
THE GENERAL ASSEMBLY OF PENNSYLVANIA

SENATE BILL

No. 119 Session of
2025

INTRODUCED BY HUGHES, STREET, KEARNEY, COSTA, TARTAGLIONE AND
KANE, JANUARY 22, 2025

REFERRED TO BANKING AND INSURANCE, JANUARY 22, 2025

AN ACT

1 Amending Title 7 (Banks and Banking) of the Pennsylvania
2 Consolidated Statutes, providing for community reinvestment,
3 for community reinvestment by banks and for community
4 reinvestment by nonbank entities.

5 The General Assembly of the Commonwealth of Pennsylvania
6 hereby enacts as follows:

7 Section 1. Title 7 of the Pennsylvania Consolidated Statutes
8 is amended by adding a part to read:

9 PART III

10 COMMUNITY REINVESTMENT

11 Chapter

12 71. Community Reinvestment by Banks

13 72. Community Reinvestment by Nonbank Entities

14 CHAPTER 71

15 COMMUNITY REINVESTMENT BY BANKS

16 Sec.

17 7101. Definitions.

18 7102. Duties of banks.

19 7103. Duties of department.

1 7104. Community reinvestment notice.

2 7105. Assessment of banks.

3 7106. Lists of banks by department.

4 7107. Transaction approval.

5 § 7101. Definitions.

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

9 "Bank." A banking institution as defined under section 6102
10 (relating to definitions). The term does not include a special
11 purpose bank that does not perform commercial or retail banking
12 services in which credit is granted to the public in the
13 ordinary course of business, other than as an incident to the
14 special purpose bank's specialized operations, including, but
15 not limited to, banker's banks and banks that engage only in
16 providing cash management controlled disbursement services or
17 servicing as correspondent banks, trust companies or clearing
18 agents.

19 "Community reinvestment laws." The provisions of 12 U.S.C.
20 Ch. 30 (relating to community reinvestment), and the regulations
21 adopted by the Federal financial supervisory agencies as
22 provided under 12 CFR Ch. I Pt. 25 (relating to Community
23 Reinvestment Act and interstate deposit production regulations),
24 Ch. II Subch. A Pt. 228 (relating to community reinvestment
25 (regulation BB)) and Ch. III Subch. B Pt. 345 (relating to
26 community reinvestment), as applicable to the specific type of
27 bank.

28 "Community reinvestment performance." The performance of a
29 nonbank entity in helping to meet the credit needs of the
30 community credit union's entire community, including low-income

1 neighborhoods and moderate-income neighborhoods.

2 "Department." The Department of Banking and Securities of
3 the Commonwealth.

4 "Federal financial supervisory agency." The Office of the
5 Comptroller of the Currency, the Board of Governors of the
6 Federal Reserve System, the Federal Deposit Insurance
7 Corporation and any successor to such agencies, as applicable to
8 the specific type of bank.

9 § 7102. Duties of banks.

10 (a) Local communities.--Each bank shall, in accordance with
11 the provisions of community reinvestment laws and without
12 excluding low-income neighborhoods and moderate-income
13 neighborhoods, delineate the local community or communities that
14 comprise the bank's entire community within this Commonwealth or
15 delineate one or more assessment areas, as applicable, within
16 which the department shall evaluate the bank's record of helping
17 to meet the credit needs of the entire community. The department
18 shall review the delineation for compliance with community
19 reinvestment laws and this subsection in connection with an
20 examination of the bank under section 401 of the act of May 15,
21 1933 (P.L.565, No.111), known as the Department of Banking and
22 Securities Code.

23 (b) Loan information.--Each bank shall collect and report
24 loan information in accordance with the applicable requirements
25 of community investment laws. Each bank shall file with the
26 department a copy of each disclosure statement prepared for the
27 bank by a Federal financial supervisory agency under community
28 investment laws within 30 business days of receiving the
29 statement.

30 (c) Public access.--Copies of the public section of the most

1 recent community reinvestment performance evaluation prepared by
2 the department under section 7105(b)(2) (relating to assessment
3 of banks) shall be provided to the public by mail, upon request.
4 A bank may charge a reasonable fee not to exceed the cost of
5 copying and mailing, if applicable.

6 (d) Public file.--Each bank shall maintain a public file in
7 accordance with community reinvestment laws. Each bank shall
8 place a copy of the public section of the bank's most recent
9 community reinvestment performance evaluation prepared by the
10 department under section 7105(b)(2) in the public file within 30
11 business days of receipt from the department. The bank may also
12 include in the public file any response to the community
13 reinvestment performance evaluation. The bank shall make a copy
14 of the public section of the community reinvestment performance
15 evaluation available to the public for inspection upon request
16 and at no cost at the bank's main office and at each of the
17 bank's branches in this Commonwealth. A bank that received a
18 less than satisfactory rating during the bank's most recent
19 examination under section 7105 shall include in its public file
20 a description of the bank's current efforts to improve
21 performance in helping to meet the credit needs of the entire
22 community. The bank shall update the description quarterly.

23 (e) Strategic plan.--The department may assess a bank's
24 record of helping to meet the credit needs of the bank's
25 assessment areas under a strategic plan under community
26 reinvestment laws, provided the strategic plan is filed with the
27 department concurrently with the strategic plan's submission by
28 the bank to a Federal financial supervisory agency for approval
29 under community reinvestment laws, and the strategic plan is
30 approved by the department.

1 § 7103. Duties of department.

2 The department shall assess the record of each bank in
3 satisfying the bank's continuing and affirmative obligations to
4 help meet the credit needs of the bank's local communities,
5 including low-income neighborhoods and moderate-income
6 neighborhoods and shall provide for the consideration of the
7 records in connection with an application considered under
8 section 7105(c) (relating to assessment of banks).

9 § 7104. Community reinvestment notice.

10 (a) Public notice.--Except as provided in subsection (d),
11 each bank shall provide, in the public lobby of each of its
12 offices, a public notice substantially similar to the one
13 provided in this subsection and subsection (b). Bracketed
14 material shall be used only by a bank having more than one local
15 community.

16 COMMUNITY REINVESTMENT NOTICE

17 Community reinvestment requires the evaluation of our
18 performance in helping to meet the credit needs of this
19 community, and to take this evaluation into account when the
20 Pennsylvania Department of Banking and Securities decides on
21 certain applications submitted by us.

22 Your involvement is encouraged.

23 You should know that:

24 You may obtain our current Community Reinvestment Statement
25 for this community in this office. (Current Community
26 Reinvestment Statements for other communities served by us
27 are available at our main office, located at:

28)

29 You may send signed, written comments about our Community
30 Reinvestment Statement or our performance in helping to meet

1 community credit needs to (title and address of bank
2 official) and to the Department of Banking and Securities
3 (address). Your letter, together with any responses by us,
4 may be made public.

5 You may look at a file of all signed, written comments
6 received by us within the past two years, any response we
7 have made to the comments and all Community Reinvestment
8 Statements in effect during the past two years at our office
9 located at (address). You also may look at the file about
10 this community at (name and address of designated office).
11 You may ask to look at any comments received by the
12 Department of Banking and Securities.

13 (b) Subsidiaries.--If the bank is a subsidiary of a holding
14 company, the following provision shall be included in the
15 community reinvestment notice required under subsection (a):

16 We are a subsidiary of (name of holding company), a
17 (bank/savings and loan) holding company. You may request
18 from the (Federal Reserve Bank) of (address) an
19 announcement of applications covered by the community
20 reinvestment statement filed by holding companies.

21 (c) Most recent evaluations.--Except as provided in
22 subsection (d) (2), within 30 business days of receiving the most
23 recent community reinvestment performance evaluation prepared by
24 the department or a Federal financial supervisory agency, each
25 bank shall add the following provision to the community
26 reinvestment notice required under subsection (a):

27 You may obtain the public section of our most recent
28 community reinvestment performance evaluation at (name
29 and address of main office and designated community
30 office).

1 (d) Additional notice.--

2 (1) On and after July 1, 2023, in addition to the public
3 notice required under community reinvestment laws, each bank
4 shall provide in the public lobby of its main office and each
5 of its branches in this Commonwealth a public notice
6 substantially similar to the following:

7 COMMONWEALTH OF PENNSYLVANIA

8 COMMUNITY REINVESTMENT NOTICE

9 The Pennsylvania Department of Banking and Securities
10 evaluates our record of helping to meet the credit needs of
11 this community. The Department of Banking and Securities also
12 takes this record into account when deciding on certain
13 applications submitted by us.

14 Your involvement is encouraged.

15 In addition to the information that you are entitled to
16 receive under the Federal Community Reinvestment Act, as
17 listed in the "Community Reinvestment Act Notice" posted in
18 this lobby, you may review today the public section of our
19 most recent community reinvestment performance evaluation
20 prepared by the Department of Banking and Securities.

21 You may send written comments about our performance in
22 helping to meet community credit needs to the Department of
23 Banking and Securities (address). Your letter, together with
24 any response by us, will be considered by the Department of
25 Banking and Securities in evaluating our community
26 reinvestment performance and may be made public.

27 You may ask to look at any comments received by the
28 Department of Banking and Securities.

29 (2) Notwithstanding the provisions of subsections (a),
30 (b) and (c), prior to July 1, 2023, a bank may use the form

1 of public notice provided under paragraph (1) in lieu of the
2 form of public notice provided under subsections (a), (b) and
3 (c), if the use is consistent with the form of public notice
4 required to be used by the bank under community reinvestment
5 laws.

6 (e) Combination of notices.--The information, statements,
7 evaluations and notices required under this section and section
8 7102(e) (relating to duties of banks) may be combined with or
9 attached to the information, statements, evaluations and notices
10 required under community reinvestment laws.

11 § 7105. Assessment of banks.

12 (a) Factors.--The department shall assess the record of the
13 performance of the bank in helping to meet the credit needs of
14 the bank's entire community, including low-income neighborhoods
15 and moderate-income neighborhoods. The department shall assess
16 the community reinvestment performance of a bank utilizing the
17 applicable methodology provided in community reinvestment laws.
18 In addition, the department shall consider the following in
19 assessing a bank's record of performance:

20 (1) The bank's record of offering escrow accounts for
21 purposes of paying property taxes.

22 (2) Efforts of the bank to work with delinquent
23 residential mortgage customers who are unemployed or
24 underemployed to facilitate a resolution of the delinquency.

25 (3) The fair housing efforts of the bank in
26 collaboration with State and local agencies.

27 (4) The bank's record relating to abusive practices that
28 result in the loss of affordable housing.

29 (5) Written comments received by the department.

30 (b) Community reinvestment performance evaluation.--

1 (1) Upon the conclusion of the assessment required under
2 subsection (a), the department shall prepare a written
3 evaluation of the bank's record of meeting the credit needs
4 of the bank's entire community, including low-income
5 neighborhoods and moderate-income neighborhoods. Each
6 community reinvestment performance evaluation prepared under
7 this subsection shall have a public section and a
8 confidential section.

9 (2) The public section of the community reinvestment
10 performance evaluation shall:

11 (i) State the department's assessment of the
12 community reinvestment performance of the bank utilizing
13 the applicable methodology provided under community
14 reinvestment laws.

15 (ii) Discuss the facts supporting the assessment.

16 (iii) Contain the bank's rating and a statement
17 describing the basis for the rating. The rating shall be
18 one of the following:

19 (A) outstanding record of meeting community
20 credit needs;

21 (B) high satisfactory record of meeting
22 community credit needs;

23 (C) low satisfactory record of meeting community
24 credit needs;

25 (D) needs to improve record of meeting community
26 credit needs; or

27 (E) substantial noncompliance in meeting
28 community credit needs.

29 (3) The department shall provide a copy of the public
30 portion of the community reinvestment performance evaluation

1 to the bank upon completion of the evaluation.

2 (4) The confidential section of the performance
3 evaluation shall contain all references that identify any
4 customer of the bank, any employee or officer of the bank or
5 any person that has provided information in confidence to the
6 department or to any Federal financial supervisory agency.
7 The confidential section shall also contain any statements
8 obtained or made by the department in the course of an
9 examination which, in the judgment of the department, are too
10 sensitive or speculative in nature to disclose to the bank or
11 the public. The confidential section may be disclosed, in
12 whole or in part, to the bank if the department determines
13 that the disclosure will promote the objectives of this
14 chapter, except that no disclosure shall identify a person
15 that has provided information in confidence to the department
16 or to any Federal financial supervisory agency.

17 (c) Consideration of applications.--In considering an
18 application for the establishment of a branch or other facility
19 with the ability to accept deposits, the relocation of the main
20 office or a branch office or a merger or consolidation with or
21 the acquisition of assets or stock or assumption of liabilities
22 of another bank, the department shall consider, but not be
23 limited to considering, the bank's record of performance. A
24 bank's record of performance in helping to meet the credit needs
25 of the bank's community may be the basis for denying or
26 conditioning such an application.

27 (d) Rules and regulations.--The department may promulgate
28 rules and regulations necessary to implement this section.

29 § 7106. Lists of banks by department.

30 The department shall annually prepare and submit to the State

1 Treasurer a list of banks which have received a rating of low
2 satisfactory or lower in connection with the community
3 reinvestment performance evaluation prepared by the department
4 under section 7105 (relating to assessment of banks) or by a
5 Federal financial supervisory agency pursuant to community
6 reinvestment laws, whichever evaluation is made available most
7 recently. No bank included on the list may receive deposits from
8 the State Treasurer. In preparing the list, the department may
9 rely on information received from a Federal financial
10 supervisory agency.

11 § 7107. Transaction approval.

12 (a) Compliance requirement.--

13 (1) The department may not grant any approval under the
14 act of November 30, 1965 (P.L.847, No.356), known as the
15 Banking Code of 1965, unless the department finds that:

16 (i) Based on the most recent applicable performance
17 evaluation and any related information required by the
18 department, the entity has a record of compliance with
19 the requirements of community reinvestment laws, this
20 chapter, to the extent applicable, and applicable
21 consumer protection laws.

22 (ii) Except as otherwise provided in this
23 subsection, if the entity, and, in the case of an
24 approval, the bank or any subsidiary bank of the holding
25 company, received any overall rating other than an
26 assigned rating of high satisfactory or higher on the
27 most recent applicable community reinvestment performance
28 evaluation, the resulting entity will provide adequate
29 services to meet the banking needs of all community
30 residents, including low-income residents and moderate-

1 income residents, to the extent permitted by its charter,
2 in accordance with the strategic plan submitted by the
3 applicant to the department in a form and containing the
4 information as the department may require or, if
5 acceptable to the department, in accordance with an
6 approved strategic plan prepared under community
7 reinvestment laws that is submitted by the applicant to
8 the department.

9 (2) Upon receiving the strategic plan, the department
10 shall make the plan available for public inspection and
11 comment at the department. The department shall transmit
12 notice of the plan's submission and availability for
13 inspection to the Legislative Reference Bureau for
14 publication in the next available issue of the Pennsylvania
15 Bulletin and provide for public comments. With the
16 concurrence of the department, the applicant shall publish,
17 in the form of a legal advertisement in a newspaper of
18 general circulation, notice of the plan's submission and
19 availability for public inspection and comment. The notice
20 shall state that the inspection and comment period will last
21 for a period of 30 days from the date of publication. The
22 department shall not make the finding until the expiration of
23 the 30-day period.

24 (3) In making the finding, the department shall, unless
25 clearly inapplicable, consider, among other factors, whether
26 the plan:

27 (i) identifies specific unmet credit and consumer
28 banking needs in the local community;

29 (ii) specifies how credit and consumer banking needs
30 will be satisfied;

1 (iii) provides for sufficient distribution of
2 banking services among branches or satellite devices, or
3 both, located in low-income neighborhoods;

4 (iv) contains adequate assurances that banking
5 services will be offered on a nondiscriminatory basis;
6 and

7 (v) demonstrates a commitment to extend credit for
8 housing, small business and consumer purposes in low-
9 income neighborhoods.

10 (4) The submission of the plan shall not be required in
11 the case of an approval under the Banking Code of 1965, if
12 the department requires the filing of the information in lieu
13 of a plan. If the department determines that an applicant is
14 an eligible entity, the department may exempt the applicant
15 from the requirement that the applicant file a plan or
16 require the information in lieu of a plan.

17 (5) The department shall not approve the transaction if
18 the transaction would result in a monopoly or would be in
19 furtherance of any combination or conspiracy to monopolize or
20 attempt to monopolize the business of banking in this
21 Commonwealth, or if the department determines that the effect
22 of the proposed transaction may be to substantially lessen
23 competition, would tend to create a monopoly or would be in
24 restraint of trade, unless the department finds that the
25 anticompetitive effects of the proposed transaction are
26 clearly outweighed in the public interest by the probable
27 effect of the transaction in meeting the convenience and
28 needs of the community to be served.

29 (b) Determination by department.--

30 (1) The department shall not make a determination

1 stating that the department does not disapprove an offer,
2 invitation, request, agreement or acquisition unless the
3 department finds that:

4 (i) Based on the most recent applicable performance
5 evaluation and any related information required by the
6 department, the acquiring person, if the person is a
7 bank, and the acquiring person's subsidiaries, if the
8 person is a holding company, has a record of compliance
9 with the requirements of community reinvestment laws,
10 this chapter, to the extent applicable, and applicable
11 consumer protection laws.

12 (ii) Except as otherwise provided in this
13 subsection, if the bank or any banking subsidiary of the
14 holding company referred to in the acquisition statement
15 received any overall rating other than an assigned rating
16 of high satisfactory or higher on its most recent
17 applicable community reinvestment performance evaluation,
18 the bank or banking subsidiary shall provide adequate
19 services to meet the banking needs of all community
20 residents, including low-income residents and moderate-
21 income residents, to the extent permitted by its charter
22 or charters.

23 (2) If the acquiring person is not an individual, or if
24 the acquiring person is an individual who would be the
25 beneficial owner of 25% or more of any class of voting
26 securities of the bank or holding company referred to in the
27 acquisition statement, the finding as to the adequacy of
28 services to be provided shall be based on a plan submitted by
29 the acquiring person to the department, in a form and
30 containing the information as the department may require, or,

1 if acceptable to the department, in accordance with an
2 approved strategic plan prepared under community reinvestment
3 laws, or the relevant portion thereof, that is submitted by
4 the acquiring person to the department.

5 (3) Upon receiving the plan, the department shall make
6 the plan available for public inspection and comment at the
7 department's office. The department shall transmit notice of
8 the plan's submission and the availability for inspection to
9 the Legislative Reference Bureau for publication in the next
10 available issue of the Pennsylvania Bulletin and provide for
11 public comment. With the concurrence of the department, the
12 acquiring person shall publish, in the form of a legal
13 advertisement in a newspaper of general circulation, notice
14 of the plan's submission and availability for public
15 inspection and comment. The notice shall state that the
16 inspection and comment period will last for a period of 30
17 days from the date of publication. The department shall not
18 make a finding until the expiration of the 30-day period.

19 (4) (i) In making the finding, the department shall
20 consider, among other factors, whether the plan:

21 (A) identifies specific unmet credit and
22 consumer banking needs in the local community;

23 (B) specifies how the credit and consumer
24 banking needs will be satisfied;

25 (C) provides for sufficient distribution of
26 banking services among branches or satellite devices,
27 or both, located in low-income neighborhoods;

28 (D) contains adequate assurances that banking
29 services will be offered on a nondiscriminatory
30 basis; and

1 (E) demonstrates a commitment to extend credit
2 for housing, small business and consumer purposes in
3 low-income neighborhoods.

4 (ii) The department may exempt an acquiring person
5 from the requirement that the acquiring person file a
6 plan if the department determines that the bank or
7 banking subsidiary referred to in the acquisition
8 statement is an eligible entity.

9 (5) If the acquiring person is an individual who would
10 be the beneficial owner of less than 25% of all classes of
11 voting securities of the bank or holding company referred to
12 in the acquisition statement, the department shall make the
13 finding as to adequacy of services to be provided based on
14 the commitment of the acquiring person to use the acquiring
15 person's best efforts to cause the bank or banking
16 subsidiaries of the holding company to provide the services.
17 The department shall not make a determination stating that
18 the department does not disapprove the offer, invitation,
19 request, agreement or acquisition if the offer, invitation,
20 request, agreement or acquisition would result in a monopoly
21 or would be in furtherance of any combination or conspiracy
22 to monopolize or attempt to monopolize the business of
23 banking in this Commonwealth, or if the department should
24 determine that the effect of the proposed offer, invitation,
25 request, agreement or acquisition may be to substantially
26 lessen competition, would tend to create a monopoly or would
27 be in restraint of trade, unless the department finds that
28 the anticompetitive effects of the proposed transaction are
29 clearly outweighed in the public interest by the probable
30 effect of the transaction in meeting the convenience and

1 needs of the community to be served.

2 (c) Definitions.--As used in this section, the following
3 words and phrases shall have the meanings given to them in this
4 subsection unless the context clearly indicates otherwise:

5 "Eligible entity." An entity which:

6 (1) Received a composite rating of one or two under the
7 Uniform Financial Institutions Rating System as a result of
8 the entity's most recent safety and soundness examination.

9 (2) Received a compliance rating of one or two on the
10 entity's most recent compliance examination.

11 (3) Received a satisfactory or better rating on the
12 entity's most recent community reinvestment performance
13 evaluation.

14 (4) Is well capitalized, as defined in 12 CFR 324.403(b)
15 (1) (relating to capital measures and capital category
16 definitions).

17 (5) Is not subject to a cease and desist order, consent
18 order, prompt correction action directive, written agreement,
19 memorandum of understanding or other administrative agreement
20 with the entity's primary Federal or State banking regulator.

21 (6) Is not subject to any formal or informal
22 administrative action by the entity's primary Federal or
23 State banking regulator.

24 CHAPTER 72

25 COMMUNITY REINVESTMENT BY NONBANK ENTITIES

26 Sec.

27 7201. Definitions.

28 7202. Community reinvestment.

29 7203. Community reinvestment performance evaluation.

30 7204. Community reinvestment notice.

1 7205. Effect on certain approvals.

2 7206. Lists of nonbank entities by department.

3 § 7201. Definitions.

4 The following words and phrases when used in this chapter
5 shall have the meanings given to them in this section unless the
6 context clearly indicates otherwise:

7 "Assessment area." One or more of the geographic areas as
8 delineated by a community credit union that:

9 (1) Consists of one or more metropolitan statistical
10 areas or one or more contiguous political subdivisions,
11 including, but not limited to, counties, cities or towns.

12 (2) Includes geographies in which the community credit
13 union has a principal office, subsidiary offices and share-
14 taking automated teller machines.

15 (3) Includes the surrounding geographies in which the
16 community credit union originates or purchases a substantial
17 portion of loans.

18 "Community credit union." A Pennsylvania credit union which
19 has \$10,000,000 or more in total assets and the membership of
20 which is limited to persons within a well-defined community,
21 neighborhood or rural district.

22 "Community reinvestment performance." The performance of a
23 nonbank entity in helping to meet the credit needs of the
24 community credit union's entire community, including low-income
25 neighborhoods and moderate-income neighborhoods.

26 "Mortgage broker." As defined under section 6102 (relating
27 to definitions).

28 "Mortgage lender." As defined under section 6102.

29 "Nonbank entity." A community credit union, a mortgage
30 broker and a mortgage lender.

1 § 7202. Community reinvestment.

2 (a) Credit needs.--Each nonbank entity shall satisfy its
3 continuing and affirmative obligation to help meet the credit
4 needs of its community, including low-income neighborhoods and
5 moderate-income neighborhoods.

6 (b) Evaluation.--Not later than January 1, 2023, each
7 nonbank entity shall delineate one or more assessment areas
8 within which the department shall evaluate the nonbank entity's
9 community reinvestment performance in this Commonwealth and
10 shall file the delineations with the department. An assessment
11 area shall consist only of whole geographies and may not reflect
12 illegal discrimination, arbitrarily exclude low-income
13 geographies or moderate-income geographies or extend
14 substantially beyond a consolidated metropolitan statistical
15 area boundary or beyond a state boundary, unless the assessment
16 area is located in a multistate metropolitan statistical area. A
17 nonbank entity may adjust the boundaries of the nonbank entity's
18 assessment areas to include only the portion of a political
19 subdivision that the nonbank entity reasonably can be expected
20 to serve. A nonbank entity shall immediately file an amendment
21 with the department reflecting an adjustment of the boundaries
22 of an assessment area.

23 (c) Periodic assessment.--The department shall assess
24 periodically the community reinvestment performance of a nonbank
25 entity. The department shall assess the community reinvestment
26 performance of the nonbank entity based on the following:

27 (1) The nonbank entity's record of helping to meet the
28 credit needs of the assessment area or areas through
29 qualified investments that benefit the nonbank entity's
30 assessment area or areas or a broader Statewide or regional

1 area that includes the nonbank entity's assessment area or
2 areas.

3 (2) The nonbank entity's record of helping to meet the
4 credit needs of the assessment area or areas, by analyzing
5 both the availability and effectiveness of the nonbank
6 entity's systems for delivering retail credit union services
7 and the extent and innovativeness of the nonbank entity's
8 community development services.

9 (3) The loan-to-share ratio given the nonbank entity's
10 size and financial condition, credit needs of the assessment
11 area or areas and other lending-related activities,
12 considering seasonal variations, as used in 12 CFR 228.26
13 (relating to limited purpose banks).

14 (4) The percentage of total loans and other lending-
15 related activities within the assessment area or areas.

16 (5) The record of lending and other lending-related
17 activities to borrowers of different income levels and
18 businesses and farms of different sizes.

19 (6) The geographic distribution of loans.

20 (7) The action taken in response to written complaints
21 with respect to community reinvestment performance.

22 (8) The efforts of the nonbank entity to work with
23 delinquent residential mortgage customers who are unemployed
24 or underemployed to facilitate a resolution of the
25 delinquency.

26 (9) The written comments received by the department.

27 (d) Community reinforcement performance evaluation.--

28 (1) Upon the completion of the assessment required under
29 subsection (c), the department shall prepare a written
30 evaluation of the nonbank entity's community reinvestment

1 performance.

2 (2) (i) The community reinvestment performance
3 evaluation shall:

4 (A) State the department's assessment of the
5 community reinvestment performance of the nonbank
6 entity.

7 (B) Provide and discuss the facts supporting the
8 assessment.

9 (C) Contain the nonbank entity's rating and a
10 statement describing the basis for the rating. The
11 rating shall be one of the following:

12 (I) outstanding record of meeting community
13 credit needs;

14 (II) high satisfactory record of meeting
15 community credit needs;

16 (III) low satisfactory record of meeting
17 community credit needs;

18 (IV) needs to improve record of meeting
19 community credit needs; or

20 (V) substantial noncompliance in meeting
21 community credit needs.

22 (ii) The department shall furnish a copy of the
23 community reinvestment performance evaluation to the
24 nonbank entity upon completion.

25 § 7203. Community reinvestment performance evaluation.

26 (a) Public access.--Each nonbank entity shall provide to the
27 public, by mail, upon request, copies of the most recent
28 community reinvestment performance evaluation prepared by the
29 department under section 7202 (relating to community
30 reinvestment). A community credit union may charge a reasonable

1 fee not to exceed the cost of copying and mailing, if
2 applicable.

3 (b) Public file.--Each nonbank entity shall maintain a
4 public file in which it shall place, not later than 30 business
5 days after receipt from the department, a copy of the nonbank
6 entity's most recent community reinvestment performance
7 evaluation prepared by the department under section 7202. The
8 nonbank entity may also include in the public file any response
9 to the community reinvestment performance evaluation that the
10 nonbank entity makes. The nonbank entity shall make a copy of
11 the community reinvestment performance evaluation available to
12 the public for inspection upon request and at no cost at the
13 nonbank entity's principal office and at each of its subsidiary
14 offices in this Commonwealth. A nonbank entity that receives a
15 rating of "low satisfactory record of meeting community credit
16 needs" or lower on its most recent evaluation shall include in
17 the public file a description of the nonbank entity's current
18 efforts to improve its performance in helping to meet the credit
19 needs of the entire community. The nonbank entity shall update
20 the description quarterly until it receives a "high satisfactory
21 record of meeting community needs" or better rating from the
22 department.

23 § 7204. Community reinvestment notice.

24 Each nonbank entity shall provide in the public lobby of its
25 principal office and each of its subsidiary offices in this
26 Commonwealth a public notice substantially similar to the
27 following:

28 COMMONWEALTH OF PENNSYLVANIA

29 COMMUNITY REINVESTMENT NOTICE

30 The Pennsylvania Department of Banking and Securities

1 evaluates our record of helping to meet the credit needs of
2 this community. The Department of Banking and Securities may
3 also consider this record when deciding on certain
4 applications submitted by us.

5 Your involvement is encouraged.

6 You may review today our most recent community reinvestment
7 performance evaluation prepared by the Department of Banking
8 and Securities.

9 You may send written comments about our community
10 reinvestment performance to the Department of Banking and
11 Securities (address). Your comments, together with any
12 response by us, will be considered by the Department of
13 Banking and Securities in evaluating our community
14 reinvestment performance and may be made public.

15 You may ask to look at any comments received by the
16 Department of Banking and Securities.

17 § 7205. Effect on certain approvals.

18 (a) Considerations.--The department may consider the
19 community reinvestment performance of a nonbank entity in
20 connection with the following:

21 (1) An approval of an amendment to the certificate of
22 incorporation under 17 Pa.C.S. (relating to credit unions).

23 (2) An approval of an expansion of the nonbank entity's
24 field of membership under 17 Pa.C.S.

25 (3) An approval of a merger under 17 Pa.C.S.

26 (b) Withhold or condition approval.--The department may
27 withhold approval of or condition an issuance of approval of the
28 amendment, expansion or merger under this section.

29 § 7206. Lists of nonbank entities by department.

30 (a) List.--The department shall annually prepare and submit

1 to the State Treasurer a list of nonbank entities that the
2 department rated in a community reinvestment performance
3 evaluation prepared under section 7202 (relating to community
4 reinvestment) as follows:

5 (1) "low satisfactory record of meeting community credit
6 needs";

7 (2) "needs to improve record of meeting community credit
8 needs"; or

9 (3) "substantial noncompliance in meeting community
10 credit needs."

11 (b) Prohibition.--A nonbank entity included on the list may
12 not receive money under the provisions of 17 Pa.C.S. (relating
13 to credit unions).

14 Section 2. This act shall take effect in 365 days.