
THE GENERAL ASSEMBLY OF PENNSYLVANIA

HOUSE BILL

No. 2038 Session of
2024

INTRODUCED BY GREEN, KHAN, N. NELSON, HARRIS, BULLOCK, BURGOS,
MAYES, RABB, ABNEY, CEPHAS, PARKER, SMITH-WADE-EL, MADSEN,
FLEMING, KAZEEM, SCOTT, KINSEY, SCHLOSSBERG, GIRAL, SANCHEZ,
HOHENSTEIN, PROBST, CONKLIN, DELLOSO, KENYATTA, D. WILLIAMS,
POWELL, CEPEDA-FREYTIZ, WAXMAN, ROZZI, DALEY AND FIEDLER,
FEBRUARY 20, 2024

REFERRED TO COMMITTEE ON FINANCE, FEBRUARY 20, 2024

AN ACT

1 Amending the act of May 15, 1933 (P.L.565, No.111), entitled "An
2 act relating to the powers and duties of the Department of
3 Banking and Securities and the Secretary of Banking and
4 Securities in exercising supervision over, and taking
5 possession of and conducting or liquidating the business and
6 property of, corporations, associations, and persons
7 receiving deposits or otherwise transacting a banking
8 business, corporations acting as fiduciaries, and building
9 and loan associations; providing for the payment of the
10 expenses of the Department of Banking by supervised
11 corporations, associations, or persons, and appropriating the
12 Banking Department Fund; authorizing the Department of
13 Banking, under certain circumstances, to examine
14 corporations, associations, or persons affiliated, or having
15 business transactions with supervised corporations,
16 associations or persons; authorizing appeals to the Supreme
17 Court, and prescribing and limiting the powers and duties of
18 certain other courts and their prothonotaries, registers of
19 wills, recorders of deeds, and certain State departments,
20 commissions, and officers; authorizing certain local public
21 officers and State departments to collect fees for services
22 rendered under this act; regulating securities; providing
23 penalties; and repealing certain acts and parts of acts,"
24 providing for Building Underserved Communities Program; and
25 imposing duties on the Department of Banking and Securities.

26 The General Assembly of the Commonwealth of Pennsylvania

27 hereby enacts as follows:

1 Section 1. The act of May 15, 1933 (P.L.565, No.111), known
2 as the Department of Banking and Securities Code, is amended by
3 adding an article to read:

4 ARTICLE XI-B

5 BUILDING UNDERSERVED COMMUNITIES PROGRAM

6 Section 1101-B. Definitions.

7 The following words and phrases when used in this article
8 shall have the meanings given to them in this section unless the
9 context clearly indicates otherwise:

10 "Participant." A State-chartered financial institution.

11 "Program." The Building Underserved Communities Program
12 established under section 1102-B.

13 "Underserved community." A community with qualified census
14 tracts where at least 50% of households have an income less than
15 60% of the area median gross income according to the United
16 States Department of Housing and Urban Development or have a
17 poverty rate of at least 25% or more according to the most
18 recent Federal decennial census.

19 Section 1102-B. Building Underserved Communities Program.

20 (a) Establishment.--The Building Underserved Communities
21 Program is established in the department.

22 (b) Purpose.--The program shall:

23 (1) Examine the efforts of participants to provide
24 financial services to underserved communities.

25 (2) Work with participants of the program to provide
26 access to financial services and other methods to build
27 wealth for members of underserved communities.

28 (3) Coordinate with participants to develop new
29 financial products that build generational wealth in
30 underserved communities, including investing in real estate,

1 retirement, savings and checking accounts and other methods
2 to build wealth.

3 Section 1103-B. Participant requirements.

4 (a) Participant plans.--Participants shall create a short-
5 term and long-term plan to expand the geographic territory of
6 the participant and offer financial products or services to an
7 underserved community.

8 (b) Reports.--A participant must report compliance under
9 subsection (a) to the department by October 1, 2025, and every
10 October 1 thereafter for the immediately preceding year. The
11 report under this subsection shall include:

12 (1) Financial products and services provided by the
13 participant.

14 (2) The number of individuals who utilized financial
15 products or services provided by the participant in the
16 previous year.

17 (3) Financial losses or gains resulting from the
18 program.

19 (4) Any benefit gained by a small business under the
20 program.

21 (5) Any other information determined by the department.

22 Section 1104-B. Duties of department.

23 (a) Duties.--The department shall:

24 (1) Develop and receive participant reports under
25 section 1103-B.

26 (2) Consult with participants on best practices and
27 methods on developing short-term and long-term plans as
28 required by section 1103-B.

29 (3) Compile and document participant reports.

30 (4) Publish a report by January 1, 2025, and every

1 January 1 thereafter for the immediately preceding year,
2 compiling the following information:

3 (i) Information obtained from participant reports.

4 (ii) The number of financial institutions providing
5 services to underserved communities.

6 (iii) The number and types of services that are
7 being provided to underserved communities.

8 (iv) The number and amount of individuals that were
9 provided with financial services and not able to receive
10 similar services prior to the establishment of the
11 program.

12 (v) The cost-benefit analysis of providing greater
13 access to financial services in underserved communities.

14 (b) Submission.--The annual report under this section shall
15 be submitted to the Governor, the Secretary of Community and
16 Economic Development, the President pro tempore of the Senate,
17 the Speaker of the House of Representatives, the chairperson and
18 minority chairperson of the Appropriations Committee of the
19 Senate, the chairperson and minority chairperson of the
20 Appropriations Committee of the House of Representatives, the
21 chairperson and minority chairperson of the Banking and
22 Insurance Committee of the Senate and the chairperson and
23 minority chairperson of the Commerce Committee of the House of
24 Representatives.

25 Section 2. This act shall take effect in 60 days.