

House Bill 522

By: Representative Lim of the 99th

A BILL TO BE ENTITLED
AN ACT

1 To amend Article 1 of Chapter 1 of Title 7 of the Official Code of Georgia Annotated,
2 relating to provisions applicable to the Department of Banking and Finance and financial
3 institutions, so as to provide for community reinvestment evaluations to be conducted by the
4 department; to provide for timing, factors for consideration, rating, and other requirements
5 for banking institutions and the department relative to such evaluations; to provide for
6 definitions; to provide for related matters; to repeal conflicting laws; and for other purposes.

7 BE IT ENACTED BY THE GENERAL ASSEMBLY OF GEORGIA:

8 **SECTION 1.**

9 Article 1 of Chapter 1 of Title 7 of the Official Code of Georgia Annotated, relating to
10 provisions applicable to the Department of Banking and Finance and financial institutions,
11 is amended by adding a new part to read as follows:

12 "Part 15

13 7-1-239.20.

14 (a) For purposes of this Code section, the term:

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15 (1) 'Banking institution' means a state-chartered bank, savings bank, or savings and loan
16 association.

17 (2) 'Community Reinvestment Act' or 'CRA' means the federal Community
18 Reinvestment Act of 1977, 12 U.S.C. Section 2901, et seq., as from time to time amended
19 and the federal regulations implementing such act.

20 (3) 'Community reinvestment evaluation' or 'evaluation' means the assessment conducted
21 by the department pursuant to this Code section of a banking institution's performance
22 in satisfying its obligation to help meet the credit needs of its local communities.

23 (b) The department shall conduct community reinvestment evaluations of every banking
24 institution once every 24 to 36 months; provided, however, that the department may
25 conduct the evaluation once every 48 months for a banking institution with total assets less
26 than \$250 million that the department rated 'satisfactory' in its most recent evaluation, and
27 once every 60 months for a banking institution with total assets less than \$250 million that
28 the department rated 'outstanding' in its most recent evaluation. To the extent feasible, the
29 department shall conduct evaluations with the same frequency as, and at the same time as,
30 Community Reinvestment Act examinations conducted by a banking institution's federal
31 regulator.

32 (c) Every banking institution shall provide to the department a copy of any statement,
33 report, or document which it is required to prepare for or file with a federal regulator
34 pursuant to the CRA. The department may also obtain information related to the
35 community reinvestment activities of a banking institution from other state and federal
36 banking regulators provided that the information is relevant to the factors set forth in
37 subsection (e) of this Code section.

38 (d) Based on its evaluation, the department shall assign a performance and numerical
39 rating to represent the banking institution's performance as follows:

40 (1) 'Outstanding' or 'Four' which represents an outstanding record of meeting community
41 credit needs;

42 (2) 'Satisfactory' or 'Three' which represents a satisfactory record of meeting community
43 credit needs;

44 (3) 'Needs to Improve' or 'Two' which represents a need to improve in meeting
45 community credit needs; and

46 (4) 'Substantial Noncompliance' or 'One' which represents substantial noncompliance in
47 meeting community credit needs.

48 (e) In conducting an evaluation, the department shall consider the following factors:

49 (1) Activities conducted by the banking institution to ascertain credit needs of its
50 community, including the extent of the banking institution's efforts to communicate with
51 members of its community regarding the credit services being provided by the banking
52 institution;

53 (2) The extent of the banking institution's marketing and special credit-related programs
54 to make members of the community aware of the credit services offered by the banking
55 institution;

56 (3) The extent of participation by the banking institution's board of directors or board of
57 trustees in formulating the banking institution's policies and reviewing its performance
58 with respect to the purposes of the CRA;

59 (4) Any practices intended to discourage application for types of credit set forth in the
60 banking institution's CRA statements;

61 (5) The geographic distribution of the banking institution's credit extensions, credit
62 applications, and credit denials;

63 (6) Evidence of prohibited discriminatory or other illegal credit practices;

64 (7) The banking institution's record of opening and closing offices and providing services
65 at offices;

66 (8) The banking institution's participation, including investments, in local community
67 development and redevelopment projects or programs and in technical assistance
68 programs for small businesses and businesses owned by minorities, women, and veterans;

69 (9) The banking institution's origination of residential mortgage loans, housing
70 rehabilitation loans, home improvement loans, and loans to small businesses, small farms,
71 or businesses owned by minorities, women, and veterans within its community or the
72 purchase of such loans that originated in its community;

73 (10) The banking institution's participation in governmentally insured, guaranteed, or
74 subsidized loan programs for housing, small businesses, or small farms;

75 (11) The banking institution's ability to meet various community credit needs based on
76 its financial condition, size, legal impediments, local economic condition, and other
77 related factors;

78 (12) The geographic distribution, availability, and use of automated teller machines,
79 point-of-sale terminals, personal computer banking, debit cards, or similar electronic
80 facilities or services, and the extent to which the banking institution provides any training
81 to customers related to such facilities or services; and

82 (13) Other factors that the department may determine reasonably bear upon the extent
83 to which a banking institution is helping to meet the credit needs of its entire community,
84 including, without limitation, the banking institution's participation in credit counseling
85 services.

86 (f) The department shall prepare a written summary of the results of an evaluation and
87 make such summary available to the public. Each banking institution shall include a copy
88 of its three most recent ratings and written summaries in the public file required to be
89 maintained pursuant to the CRA."

90 **SECTION 2.**

91 All laws and parts of laws in conflict with this Act are repealed.