF THE DISTRICT OF COLUMBIA

To amend the Community Development Act of 2000 to increase lending and services to underserved borrowers, including low-income and moderate-income borrowers, minority residents, and elderly residents, and to encourage increased community development and investment by deposit-receiving institutions.

BE IT ENACTED BY THE COUNCIL OF THE DISTRICT OF COLUMBIA, That this act may be cited as the “Community Development Amendment Act of 2014”.

Sec. 2. The Community Development Act of 2000, effective June 9, 2001 (D.C. Law 13-308; D.C. Official Code § 26-431.01 *et seq.*), is amended as follows:

(a) Section 402 (D.C. Official Code § 26-431.02) is amended as follows:

(1) Designate existing paragraph (1) as paragraph (1A).

(2) A new paragraph (1) is added to read as follows:

“(1) “CFO” means the Chief Financial Officer of the District of Columbia, established by section 424(a) of the District of Columbia Home Rule Act, approved April 17, 1995 (109 Stat. 142; D.C. Official Code § 1-204.24a).”.

(3) A new paragraph (1B) is added to read as follows:

“(1B) “Community development loan” means a loan that:

“(A) Has as its primary purpose community development; and

“(B) Except in the case of a wholesale or limited purpose bank, and unless a multifamily dwelling loan, has not been reported or collected by the bank or an affiliate for consideration in the bank's assessment as a:

“(i) Home mortgage;

“(ii) Small business loan;

“(iii) Small farm loan; or

“(iv) Consumer loan; and

“(C) Benefits the bank's assessment area or a broader District-wide or regional area that includes the bank's assessment area.”.

(4) A new paragraph (4A) is added to read as follows:

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“(4A) “Deposit-receiving institution” means a federal, state, or District chartered bank, savings institution, or credit union that receives after the effective date of the Community Development Amendment Act of 2014, passed on 2nd reading on December 2, 2014 (Enrolled version of Bill 20-540), District contracts pursuant to D.C. Official Code §§ 47-351.02(c) and 47-351.03, including any chartered bank, savings institution, or credit union that has applied to be or is regulated, supervised, examined, or licensed by the Department or a District chartered bank that is engaged in activity covered by D.C. Official Code §§ 47-351.02(c) and 47-351.03; except, that the provision of services provided for and deposits made with regard to District debt transactions does not create a deposit-receiving institution, notwithstanding that deposit receiving institutions may provide those services or receive those deposits.”.

(5) A new paragraph (5A) is added to read as follows:

“(5A) “Elderly resident” means a District resident 55 years of age or older.”.

(6) A new paragraph (14A) is added to read as follows:

“(14A) “Qualified investments” means a lawful investment, deposit, membership share, or grant that has as its primary purpose community development.”.

(b) Section 404 (D.C. Official Code § 26-431.04) is amended as follows:

(1) Subsection (a) is amended by adding a new paragraph (3) to read as follows:

“(3)(A) The Department shall provide a public comment period, the start of which shall be posted on its website, and receive public comments for a period of 30 days on a draft community development plan of a District chartered bank. The Department shall share these comments with the deposit-receiving institution for it to consider in revising its draft community development plan before submitting the plan to the Commissioner.

“(B) The Commissioner shall:

“(i) Consider the responsiveness of the deposit-receiving institution to these comments when preparing findings;

“(ii) Report the final findings, accompanied by the final community development plan, to the CFO; and

“(iii) Submit any subsequent changes to the findings or plan to the CFO.”.

(2) Subsection (c) is amended as follows:

(A) Paragraph (2) is amended by striking the phrase “District and in designated development areas;” and inserting the phrase “District, in designated development areas, and to minority residents, low-income and moderate-income residents, and elderly residents;” in its place.

(B) Paragraph (3) is amended by striking the phrase “District and in designated development areas;” and inserting the phrase “District, in designated development areas, and to minority residents, low-income and moderate-income residents, and elderly residents;” in its place.

(C) Paragraph (10) is amended by striking the word “and” at the end.

(D) Paragraph (11)(B) is amended by striking the period at the end and inserting a semicolon in its place.

(E) A new paragraph (12) is added to read as follows:

“(12) Plans of a District chartered deposit-receiving institution to:

“(A) Make community development loans and qualified investments;

“(B) Engage in foreclosure prevention and mitigation activities, including loan modifications and reclamation of real estate properties for affordable housing;

”(C) Make small business loans, including loans to minority-owned and women-owned small businesses; and

”(D) Locate retail loan officers and community development loan officers in the District and to facilitate contact with these officers by listing phone numbers on the Department’s website and making their contact information widely and easily accessible.”.

(3) New subsections (f) and (g) are added to read as follows:

“(f) An informational copy of the final deposit services contract between a deposit-receiving institution and the CFO under D.C. Official Code §§ 47-351.09(e), 47-351.10(b), and 47-351.11 shall be provided to the Commissioner and may serve as an amendment to a community development plan.

“(g)(1) As a part of the deposit-receiving institution’s response to a request for proposals by the CFO to provide deposit or other financial services to the District government issued after the date of the Community Development Amendment Act of 2014, passed on 2nd reading on December 2, 2014 (Enrolled version of Bill 20-540), a deposit-receiving institution shall submit its community development plan to the CFO. The CFO shall consider the community development plan, or the lack of approval by the applicable regulatory authority of the community development plan, in its evaluation of the deposit-receiving institution’s response to the request for proposals.

“(2) Any community development plan submitted in the request for proposals process shall contain, at a minimum, the deposit-receiving institution's plans for meeting the credit and financial services needs of District residents, particularly those of minority residents, low-income and moderate-income residents, elderly residents, and residents in designated development areas.

“(3) As long as a contract for deposit or other financial services with the District is in effect, a deposit-receiving institution that has been awarded a deposit services contract by the District government shall submit an updated community development plan every 2 years after contracting with the District government or when there is a revision to the community development plan.”.

(c) Section 405 (D.C. Official Code § 26-431.05) is amended by adding a new subsection (c) to read as follows:

“(c) The CFO shall issue an annual report to the Mayor and the Council on which deposit-receiving institutions received contracts for deposits of District funds, excluding funds associated with District debt financings, with a summary of the terms of the contract and the amounts deposited.”.

(d) Section 406 (D.C. Official Code § 26-431.06) is amended by adding new subsections (c) through (f) to read as follows:

“(c) The CFO, when evaluating the community development plan of a deposit-receiving institution shall review the rating category or score assigned to the deposit-receiving institution’s

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plan by the applicable financial supervisory agency and shall publish the final review on its website.

“(d) The CFO shall receive public comments during a 30-day public comment period when reviewing and evaluating the community development plan of a deposit-receiving institution.

“(e) The CFO shall consider in the evaluation done pursuant to subsection (c) of this section whether a deposit-receiving institution is engaged in discriminatory, unfair, or deceptive lending practices as determined by federal agencies under the Equal Credit Opportunity Act, approved October 28, 1974 (88 Stat. 1521; 15 U.S.C. § 1691 *et seq.*), and the Fair Housing Act, approved September 13, 1988 (82 Stat. 81; 42 U.S.C. §§ 3601 *et seq.*), and their implementing regulations, or under the District of Columbia Home Loan Protection Act of 2002, effective May 7, 2000 (D.C. Law 14-132; D.C. Official Code § 26-1151.01 *et seq.*), or Chapter 39 of Title 28 of the D.C. Official Code, and their implementing regulations.

“(f) To apply for a deposit services contract with the District government, a financial institution must receive at least a “satisfactory” rating on its most recent CRA exam.”.

Sec. 3. Fiscal impact statement.

The Council adopts the fiscal impact statement in the committee report as the fiscal impact statement required by section 602(c)(3) of the District of Columbia Home Rule Act, approved December 24, 1973 (87 Stat. 813; D.C. Official Code § 1-206.02(c)(3)).

Sec. 4. Effective date.

This act shall take effect following approval by the Mayor (or in the event of veto by the Mayor, action by the Council to override the veto), a 30-day period of congressional review as provided in section 602(c)(1) of the District of Columbia Home Rule Act, approved December 24, 1973 (87 Stat. 813; D.C. Official Code § 1-206.02(c)(1)), and publication in the District of Columbia Register.

Chairman
Council of the District of Columbia

Mayor
District of Columbia