

107TH CONGRESS
1ST SESSION

H. R. 865

To enhance the availability of capital and credit for all citizens and communities, to ensure that community reinvestment keeps pace as banks, securities firms, and other financial service providers become affiliates as a result of the enactment of the Gramm-Leach-Bliley Act, and for other purposes.

IN THE HOUSE OF REPRESENTATIVES

MARCH 6, 2001

Mr. BARRETT (for himself, Mr. GUTIERREZ, Mr. FRANK, Mrs. JONES of Ohio, Ms. BALDWIN, Ms. MCKINNEY, Mr. MCGOVERN, Ms. HOOLEY of Oregon, Mr. CAPUANO, Mr. BONIOR, Mr. BLAGOJEVICH, Mr. ACEVEDO-VILÁ, Mr. FILNER, Mr. HINCHEY, Ms. ROYBAL-ALLARD, Mrs. MEEK of Florida, Mr. ENGEL, Mr. McDERMOTT, Mr. TOWNS, Mr. RUSH, and Ms. NORTON) introduced the following bill; which was referred to the Committee on Financial Services

A BILL

To enhance the availability of capital and credit for all citizens and communities, to ensure that community reinvestment keeps pace as banks, securities firms, and other financial service providers become affiliates as a result of the enactment of the Gramm-Leach-Bliley Act, and for other purposes.

1 *Be it enacted by the Senate and House of Representa-*
2 *tives of the United States of America in Congress assembled,*

1 **SECTION 1. SHORT TITLE; TABLE OF CONTENTS.**

2 (a) SHORT TITLE.—This Act may be cited as the
3 “Community Reinvestment Modernization Act of 2001”.

4 (b) TABLE OF CONTENTS.—The table of contents for
5 this Act is as follows:

- Sec. 1. Short title; table of contents.
- Sec. 2. Findings.
- Sec. 3. Purposes.

TITLE I—MODERNIZATION OF COMMUNITY REINVESTMENT ACT
OF 1977 AND COMMUNITY SERVICE OBLIGATIONS

- Sec. 101. Extension of community reinvestment obligations within a financial holding company.
- Sec. 102. Provisions relating to improved responsiveness of insured depository institutions to Community Reinvestment Act of 1977.
- Sec. 103. Reduction of CRA rating due to predatory lending and other negative credit practices.
- Sec. 104. Responsiveness to community needs for securities and investment services.
- Sec. 105. Responsiveness to community needs for mortgages and mortgage related services by mortgage banks.
- Sec. 106. Responsiveness to community needs for insurance services.
- Sec. 107. Satisfactory ratings required by securities company, mortgage bank, and insurance company affiliates of financial holding companies.

TITLE II—DATA DISCLOSURE REQUIREMENTS

Subtitle A—Disclosure of Insurance Availability and Insurer Investment
Information

- Sec. 201. Short title.
- Sec. 202. Establishment of general requirements to submit information.
- Sec. 203. Reporting of noncommercial insurance information.
- Sec. 204. Reporting of rural insurance information.
- Sec. 205. Waiver of reporting requirements.
- Sec. 206. Reporting by private mortgage insurers.
- Sec. 207. Reporting of information regarding investments by insurers.
- Sec. 208. Submission of information to Secretary and maintenance of information.
- Sec. 209. Availability and access system.
- Sec. 210. Designations.
- Sec. 211. Enforcement.
- Sec. 212. Exemption and relation to State laws.
- Sec. 213. Regulations.
- Sec. 214. Definitions.
- Sec. 215. Effective date.

Subtitle B—Improvements in Other Data Disclosure Requirements

- Sec. 221. Improve small business and agriculture lending data disclosure.
 Sec. 222. Maintenance and disclosure of information by the Financial Institutions Examination Counsel.

TITLE III—REGULATORY AND STRUCTURAL REFORMS

- Sec. 301. Antiredlining requirement for financial holding companies.
 Sec. 302. Notice and public comment required before establishing a financial holding company.
 Sec. 303. Public meetings for bank acquisitions and mergers.
 Sec. 304. CRA examination schedule for small banks.
 Sec. 305. CRA sunshine requirements.
 Sec. 306. Continuing community reinvestment requirement for financial holding companies.
 Sec. 307. Changes in reporting requirements under the Home Mortgage Disclosure Act of 1975.

1 **SEC. 2. FINDINGS.**

2 The Congress hereby finds as follows:

3 (1) It is necessary to increase homeownership
 4 and small business ownership for low- and moderate-
 5 income borrowers and persons of color.

6 (2) The United States has an overall home-
 7 ownership rate of 66.7 percent, while Hispanic and
 8 African-American homeownership rates are 46.2 per-
 9 cent and 46.9 percent respectively.

10 (3) The homeownership rate in central cities is
 11 50.3 percent, compared to 73.5 percent for the sub-
 12 urbs.

13 (4) It is necessary to close the wealth gap in
 14 the United States and to increase access to insur-
 15 ance products.

16 (5) In 1998, the median net worth for His-
 17 panic, African-American, Asian, and other minority
 18 families was \$16,400, which was 17.3 percent of the

1 median net worth of \$94,900 for nonhispanic white
2 families.

3 (6) Families earning \$10,000 to \$25,000 had a
4 median net worth of \$24,800 in 1998 but \$31,000
5 in 1995.

6 (7) Research conducted by the chief economist
7 of the National Association of Insurance Commis-
8 sioners found that after controlling for risk of loss,
9 a 10 percentage point increase in the number of mi-
10 norities in a zip code is associated with a 2 percent-
11 age point increase in the number of “FAIR plans”,
12 which are government-sponsored insurance plans of
13 last resort for those who cannot obtain insurance in
14 the private market.

15 (8) In order to increase access to credit, wealth
16 and insurance, it is necessary to modernize the Com-
17 munity Reinvestment Act of 1977 to reflect shifting
18 trends in the financial services industry.

19 (9) Currently, about 40 percent of the assets in
20 the financial industry reside in bank and thrifts and
21 are covered by the Community Reinvestment Act of
22 1977, down from about 60 percent in the early
23 1980s.

24 **SEC. 3. PURPOSES.**

25 The purposes of this Act are as follows:

1 (1) To enhance the availability of financial serv-
2 ices to citizens of all economic circumstances and in
3 all geographic areas.

4 (2) To enhance the ability of financial institu-
5 tions to meet the capital and credit needs of all citi-
6 zens and communities, including underserved com-
7 munities and populations.

8 (3) To ensure that community reinvestment
9 keeps pace with the affiliation of banks, securities
10 firms, and other financial service providers, as pro-
11 vided by the Gramm-Leach-Bliley Act.

12 **TITLE I—MODERNIZATION OF**
13 **COMMUNITY REINVESTMENT**
14 **ACT OF 1977 AND COMMUNITY**
15 **SERVICE OBLIGATIONS.**

16 **SEC. 101. EXTENSION OF COMMUNITY REINVESTMENT OB-**
17 **LIGATIONS WITHIN A FINANCIAL HOLDING**
18 **COMPANY.**

19 Section 4(l) of the Bank Holding Company Act of
20 1956 (12 U.S.C. 1843(l)) is amended by adding at the
21 end the following new paragraph:

22 “(4) COMMUNITY NEEDS.—

23 “(A) IN GENERAL.—All nonbank affiliates
24 of bank holding companies that engage in lend-
25 ing or offer banking products or services shall

1 be subject to the Community Reinvestment Act
2 of 1977 in accordance with this paragraph and
3 in the same manner as a regulated financial in-
4 stitution (as defined in such Act) and the
5 record of any such affiliate in meeting commu-
6 nity credit, investment, and consumer needs
7 shall be taken into account by the Federal regu-
8 latory agency with jurisdiction over the affili-
9 ate’s bank holding company in the course of re-
10 viewing the activities of the bank holding com-
11 pany or any application by such affiliate.

12 “(B) BANKING PRODUCTS AND SERVICES
13 DEFINED.—For purposes of this paragraph, the
14 term ‘banking products and services’ includes—

15 “(i) insured deposits (as defined in
16 section 3 of the Federal Deposit Insurance
17 Act) and related deposit services;

18 “(ii) consumer loans and extensions of
19 credit and the servicing such loans and ex-
20 tensions of credit;

21 “(iii) loans to purchase, refinance,
22 construct, improve, or repair domestic resi-
23 dential housing or manufactured housing,
24 including single-family and multifamily

1 residential housing loans and home-equity
2 loans, and the servicing of such loans;

3 “(iv) small business and commercial
4 loans and the servicing of such loans; and

5 “(v) checking accounts, savings ac-
6 counts, and related accounts or instru-
7 ments, including accounts from which the
8 owner may make withdrawals by negotiable
9 or transferable instruments for the purpose
10 of making payments to third parties.”.

11 **SEC. 102. PROVISIONS RELATING TO IMPROVED RESPON-**
12 **SIVENESS OF INSURED DEPOSITORY INSTITU-**
13 **TIONS TO COMMUNITY REINVESTMENT ACT**
14 **OF 1977.**

15 (a) RATING REQUIRED FOR EACH STATE, METRO-
16 POLITAN AREA, AND SERVICE AREA.—Section 807(b)(1)
17 of the Community Reinvestment Act of 1977 (12 U.S.C.
18 2906(b)(1)) is amended by striking subparagraph (B) and
19 inserting the following new subparagraphs to read as fol-
20 lows:

21 “(B) INITIAL SEPARATE EVALUATION AND
22 RATING FOR STATE, METROPOLITAN, OTHER
23 SERVICE AREAS REQUIRED.—The information
24 required by clauses (i) and (ii) of subparagraph
25 (A) with respect to any regulated financial in-

1 stitution shall be presented separately, and an
2 initial rating shall be determined separately,
3 for—

4 “(i) each metropolitan area in which
5 the regulated financial institution main-
6 tains 1 or more domestic branches;

7 “(ii) each State in which the regulated
8 financial institution maintains 1 or more
9 domestic branches outside of a metropoli-
10 tan area; and

11 “(iii) each community in which the
12 regulated financial institution makes more
13 than 0.5 percent of the total amount of
14 loans.

15 “(C) CONTENT OF SEPARATE EVALUA-
16 TION.—A written evaluation to which subpara-
17 graph (B) applies shall describe how the Fed-
18 eral financial supervisory agency has performed
19 the examination of the regulated financial insti-
20 tution, including a list of the individual domes-
21 tic branches examined.

22 “(D) LOW AND HIGH SATISFACTORY RAT-
23 INGS.—In assigning ratings under subpara-
24 graphs (A) and (B), a Federal financial super-
25 visory agency may assign a rating of ‘low satis-

1 factory record of meeting community credit
2 needs' or 'high satisfactory record of meeting
3 community credit needs' in lieu of the rating re-
4 ferred to in paragraph (2)(B).”.

5 (b) ADDITIONAL PERFORMANCE FACTORS.—Section
6 804(a)(1) of the Community Reinvestment Act of 1977
7 (12 U.S.C. 2903(a)(1)) is amended—

8 (1) by inserting “and neighborhoods of different
9 racial characteristics” after “low- and moderate-in-
10 come neighborhoods”; and

11 (2) By inserting “, taking into account the in-
12 stitution’s share of the total amount of credit ex-
13 tended in neighborhoods of different racial and in-
14 come characteristics within such community” before
15 the semicolon at the end.

16 (c) TECHNICAL AND CONFORMING AMENDMENTS.—

17 (1) Section 807(b)(1)(A)(iii) of the Community
18 Reinvestment Act of 1977 (12 U.S.C.
19 2906(b)(1)(A)(iii)) is amended—

20 (A) by inserting “overall” after “the insti-
21 tution’s”; and

22 (B) by inserting “, taking into account
23 each of the initial ratings determined under
24 subparagraph (B) for each State, metropolitan,
25 and service area in which the institution makes

1 more than 0.5 percent of the total amount of
2 loans” before the period at the end.

3 (2) Section 807 of the Community Reinvest-
4 ment Act of 1977 (12 U.S.C. 2906) is amended—

5 (A) by striking subsection (d); and

6 (B) by redesignating subsection (e) as sub-
7 section (d).

8 **SEC. 103. REDUCTION OF CRA RATING DUE TO PREDATORY**
9 **LENDING AND OTHER NEGATIVE CREDIT**
10 **PRACTICES.**

11 (a) IN GENERAL.—Section 804 of the Community
12 Reinvestment Act of 1977 (12 U.S.C. 2903) is amended
13 by adding at the end the following new subsections:

14 “(d) TREATMENT OF PREDATORY LENDING AND
15 OTHER DISCRIMINATORY CREDIT PRACTICES.—In the
16 case of a regulated financial institution, or affiliate of any
17 such institution, which the appropriate Federal financial
18 supervisory agency determines has engaged in any credit
19 practice which has a negative impact on a community or
20 neighborhood, such as predatory lending, or has engaged
21 in any other lending practice or service in a manner which
22 unlawfully discriminates against any person or against
23 low- and moderate-income neighborhoods, the agency—

24 “(1) may not take any such practice or service
25 into account in assessing the institution’s record of

1 meeting the credit needs of its entire community;
2 and

3 “(2) shall reduce the rating that would other-
4 wise obtain under section 807 with respect to such
5 institution after consideration of the extent of such
6 negative or discriminatory practice or service.

7 “(e) MAINTENANCE OF CERTAIN RECORDS.—For
8 purposes of determining whether a regulated financial in-
9 stitution engages in any practice or service described in
10 subsection (d), an appropriate Federal financial super-
11 visory agency may require, by regulation, regulated finan-
12 cial institutions to maintain records of the terms and con-
13 ditions of credit extended by the institution or the terms
14 and conditions at which credit was offered even though
15 no credit was extended.”.

16 **SEC. 104. RESPONSIVENESS TO COMMUNITY NEEDS FOR**
17 **SECURITIES AND INVESTMENT SERVICES.**

18 (a) AFFIRMATIVE OBLIGATION.—The purpose of this
19 section is to recognize that each securities company has,
20 with respect to each community comprising an assessment
21 area of such company, a continuing and affirmative obliga-
22 tion to meet the need for financial services in such commu-
23 nities, including the needs of low- and moderate-income
24 neighborhoods and persons of modest means.

1 (b) DEFINITIONS.—For purposes of this section, the
2 following definitions shall apply:

3 (1) ASSESSMENT AREA.—The term “assessment
4 area” means, with respect to a securities company,
5 each community in which such company—

6 (A) maintains a retail office or is rep-
7 resented by an agent; or

8 (B) has not less than 0.5 percent of the
9 total market in securities.

10 (2) COMMUNITY DEVELOPMENT INVEST-
11 MENT.—The term “community development invest-
12 ment” means investment in activities that revitalize
13 and stabilize low- and moderate-income neighbor-
14 hoods and directly benefit low- and moderate-income
15 individuals, including investment in affordable hous-
16 ing, community services, small-business development,
17 and economic development.

18 (3) SECURITIES COMPANY.—The term “securi-
19 ties company” means any person who is—

20 (A) a broker or dealer that is registered
21 under the Securities Exchange Act of 1934;

22 (B) a registered investment adviser, prop-
23 erly registered by or on behalf of either the Se-
24 curities and Exchange Commission, with re-
25 spect to the investment advisory activities of

1 such investment adviser and activities incidental
2 to such investment advisory activities; or

3 (C) an investment company that is reg-
4 istered under the Investment Company Act of
5 1940.

6 (c) PROGRAM.—

7 (1) IN GENERAL.—The Securities and Ex-
8 change Commission, in consultation with the Sec-
9 retary of the Treasury, shall develop a program to
10 ensure that securities companies meet the obliga-
11 tions described in subsection (a) and the require-
12 ments of the program under this subsection.

13 (2) FACTORS TO BE INCLUDED.—

14 (A) CUSTOMER EVALUATION.—The pro-
15 gram shall include, as appropriate, a method
16 for evaluating a securities company's record of
17 helping to meet the securities investment needs
18 of its assessment area, including—

19 (i) the number and distribution of
20 customers throughout the community, in-
21 cluding low- and moderate-income neigh-
22 borhoods and the dollar amounts of the in-
23 vestments made by such customers; and

24 (ii) the extent to which the company
25 has adopted innovative and flexible mar-

1 keting methods, such as low minimum
2 amounts to open accounts and low trans-
3 action fees, that facilitate the sale of secu-
4 rities to low- and moderate-income cus-
5 tomers.

6 (B) COMMUNITY DEVELOPMENT INVEST-
7 MENTS.—The program shall include, as appro-
8 priate, a method for evaluating a securities
9 company’s record of community development in-
10 vestment in each assessment area, including—

11 (i) the number and dollar amount of
12 community development investments in the
13 assessment area; and

14 (ii) the responsiveness of the securi-
15 ties company, through community develop-
16 ment investments, to the credit, capital,
17 and community development needs of the
18 assessment area, including low- and mod-
19 erate-income neighborhoods.

20 (C) PERFORMANCE.—The program shall
21 include, as appropriate, a method for evaluating
22 a securities company’s record of providing ac-
23 cess to securities services in each assessment
24 area, including—

1 (i) the company's record of opening or
2 closing retail offices in the assessment
3 area;

4 (ii) the extent to which the securities
5 company has adopted effective alternate
6 marketing systems in low- and moderate-
7 income neighborhoods, such as providing
8 the means for low- and moderate-income
9 individuals to gain electronic access to the
10 company at community centers and similar
11 locations in low- and moderate-income
12 neighborhoods; and

13 (iii) the extent to which the securities
14 company has provided investment edu-
15 cation and other investment services, such
16 as financial counseling classes, in low- and
17 moderate-income neighborhoods in the as-
18 sessment area.

19 (3) RATING.—

20 (A) IN GENERAL.—The program shall pro-
21 vide for—

22 (i) an evaluation and an initial rating
23 of the performance of each securities com-
24 pany in meeting the obligation established

1 under subsection (a) in each assessment
2 area of the company; and

3 (ii) an overall rating, based on the ini-
4 tial ratings pursuant to clause (i) of the
5 overall achievement of the securities com-
6 pany in meeting such obligation.

7 (B) TREATMENT OF INVESTMENT PRAC-
8 TICES WITH NEGATIVE IMPACTS.—In the case
9 of any securities company which the Securities
10 and Exchange Commission determines has en-
11 gaged in securities and investment practices
12 which have a negative impact on any assess-
13 ment area of the company or has otherwise en-
14 gaged in any practice or provided any service in
15 a manner which unlawfully discriminates
16 against any person or against low- and mod-
17 erate-income neighborhoods, the Commission—

18 (i) may not take any such practice
19 into account in assessing the extent to
20 which such company has met its obligation
21 under subsection (a); and

22 (ii) shall reduce the rating that would
23 otherwise obtain under subparagraph (A)
24 with respect to such company, after consid-

1 ering the extent of such negative or dis-
2 criminationary practice or service.”.

3 (C) MAINTENANCE OF CERTAIN
4 RECORDS.—For purposes of determining wheth-
5 er a securities company engages in any practice
6 or service described in subparagraph (B), the
7 Securities and Exchange Commission may re-
8 quire, by regulation, securities companies to
9 maintain records of the terms and conditions at
10 which securities products and services were pro-
11 vided by the company and the terms and condi-
12 tions at which such securities products or serv-
13 ices were offered by the company even though
14 no transaction occurred.

15 (4) CONSIDERATION OF SECURITIES COMPANY
16 RATING.—Whenever the Commission considers an
17 application to the Commission by a securities com-
18 pany, the Securities and Exchange Commission
19 shall—

20 (A) take into account the overall rating of
21 the securities company under this subsection;

22 (B) provide opportunity for comment on
23 such rating; and

24 (C) take into account changes in the com-
25 munity reinvestment performance of such com-

1 pany since the last overall rating and the likely
2 future community reinvestment performance of
3 such company.

4 (d) **RELEASE OF DATA.**—Information collected by
5 the Securities and Exchange Commission in connection
6 with the program under subsection (c) shall be made pub-
7 licly available by the Commission in a format similar to
8 the format for public disclosure of information under the
9 Home Mortgage Disclosure Act of 1975, as determined
10 to be appropriate by the Commission.

11 **SEC. 105. RESPONSIVENESS TO COMMUNITY NEEDS FOR**
12 **MORTGAGES AND MORTGAGE RELATED**
13 **SERVICES BY MORTGAGE BANKS.**

14 (a) **AFFIRMATIVE OBLIGATION.**—Each mortgage
15 bank shall have, with respect to each community com-
16 prising an assessment area of such mortgage bank, a con-
17 tinuing and affirmative obligation to meet the mortgage
18 credit and mortgage service needs of such communities,
19 including extensions of credit in low- and moderate-income
20 neighborhoods of such communities.

21 (b) **DEFINITIONS.**—For purposes of this section, the
22 following definitions shall apply:

23 (1) **ASSESSMENT AREA.**—The term “assessment
24 area” means, with respect to a mortgage bank, each
25 community in which such company—

1 (A) maintains a retail office or is rep-
2 resented by an agent; or

3 (B) has not less than 0.5 percent of the
4 total market in housing-related loans.

5 (2) COMMUNITY DEVELOPMENT INVEST-
6 MENT.—The term “community development invest-
7 ment” means investment in activities that revitalize
8 and stabilize low- and moderate-income neighbor-
9 hoods and directly benefit low- and moderate-income
10 individuals, including investment in affordable hous-
11 ing, community services, small-business development,
12 and economic development.

13 (3) MORTGAGE BANK.—The term “mortgage
14 bank” means any lender who does not accept depos-
15 its (as defined in section 3 of the Federal Deposit
16 Insurance Act) and originates housing-related loans.

17 (4) SECRETARY.—The term “Secretary” means
18 the Secretary of Housing and Urban Development.

19 (c) PROGRAM.—

20 (1) IN GENERAL.—The Secretary, in consulta-
21 tion with the Secretary of the Treasury, shall de-
22 velop a program to ensure that mortgage banks
23 meet the obligations described in subsection (a) and
24 the requirements of the program under this sub-
25 section.

1 (2) FACTORS TO BE INCLUDED.—

2 (A) CUSTOMER EVALUATION.—The pro-
3 gram shall include, as appropriate, a method
4 for evaluating a mortgage bank's record of
5 helping to meet the mortgage credit and mort-
6 gage service needs of its assessment area, in-
7 cluding—

8 (i) the number and distribution of
9 customers throughout the community, in-
10 cluding low- and moderate-income neigh-
11 borhoods and the dollar amounts of the
12 mortgage credit extended to such cus-
13 tomers by the mortgage bank; and

14 (ii) the extent to which the mortgage
15 bank has adopted innovative and flexible
16 marketing methods that facilitate the ex-
17 tension of mortgage credit on a non-
18 discriminatory basis to low- and moderate-
19 income customers.

20 (B) COMMUNITY DEVELOPMENT INVEST-
21 MENTS.—The program shall include, as appro-
22 priate, a method for evaluating a mortgage
23 bank's record of community development invest-
24 ment in each assessment area, including—

1 (i) the number and dollar amount of
2 community development investments in the
3 assessment area; and

4 (ii) the responsiveness of the mort-
5 gage bank, through community develop-
6 ment investments, to the credit, capital,
7 and community development needs of the
8 assessment area, including low- and mod-
9 erate-income neighborhoods.

10 (C) PERFORMANCE.—The program shall
11 include, as appropriate, a method for evaluating
12 a mortgage bank’s record of providing access to
13 mortgage credit and mortgage services in each
14 assessment area, including—

15 (i) the bank’s record of opening or
16 closing retail offices in the assessment
17 area;

18 (ii) the extent to which the mortgage
19 bank has adopted effective alternate mar-
20 keting systems in low- and moderate-in-
21 come neighborhoods, such as providing the
22 means for low- and moderate-income indi-
23 viduals to gain electronic access to the
24 mortgage bank at community centers and

1 similar locations in low- and moderate-in-
2 come neighborhoods;

3 (iii) the extent to which the mortgage
4 bank has provided home purchaser and
5 home owner education and other coun-
6 seling services, such as financial counseling
7 classes, in low- and moderate-income
8 neighborhoods in the assessment area.

9 (iv) the mortgage bank's market share
10 in neighborhoods of different racial and in-
11 come characteristics;

12 (v) the number of applications re-
13 ceived from and loans made to minorities
14 and low- and moderate-income persons;

15 (vi) a comparison of the rate at which
16 the mortgage bank rejects applications
17 from minority and white applicants; and

18 (vii) any evidence of illegal discrimina-
19 tory credit practices, including
20 prescreening, or offering less favorable
21 loan products to applicants of different ra-
22 cial backgrounds.

23 (3) RATING.—

24 (A) IN GENERAL.—The program shall pro-
25 vide for—

1 (i) an evaluation and an initial rating
2 of the performance of each mortgage bank
3 in meeting the obligation established under
4 subsection (a) in each assessment area of
5 the bank; and

6 (ii) an overall rating, based on the ini-
7 tial ratings pursuant to clause (i) of the
8 overall achievement of the mortgage bank
9 in meeting such obligation.

10 (B) TREATMENT OF CREDIT PRACTICES
11 WITH NEGATIVE IMPACTS.—In the case of any
12 mortgage bank which the Secretary determines
13 has engaged in credit practices which have a
14 negative impact on any individuals or any as-
15 sessment area of the company, such as
16 prescreening or predatory mortgage lending, or
17 has otherwise engaged in any practice or pro-
18 vided any service in a manner which unlawfully
19 discriminates against any person or against
20 low- and moderate-income neighborhoods, the
21 Commission—

22 (i) may not take any such practice
23 into account in assessing the extent to
24 which such company has met its obligation
25 under subsection (a); and

1 (ii) shall reduce the rating that would
2 otherwise obtain under subparagraph (A)
3 with respect to such company, after consid-
4 ering the extent of such negative or dis-
5 criminatory practice or service.

6 (C) MAINTENANCE OF CERTAIN
7 RECORDS.—For purposes of determining wheth-
8 er a mortgage bank engages in any practice or
9 service described in subparagraph (B), the Sec-
10 retary may require, by regulation, mortgage
11 banks to maintain records of the terms and
12 conditions at which mortgage loans and other
13 services were provided by the company and the
14 terms and conditions at which such mortgage
15 loans and other products and services were of-
16 fered by the bank even though no transaction
17 occurred.

18 (d) CONSIDERATION OF MORTGAGE BANK'S RAT-
19 ING.—

20 (1) REVIEW OF RATING.—On an annual basis
21 or at such shorter time-period as the Secretary may
22 determine to be appropriate, the Secretary shall—

23 (A) review the overall rating of each mort-
24 gage bank under this subsection;

1 (B) provide opportunity for comment on
2 such rating; and

3 (C) review changes in the community rein-
4 vestment performance of such mortgage bank
5 since the last overall rating and the likely fu-
6 ture community reinvestment performance of
7 such mortgage bank.

8 (2) NOTIFICATION OF UNSATISFACTORY PER-
9 FORMANCE.—If, in conjunction with a review pursu-
10 ant to paragraph (1), the Secretary determines that
11 a mortgage bank has failed to meet the bank’s obli-
12 gations described in subsection (a) and the require-
13 ments of the program under this subsection or failed
14 to make satisfactory improvements in meeting such
15 obligations and requirements, the Secretary shall no-
16 tify the mortgage bank of such determination, de-
17 scribing the conditions giving rise to the notice.

18 (3) AGREEMENT TO CORRECT CONDITIONS RE-
19 QUIRED.—Not later than 45 days after the date of
20 receipt by a mortgage bank of a notice given under
21 paragraph (2) (or such additional period as the Sec-
22 retary may permit), the mortgage bank shall execute
23 an agreement with the Secretary to comply with the
24 obligations and requirements applicable to the mort-
25 gage bank under this section.

1 (4) SECRETARY MAY IMPOSE LIMITATIONS.—
2 Until the conditions described in a notice to a mort-
3 gage bank under paragraph (2) are corrected, the
4 Secretary may impose such limitations on the extent
5 to which mortgage loans originated, held, or serviced
6 by such mortgage bank may be acquired by the Fed-
7 eral Home Mortgage Corporation or the Federal Na-
8 tional Mortgage Association as the Secretary deter-
9 mines to be appropriate under the circumstances
10 and consistent with the purposes of this section.

11 (5) FAILURE TO CORRECT.—If the conditions
12 described in a notice to a mortgage bank under
13 paragraph (2) are not corrected within 180 days
14 after the date of receipt by the mortgage bank of a
15 notice under paragraph (2), the Secretary shall pro-
16 hibit the Federal Home Mortgage Corporation and
17 the Federal National Mortgage Association from ac-
18 quiring any mortgage loan originated, held, or serv-
19 iced by such mortgage bank.

20 (6) CONSULTATION.—In taking any action
21 under this subsection, the Secretary shall consult
22 with all relevant Federal and State regulatory agen-
23 cies and authorities.

1 **SEC. 106. RESPONSIVENESS TO COMMUNITY NEEDS FOR IN-**
2 **SURANCE SERVICES.**

3 (a) **AFFIRMATIVE OBLIGATION.**—The purpose of this
4 section is to recognize that each insurance company has,
5 with respect to each community comprising an assessment
6 area of such company, a continuing and affirmative obliga-
7 tion to meet the need for insurance services in such com-
8 munities, including the needs of low- and moderate-income
9 neighborhoods and persons of modest means.

10 (b) **DEFINITIONS.**—For purposes of this section, the
11 following definitions shall apply:

12 (1) **ASSESSMENT AREA.**—The term “assessment
13 area” means, with respect to an insurance company,
14 each community in which such company—

15 (A) maintains a retail office or is rep-
16 resented by an agent; or

17 (B) has not less than 0.5 percent of the
18 total market in insurance.

19 (2) **COMMUNITY DEVELOPMENT INVEST-**
20 **MENT.**—The term “community development invest-
21 ment” means investment in activities that revitalize
22 and stabilize low- and moderate-income neighbor-
23 hoods and directly benefit low- and moderate-income
24 individuals, including investment in affordable hous-
25 ing, community services, small-business development,
26 and economic development.

1 (3) INSURANCE COMPANY.—The term “insur-
2 ance company” includes any person engaged in the
3 business of insurance to the extent of such activities.

4 (4) SECRETARY.—The term “Secretary” means
5 the Secretary of Housing and Urban Development.

6 (c) PROGRAM.—

7 (1) IN GENERAL.—The Secretary, in consulta-
8 tion with the Secretary of the Treasury, shall de-
9 velop a program to ensure that insurance companies
10 meet the obligations described in subsection (a) and
11 the requirements of the program under this sub-
12 section.

13 (2) FACTORS TO BE INCLUDED.—

14 (A) CUSTOMER EVALUATION.—The pro-
15 gram shall include, as appropriate, a method
16 for evaluating an insurance company’s record of
17 helping to meet the insurance needs of its as-
18 sessment area, including—

19 (i) the number and distribution of
20 customers throughout the community, in-
21 cluding low- and moderate-income neigh-
22 borhoods and the dollar amounts of the in-
23 surance policies held by such customers;
24 and

1 (ii) the extent to which the company
2 has adopted innovative and flexible mar-
3 keting methods that facilitate the sale of
4 insurance on a nondiscriminatory basis to
5 low- and moderate-income customers.

6 (B) COMMUNITY DEVELOPMENT INVEST-
7 MENTS.—The program shall include, as appro-
8 priate, a method for evaluating an insurance
9 company’s record of community development in-
10 vestment in each assessment area, including—

11 (i) the number and dollar amount of
12 community development investments in the
13 assessment area; and

14 (ii) the responsiveness of the insur-
15 ance company, through community devel-
16 opment investments, to the credit, capital,
17 and community development needs of the
18 assessment area, including low- and mod-
19 erate-income neighborhoods.

20 (C) PERFORMANCE.—The program shall
21 include, as appropriate, a method for evaluating
22 an insurance company’s record of providing ac-
23 cess to insurance services in each assessment
24 area, including—

1 (i) the company's record of opening or
2 closing retail offices or affiliating with
3 agents in the assessment area;

4 (ii) the extent to which the insurance
5 company has adopted effective alternate
6 marketing systems in low- and moderate-
7 income neighborhoods, such as providing
8 the means for low- and moderate-income
9 individuals to gain electronic access to the
10 company at community centers and similar
11 locations in low- and moderate-income
12 neighborhoods; and

13 (iii) the extent to which the insurance
14 company has provided insurance education
15 and other insurance services, such as fi-
16 nancial counseling classes, in low- and
17 moderate-income neighborhoods in the as-
18 sessment area.

19 (3) RATING.—The program shall provide for—

20 (i) an evaluation and an initial rating
21 of the performance of each insurance com-
22 pany in meeting the obligation established
23 under subsection (a) in each assessment
24 area of the company; and

1 (ii) an overall rating, based on the ini-
2 tial ratings pursuant to clause (i) of the
3 overall achievement of the insurance com-
4 pany in meeting such obligation.

5 (B) TREATMENT OF INSURANCE PRAC-
6 TICES WITH NEGATIVE IMPACTS.—In the case
7 of any insurance company which the Secretary
8 determines has engaged in practices which have
9 a negative impact on any assessment area of
10 the company or has otherwise engaged in any
11 practice or provided any service in a manner
12 which unlawfully discriminates against any per-
13 son or against low- and moderate-income neigh-
14 borhoods, the Commission—

15 (i) may not take any such practice
16 into account in assessing the extent to
17 which such company has met its obligation
18 under subsection (a); and

19 (ii) shall reduce the rating that would
20 otherwise obtain under subparagraph (A)
21 with respect to such company after consid-
22 eration of the extent of such negative or
23 discriminatory practice or service.

24 (C) MAINTENANCE OF CERTAIN
25 RECORDS.—For purposes of determining wheth-

1 er an insurance company engages in any prac-
2 tice or service described in subparagraph (B),
3 the Secretary may require, by regulation, insur-
4 ance companies to maintain records of the
5 terms and conditions at which insurance prod-
6 ucts and services were provided by the company
7 and the terms and conditions at which such in-
8 surance products or services were offered by the
9 company even though no transaction occurred.

10 (d) CONSIDERATION OF INSURANCE COMPANY'S
11 RATING.—

12 (1) REVIEW OF RATING.—On an annual basis
13 or at such shorter time-period as the Secretary may
14 determine to be appropriate, the Secretary shall—

15 (A) review the overall rating of each insur-
16 ance company under this subsection;

17 (B) provide opportunity for comment on
18 such rating; and

19 (C) review changes in the community rein-
20 vestment performance of such insurance com-
21 pany since the last overall rating and the likely
22 future community reinvestment performance of
23 such insurance company.

24 (2) NOTIFICATION OF UNSATISFACTORY PER-
25 FORMANCE.—If, in conjunction with a review pursu-

1 ant to paragraph (1), the Secretary determines that
2 an insurance company has failed to meet the com-
3 pany's obligations described in subsection (a) and
4 the requirements of the program under this sub-
5 section or failed to make satisfactory improvements
6 in meeting such obligations and requirements, the
7 Secretary shall notify the insurance company and
8 each appropriate State insurance regulator of such
9 determination, describing the conditions giving rise
10 to the notice.

11 (3) AGREEMENT TO CORRECT CONDITIONS RE-
12 QUIRED.—Not later than 45 days after the date of
13 receipt by an insurance company of a notice given
14 under paragraph (2) (or such additional period as
15 the Secretary may permit), the insurance company
16 shall execute an agreement with the Secretary to
17 comply with the obligations and requirements appli-
18 cable to the insurance company under this section.

19 (4) SECRETARY MAY IMPOSE LIMITATIONS.—
20 Until the conditions described in a notice to an in-
21 surance company under paragraph (2) are corrected,
22 the Secretary may impose such limitations on the ex-
23 tent to which mortgage loans secured by real prop-
24 erty insured by such insurance company may be ac-
25 quired by the Federal Home Mortgage Corporation

1 or the Federal National Mortgage Association as the
2 Secretary determines to be appropriate under the
3 circumstances and consistent with the purposes of
4 this section.

5 (5) FAILURE TO CORRECT.—If the conditions
6 described in a notice to a mortgage bank under
7 paragraph (2) are not corrected within 180 days
8 after the date of receipt by the mortgage bank of a
9 notice under paragraph (2), the Secretary shall—

10 (A) prohibit the Federal Home Mortgage
11 Corporation and the Federal National Mortgage
12 Association from acquiring any mortgage loan
13 secured by real property insured by such insur-
14 ance company;

15 (B) publish notice of such failure to cor-
16 rect in the Federal Register; and

17 (C) notify each appropriate State insur-
18 ance regulator of such failure to correct.

19 (6) CONSULTATION.—In taking any action
20 under this subsection, the Secretary shall consult
21 with all relevant Federal and State regulatory agen-
22 cies and authorities.

23 (e) HEALTH AND LIFE INSURANCE LINES NOT IN-
24 CLUDED.—This section and section 107 shall not apply

1 to life or health lines of insurance or to insurance compa-
2 nies that provide only life or health insurance products.

3 **SEC. 107. SATISFACTORY RATINGS REQUIRED BY SECURI-**
4 **TIES COMPANY, MORTGAGE BANK, AND IN-**
5 **SURANCE COMPANY AFFILIATES OF FINAN-**
6 **CIAL HOLDING COMPANIES.**

7 (a) IN GENERAL.—Section 4(l)(1) of the Bank Hold-
8 ing Company Act of 1956 (12 U.S.C. 1843(l)(1)) is
9 amended—

10 (1) by striking “and” at the end of subpara-
11 graph (B);

12 (2) by redesignating subparagraph (C) as sub-
13 paragraph (F); and

14 (3) by inserting after subparagraph (B) the fol-
15 lowing new subparagraphs:

16 “(C) all of the securities company affiliates
17 of the bank holding company have a satisfac-
18 tory rating of meeting community needs under
19 section 104 of the Community Reinvestment
20 Modernization Act of 2001;

21 “(D) all of the mortgage bank affiliates of
22 the bank holding company have a satisfactory
23 rating of meeting community needs under sec-
24 tion 105 of the Community Reinvestment Mod-
25 ernization Act of 2001;

1 “(E) all of the insurance company affili-
2 ates of the bank holding company have a satis-
3 factory rating of meeting community needs
4 under section 106 of the Community Reinvest-
5 ment Modernization Act of 2001; and”.

6 (b) TECHNICAL AND CONFORMING AMENDMENTS.—

7 (1) Section 5(a) of the Bank Holding Company
8 Act of 1956 (12 U.S.C. 1844(a)) is amended by
9 striking “section 4(l)(1)(C)” and inserting “section
10 4(l)(1)(F)”.

11 (2) Section 8(c)(3)(A) of the International
12 Banking Act of 1978 (12 U.S.C. 3106(c)(3)(A)) is
13 amended by striking “section 4(l)(1)(C)” and insert-
14 ing “section 4(l)(1)(F)”.

15 **TITLE II—DATA DISCLOSURE**
16 **REQUIREMENTS**

17 **Subtitle A—Disclosure of Insurance**
18 **Availability and Insurer Invest-**
19 **ment Information**

20 **SEC. 201. SHORT TITLE.**

21 This title may be cited as the “Insurance Disclosure
22 Act”.

1 **SEC. 202. ESTABLISHMENT OF GENERAL REQUIREMENTS**
2 **TO SUBMIT INFORMATION.**

3 (a) IN GENERAL.—The Secretary of Housing and
4 Urban Development shall, by regulation, establish require-
5 ments for insurers to compile and submit information to
6 the Secretary for each annual reporting period, in accord-
7 ance with this title.

8 (b) CONSULTATION.—In establishing the require-
9 ments for the submission of information under this title,
10 the Secretary shall consult with Federal agencies having
11 appropriate expertise, the National Association of Insur-
12 ance Commissioners, State insurance regulators, statis-
13 tical agents, representatives of small businesses, rep-
14 resentatives of insurance agents (including minority insur-
15 ance agents), representatives of property and casualty in-
16 surers, and community, consumer, and civil rights organi-
17 zations, as appropriate.

18 (c) HEALTH AND LIFE INSURANCE LINES NOT IN-
19 CLUDED.—This title shall not apply to life or health lines
20 of insurance or to insurers that provide only life or health
21 insurance products.

22 **SEC. 203. REPORTING OF NONCOMMERCIAL INSURANCE IN-**
23 **FORMATION.**

24 (a) IN GENERAL.—The requirements established pur-
25 suant to section 202 to carry out this section shall—

1 (1) be designed to ensure that information is
2 submitted and compiled under this section as may be
3 necessary to permit analysis and comparison of—

4 (A) the availability and affordability of in-
5 surance coverage and the quality or type of in-
6 surance coverage, by census tract, including
7 low- and moderate-income neighborhoods, and
8 the race and gender of policyholders; and

9 (B) the location of the principal place of
10 business of insurance agents and the race of
11 such agents, and the location of the principal
12 place of business of insurance agents termi-
13 nated and the race of such agents, by census
14 tract, including low- and moderate-income
15 neighborhoods; and

16 (2) specify the data elements required to be re-
17 ported under this section and require uniformity in
18 the definitions of the data elements.

19 (b) INSURERS.—

20 (1) AGGREGATE INFORMATION.—The regula-
21 tions issued under section 203 shall require that
22 each insurer for a designated line of insurance under
23 subparagraph (A) or (B) of section 210(a)(1) shall
24 compile and submit to the Secretary, for each an-
25 nual reporting period—

1 (A) the total number of policies issued in
2 such line, total exposures covered by such poli-
3 cies, and total amount of premiums for such
4 policies, by designated line and by census tract,
5 including low- and moderate-income neighbor-
6 hoods, in which the insured risk is located;

7 (B) the total number of cancellations and
8 nonrenewals (expressed in terms of policies or
9 exposures, as determined by the Secretary), by
10 designated line and by census tract, including
11 low- and moderate-income neighborhoods, in
12 which the insured risk is located;

13 (C) the total number and racial character-
14 istics of—

15 (i) licensed agents of such insurer sell-
16 ing insurance in the designated line, by
17 census tract, including low- and moderate-
18 income neighborhoods, in which the agent's
19 principal place of business is located; and

20 (ii) such agents who were terminated
21 by the insurer, by census tract in which
22 the agent's principal place of business was
23 located; and

24 (D) for such designated line of insurance,
25 information that will enable the Secretary to as-

1 sess the aggregate loss experience for the in-
2 surer, by census tract, including low- and mod-
3 erate-income neighborhoods, in which the in-
4 sured risk is located.

5 (2) SPECIFICATION OF INFORMATION FOR
6 ITEMIZED DISCLOSURE.—

7 (A) IN GENERAL.—The regulations issued
8 under section 202 regarding annual reporting
9 requirements for insurers for a designated line
10 of insurance under subparagraph (A) or (B) of
11 section 210(a)(1) shall, with respect to policies
12 issued under the designated line or exposure
13 units covered by such policies, as determined by
14 the Secretary—

15 (i) specify the data elements that shall
16 be submitted;

17 (ii) provide for the submission of in-
18 formation on an individual insurer basis;

19 (iii) provide for the submission of the
20 information with the least burden on insur-
21 ers, particularly small insurers, and insur-
22 ance agents;

23 (iv) take into account existing statis-
24 tical reporting systems in the insurance in-
25 dustry;

1 (v) require reporting by census tract,
2 including low- and moderate-income neigh-
3 borhoods, in which the insured risk is lo-
4 cated;

5 (vi) provide for the submission of in-
6 formation that—

7 (I) identifies the designated line,
8 and subline or coverage type; and

9 (II) where applicable, distin-
10 guishes between the type of policy
11 under each such subline or coverage
12 type that provides full replacement
13 cost and all other bases for computing
14 claims, such as actual cash value and
15 fair market value;

16 (vii) provide for the submission of in-
17 formation that distinguishes policies writ-
18 ten in a residual market from policies writ-
19 ten in the voluntary market;

20 (viii) specify—

21 (I) whether information shall be
22 submitted on the basis of policy or ex-
23 posure unit; and

24 (II) whether information, when
25 submitted, shall be aggregated by like

1 policyholders with like policies, except
2 that the Secretary shall not permit
3 such aggregation if it will adversely
4 affect the accuracy of the information
5 reported;

6 (ix) in addition to reporting approvals,
7 provide for the submission of information
8 regarding the number of denials, cancella-
9 tions, and nonrenewals of policies under
10 the designated line by census tract in
11 which the insured risk is located, by race,
12 gender, and income of the policyholder (if
13 known to the insurer), and by whether the
14 policy was issued in a voluntary or residual
15 market; and

16 (x) provide for the submission of in-
17 formation on the racial characteristics,
18 gender, and income levels of policyholders
19 at the level of detail comparable to that re-
20 quired by the Home Mortgage Disclosure
21 Act of 1975 (and the regulations issued
22 thereunder).

23 (B) RULES REGARDING OBTAINING RACIAL
24 INFORMATION.—

1 (i) WRITING REQUIREMENT.—The in-
2 formation specified in subparagraph (A)(x)
3 relating to the racial characteristics of ap-
4 plicants for, and policyholders of, insur-
5 ance shall be obtained only in accordance
6 with the procedures for requesting and re-
7 cording racial information established in
8 Regulation C of the Board of Governors of
9 the Federal Reserve System under the
10 Home Mortgage Disclosure Act of 1975, as
11 in effect on the date of the enactment of
12 this Act.

13 (ii) NOTICE OF VOLUNTARY NATURE
14 OF QUESTION.—Any such written question
15 shall clearly indicate that a response to the
16 question is voluntary on the part of the ap-
17 plicant or policyholder, but encouraged,
18 and that the information is being re-
19 quested by the Federal Government to
20 monitor the availability and affordability of
21 insurance.

22 (iii) PROVISION OF INFORMATION BY
23 AGENT OR INSURER.—If an applicant for,
24 or policyholder of, insurance declines to
25 provide such information, the agent or in-

1 surer for such insurance may provide such
2 information.

3 (3) RULE FOR REPORTING BY INSURERS.—An
4 insurer for a designated line shall submit—

5 (A) information required under subpara-
6 graphs (A), (B), and (D) of paragraph (1) and
7 information required pursuant to paragraph
8 (2), for risks insured under such line that are
9 located within each census tract any part of
10 which is located in a State for which the insurer
11 is offering the designated line; and

12 (B) information required under paragraph
13 (1)(C) for agents within such census tracts.

14 **SEC. 204. REPORTING OF RURAL INSURANCE INFORMA-**
15 **TION.**

16 (a) IN GENERAL.—The Secretary shall, by regula-
17 tion, establish requirements for insurers to annually com-
18 pile and submit to the Secretary information concerning
19 the availability, affordability, and quality or type of insur-
20 ance in rural areas and to small businesses.

21 (b) CONTENT.—The regulations under this section
22 shall provide that the information compiled and submitted
23 under this section shall be compiled and submitted on the
24 basis of each census tract in which the insured risks are
25 located.

1 **SEC. 205. WAIVER OF REPORTING REQUIREMENTS.**

2 (a) WAIVER FOR STATES COLLECTING EQUIVALENT
3 INFORMATION.—

4 (1) AUTHORITY.—Subject to the requirements
5 under this section, the Secretary shall provide, by
6 regulation, for the waiver of the applicability of the
7 provisions of sections 203 and 204 for each insurer
8 transacting business within a State referred to in
9 paragraph (2), but only with respect to information
10 required to be submitted under such sections that
11 relates to agents or insured risks located in the
12 State.

13 (2) REQUIREMENTS.—The Secretary may make
14 a waiver pursuant to paragraph (1) only with re-
15 spect to a State that the Secretary determines has
16 in effect a law or other requirement that—

17 (A) requires insurers to submit to the
18 State information that is at least the same or
19 equivalent to the information that is required to
20 be submitted to the Secretary pursuant to sec-
21 tions 203 and 204;

22 (B) provides for adequate enforcement of
23 such law or other requirements; and

24 (C) provides for the same annual reporting
25 period used by the Secretary under this title
26 and for submission of the information to the

1 Secretary in a timely fashion, as determined by
2 the Secretary.

3 (3) DURATION.—A waiver pursuant to para-
4 graph (1) may remain in effect only during the pe-
5 riod for which the State law or other requirement re-
6 quired under paragraph (2) remains in effect.

7 (b) MULTIPLE-STATE AREAS.—In the case of any
8 census tract that contains area within (1) any State for
9 which a waiver has been made pursuant to subsection (a),
10 and (2) any State for which such a waiver has not been
11 made, the provisions of this title requiring submission of
12 information to the Secretary regarding such tract or area
13 shall be considered to apply only to the portion that is
14 located within the State for which such a waiver has not
15 been made.

16 (c) AUTHORITY FOR SECRETARY TO OBTAIN INFOR-
17 MATION DIRECTLY FROM INSURERS.—If the State for
18 which a waiver has been made pursuant to subsection (a)
19 does not submit to the Secretary the information required
20 under subsection (a)(2)(A) or submits information that is
21 not complete, the Secretary shall require the insurers
22 transacting business within the State to submit such infor-
23 mation directly to the Secretary.

1 **SEC. 206. REPORTING BY PRIVATE MORTGAGE INSURERS.**

2 (a) HMDA REPORTING.—On an annual basis, the
3 Financial Institutions Examination Council shall deter-
4 mine the extent to which each insurer providing private
5 mortgage insurance is making available to the public and
6 submitting to the appropriate agency information regard-
7 ing such insurance that is equivalent to the information
8 regarding mortgages required to be reported under the
9 Home Mortgage Disclosure Act of 1975.

10 (b) REPORTING UNDER THIS TITLE.—

11 (1) CERTIFICATION OF NONCOMPLIANCE.—If,
12 for any annual period referred to in subsection (a),
13 such Council determines that any insurer providing
14 private mortgage insurance is not making available
15 to the public or submitting the information referred
16 to in subsection (a) or that the information made
17 available or submitted is not equivalent information
18 as described in subsection (a), then the Council shall
19 notify the insurer of such noncompliance. If, after
20 the expiration of a reasonable period of time, the in-
21 surer has not remedied such noncompliance to the
22 satisfaction of the Council, then the Council shall
23 immediately certify such noncompliance to the Sec-
24 retary.

25 (2) REQUIREMENT.—Upon the receipt of a cer-
26 tification under paragraph (1), the Secretary shall,

1 by order, require such insurer to submit to the Sec-
2 retary information regarding such insurance that
3 complies with the provisions of section 203 that are
4 applicable to such insurance.

5 **SEC. 207. REPORTING OF INFORMATION REGARDING IN-**
6 **VESTMENTS BY INSURERS.**

7 (a) IN GENERAL.—The Secretary of Housing and
8 Urban Development shall, by regulation, require that each
9 insurer that makes an investment in a property or busi-
10 ness shall compile and submit to the Secretary for each
11 annual reporting period, the following information:

12 (1) DIRECT LOANS.—

13 (A) COMMERCIAL REAL ESTATE LOANS.—

14 The total number of loans for the purchase of
15 commercial real estate made by the insurer, the
16 aggregate amount of such loans, and the
17 amount of each such loan, by census tract, in-
18 cluding low- and moderate-income neighbor-
19 hoods, in which the real estate for which the
20 loan was made is located.

21 (B) SINGLE-FAMILY MORTGAGES.—The
22 total number of mortgage loans for the pur-
23 chase of 1- to 4-family dwellings made by the
24 insurer, the aggregate amount of such loans,
25 and the amount of each such loan, by census

1 tract, including low- and moderate-income
2 neighborhoods, in which the dwelling for which
3 the loan was made is located, which information
4 shall be disaggregated by racial characteristics,
5 income level, and gender of the borrower under
6 the loan.

7 (C) COMMERCIAL AND INDUSTRIAL
8 LOANS.—The total number of commercial and
9 industrial loans made by the insurer, the aggregate
10 amount of such loans, and the amount of
11 each such loan, by census tract, including low-
12 and moderate-income neighborhoods, in which
13 the property or business involved in the loan is
14 located, which information shall be
15 disaggregated by the size of business of the bor-
16 rower under the loan and by the ownership
17 characteristic of the business, which shall be
18 classified as either minority-owned, women-
19 owned, or otherwise-owned.

20 (2) LOAN PURCHASES.—

21 (A) COMMERCIAL REAL ESTATE LOANS.—
22 The total number of loans for the purchase of
23 commercial real estate purchased by the in-
24 surer, the aggregate amount of such loans, and
25 the amount of each such loan, by census tract,

1 including low- and moderate-income neighbor-
2 hoods, in which the real estate for which the
3 loan was made is located.

4 (B) SINGLE-FAMILY MORTGAGES.—The
5 total number of mortgage loans for the pur-
6 chase of 1- to 4-family dwellings purchased by
7 the insurer, the aggregate amount of such
8 loans, and the amount of each such loan, by
9 census tract, including low- and moderate-in-
10 come neighborhoods, in which the dwelling for
11 which the loan was made is located, which in-
12 formation shall be disaggregated by racial char-
13 acteristics, income level, and gender of the bor-
14 rower under the loan.

15 (C) COMMERCIAL AND INDUSTRIAL
16 LOANS.—The total number of commercial and
17 industrial loans purchased by the insurer, the
18 aggregate amount of such loans, and the
19 amount of each such loan, by census tract, in-
20 cluding low- and moderate-income neighbor-
21 hoods, in which the property or business in-
22 volved in the loan is located, which information
23 shall be disaggregated by the size of business of
24 the borrower under the loan and by the owner-
25 ship characteristic of the business, which shall

1 be classified as either minority-owned, women-
2 owned, or otherwise-owned.

3 (3) OTHER INVESTMENTS.—For such other in-
4 vestments made by the insurer as the Secretary may
5 designate pursuant to subsection (b), the total num-
6 ber of such investments, the aggregate amount of
7 such investments, and the amount of each such in-
8 vestment, by census tract, including low- and mod-
9 erate-income neighborhoods, in which the property
10 or business involved in the investment is located, as
11 determined by the Secretary, which information shall
12 be disaggregated by the size of business of the bor-
13 rower under the loan and by the ownership char-
14 acteristic of the business, which shall be classified
15 as either minority-owned, women-owned, or other-
16 wise-owned.

17 (b) DESIGNATION OF OTHER INVESTMENTS.—

18 (1) IN GENERAL.—For purposes of subsection
19 (a)(3), the Secretary may designate activities and in-
20 vestments other than the investments described in
21 paragraphs (1) and (2) of subsection (a) for which
22 insurers shall compile and submit information under
23 this section.

24 (2) REQUIREMENT.—In making designations
25 under this subsection, the Secretary shall designate

1 (A) activities and investments that significantly ben-
2 efit low- and moderate-income families and persons,
3 small businesses in distressed communities, or
4 minority- or women-owned businesses, and (B) ac-
5 tivities and investments that contribute to the cre-
6 ation of jobs and economic development of distressed
7 communities.

8 (3) CONSIDERATIONS.—The Secretary shall
9 specifically consider for designation under this sub-
10 section investments in community development fi-
11 nancial institutions, community development cor-
12 porations, State-issued bonds, and securities backed
13 by State development funds.

14 (c) SIZE OF BUSINESS.—The Secretary shall, by reg-
15 ulation, establish various categories of the sizes of busi-
16 nesses, for purposes of disaggregating information under
17 paragraphs (1)(C), (2)(C), and (3) of subsection (a) by
18 various sizes of businesses.

19 **SEC. 208. SUBMISSION OF INFORMATION TO SECRETARY**
20 **AND MAINTENANCE OF INFORMATION.**

21 (a) PERIOD OF MAINTENANCE.—Each insurer re-
22 quired by this title to compile and submit information to
23 the Secretary shall maintain such information for the 3-
24 year period beginning upon the conclusion of the annual
25 reporting period to which such information relates. The

1 Secretary shall maintain any information submitted to the
2 Secretary for such period as the Secretary considers ap-
3 propriate and feasible to carry out the purposes of this
4 title and to allow for historical analysis and comparison
5 of the information.

6 (b) SUBMISSION.—The Secretary shall issue regula-
7 tions prescribing a standard schedule (taking into consid-
8 eration the provisions of section 209(a)), format, and
9 method for submitting information under this title to the
10 Secretary. The format and method of submitting the infor-
11 mation shall facilitate and encourage the submission in a
12 form readable by a computer. Any insurer submitting in-
13 formation to the Secretary may submit in writing to the
14 Secretary any additional information or explanations that
15 the insurer considers relevant to the decision by the in-
16 surer to sell insurance.

17 **SEC. 209. AVAILABILITY AND ACCESS SYSTEM.**

18 (a) AVAILABILITY TO PUBLIC.—

19 (1) IN GENERAL.—The Secretary shall main-
20 tain and make available to the public, in accordance
21 with the requirements of this section, any informa-
22 tion submitted to the Secretary under this title and
23 any information compiled by the Secretary under
24 this title.

1 (2) TIMING.—The Secretary shall make such
2 information publicly available on a timetable deter-
3 mined by the Secretary, but not later than 9 months
4 after the conclusion of the annual reporting period
5 to which the information relates, except that such
6 information shall not be made available to the public
7 until it is available in its entirety unless not all the
8 information required to be reported is available by
9 such date.

10 (b) PUBLIC ACCESS SYSTEM.—

11 (1) IMPLEMENTATION.—The Secretary shall
12 implement a system to facilitate access to any infor-
13 mation required to be made available to the public
14 under this title.

15 (2) BASES OF AVAILABILITY.—The system shall
16 provide access in the following manners:

17 (A) ACCESS TO ITEMIZED INFORMATION.—

18 With respect to information submitted under by
19 insurers, on the basis of the insurer submitting
20 the information, on the basis of the census
21 tract, including low- and moderate-income
22 neighborhoods, and on any other basis the Sec-
23 retary considers feasible and appropriate.

24 (B) ACCESS TO AGGREGATE INFORMA-
25 TION.—With respect to aggregate information

1 compiled by the Secretary, on the basis of (i)
2 the insurer submitting the information, and (ii)
3 the census tract, including low- and moderate-
4 income neighborhoods, and on any other basis
5 the Secretary considers feasible and appro-
6 priate.

7 (c) PROTECTIONS REGARDING LOSS INFORMA-
8 TION.—

9 (1) PROHIBITION OF DISCLOSURE OF LOSS IN-
10 FORMATION.—Notwithstanding any other provision
11 of this title, the Secretary may not make available
12 to the public or otherwise disclose any information
13 submitted under this title regarding the amount or
14 number of claims paid by any insurer, the amount
15 of losses of any insurer, or the loss experience for
16 any insurer, except (A) in the form of a loss ratio
17 (expressing the relationship of claims paid to pre-
18 miums) made available or disclosed in compliance
19 with the provisions of paragraph (2), or (B) as pro-
20 vided in paragraph (3).

21 (2) PROTECTION OF IDENTITY OF INSURER.—
22 In making available to the public or otherwise dis-
23 closing a loss ratio for an insurer—

24 (A) the Secretary may not identify the in-
25 surer to which the loss ratio relates; and

1 (B) the Secretary may disclose the loss
2 ratio only in a manner that does not allow any
3 party to determine the identity of the specific
4 insurer to which the loss ratio relates, except
5 parties having access to information under
6 paragraph (3).

7 (3) CONFIDENTIALITY OF INFORMATION DIS-
8 CLOSED TO GOVERNMENTAL AGENCIES.—The Sec-
9 retary may make information referred to in para-
10 graph (1) and the identity of the specific insurer to
11 which such information relates available to any Fed-
12 eral entity and any State agency responsible for reg-
13 ulating insurance in a State and may otherwise dis-
14 close such information to any such entity or agency,
15 but only to the extent such entity or agency agrees
16 not to make any such information available or dis-
17 close such information to any other person.

18 **SEC. 210. DESIGNATIONS.**

19 (a) DESIGNATION OF LINES OF INSURANCE.—

20 (1) IN GENERAL.—The Secretary shall, by reg-
21 ulation, designate lines of insurance as designated
22 lines for purposes of this title, as follows:

23 (A) AUTOMOBILE.—The Secretary shall
24 designate private passenger automobile insur-
25 ance and shall also designate any sublines and

1 coverage types of private passenger automobile
2 insurance that the Secretary considers appro-
3 priate to determine and compare the avail-
4 ability, affordability, and type of coverage in
5 such line among applicable regions.

6 (B) NONCOMMERCIAL INSURANCE FOR
7 RESIDENTIAL PROPERTY.—The Secretary shall
8 designate homeowners insurance and dwelling
9 fire and allied lines, and shall distinguish the
10 coverage types in such lines by the perils cov-
11 ered and by market or replacement value. For
12 purposes of this title, homeowners insurance
13 shall not include any renters coverage or cov-
14 erage for the personal property of a condo-
15 minium owner.

16 (2) REPORT.—At any time the Secretary deter-
17 mines that any line of insurance not described in
18 paragraph (1) should be a designated line because
19 disparities in coverage provided under such line exist
20 among geographic areas having different income lev-
21 els or racial composition, the Secretary shall submit
22 a report recommending designating such line of in-
23 surance as a designated line for purposes of this title
24 to the Committee on Banking, Finance and Urban

1 Affairs of the House of Representatives and the ap-
2 propriate Committees of the Senate.

3 (3) DURATION.—

4 (A) IN GENERAL.—Except as provided in
5 subparagraph (B), the Secretary shall make the
6 designations under this subsection once every 5
7 years, by regulation, and each line and subline
8 or coverage type designated under such regula-
9 tions shall be designated for each of the first 5
10 successive annual reporting periods occurring
11 after issuance of the regulations.

12 (B) ALTERATION.—During any 5-year pe-
13 riod referred to in subparagraph (A) in which
14 designations are in effect, the Secretary may
15 amend or revise the designated lines, sublines,
16 and coverage types only by regulation and only
17 in accordance with the requirements of this
18 subsection. Such regulations amending or revis-
19 ing designations shall apply only to annual re-
20 porting periods beginning after the expiration
21 of the 6-month period beginning on the date of
22 issuance of the regulations.

23 (b) TIMING OF DESIGNATIONS.—The Secretary shall
24 make the designations required by subsection (a)(3)(A)
25 and notify interested parties during the 6-month period

1 ending 6 months before the commencement of the first
2 annual reporting period to which such designations apply.

3 (c) OBTAINING INFORMATION.—The Secretary may
4 require insurers to submit to the Secretary such informa-
5 tion as the Secretary considers necessary to make designa-
6 tions specifically required under this title. The Secretary
7 may not require insurers to submit any information under
8 this subsection that relates to any line of insurance not
9 specifically authorized to be designated pursuant to this
10 title or that is to be used solely for the purpose of a report
11 under subsection (a)(2).

12 **SEC. 211. ENFORCEMENT.**

13 (a) CIVIL PENALTIES.—Any insurer who is deter-
14 mined by the Secretary, after providing opportunity for
15 a hearing on the record, to have violated any requirement
16 pursuant to this title shall be subject to a civil penalty
17 of not to exceed \$5,000 for each day during which such
18 violation continues.

19 (b) INJUNCTION.—The Secretary may bring an ac-
20 tion in an appropriate United States district court for ap-
21 propriate declaratory and injunctive relief against any in-
22 surer who violates the requirements referred to in sub-
23 section (a).

1 (c) INSURER LIABILITY.—An insurer shall be respon-
2 sible under subsections (a) and (b) for any violation of
3 a statistical agent acting on behalf of the insurer.

4 **SEC. 212. EXEMPTION AND RELATION TO STATE LAWS.**

5 (a) EXEMPTION FOR UNITED STATES PROGRAMS.—
6 Reporting shall not be required under this title with re-
7 spect to insurance provided by any program underwritten
8 or administered by the United States.

9 (b) RELATION TO STATE LAWS.—This title shall not
10 be construed as annulling, altering, or affecting the laws
11 of any State or any political subdivision of a State relating
12 to public disclosure, submission of information, and rec-
13 ordkeeping or exempting any insurer subject to this title
14 from any obligation under, or an obligation to comply
15 with, any such law.

16 **SEC. 213. REGULATIONS.**

17 (a) AUTHORIZATION.—

18 (1) IN GENERAL.—The Secretary shall issue
19 any regulations required under this title and any
20 other regulations that may be necessary to carry out
21 this title.

22 (2) SUBSTANTIVE REGULATIONS.—The regula-
23 tions shall be issued in accordance with the proce-
24 dures under section 553 of title 5, United States
25 Code, for substantive regulations.

1 (3) EFFECTIVE DATE.—Except as otherwise
2 provided in this title, such final regulations shall be
3 issued before the end of the 18-month period begin-
4 ning on the date of the enactment of this Act.

5 (b) BURDENS.—In prescribing such regulations, the
6 Secretary shall take into consideration the administrative,
7 paperwork, and other burdens on insurance agents, includ-
8 ing independent insurance agents, involved in complying
9 with the requirements of this title and shall minimize the
10 burdens imposed by such requirements with respect to
11 such agents.

12 **SEC. 214. DEFINITIONS.**

13 For purposes of this subtitle, the following definitions
14 shall apply:

15 (1) AGENT.—The term “agent”—

16 (A) means, with respect to an insurer, an
17 agent licensed by a State who sells property and
18 casualty insurance; and

19 (B) includes agents who are employees of
20 the insurer, agents who are independent con-
21 tractors working exclusively for the insurer, and
22 agents who are independent contractors ap-
23 pointed to represent the insurer on a nonexclu-
24 sive basis.

1 (2) COMMERCIAL INSURANCE.—The term
2 “commercial insurance” means any line of property
3 and casualty insurance, except private passenger
4 automobile, homeowner’s insurance and dwelling fire
5 and allied lines, and other personal lines of insur-
6 ance.

7 (3) DESIGNATED LINE.—The term “designated
8 line” means a line of insurance or bid, performance,
9 and payment bonds designated by the Secretary
10 under section 210(a).

11 (4) EXPOSURES.—The term “exposures”
12 means, for purposes of section 203, with respect to
13 an insurance policy, an expression of an exposure
14 unit covered under the policy compared to the dura-
15 tion of the policy (pursuant to standards established
16 by the Secretary for uniform reporting of expo-
17 sures).

18 (5) EXPOSURE UNITS.—The term “exposure
19 units” means, for purposes of section 203, an auto-
20 mobile or dwelling covered under an insurance policy
21 for private passenger automobile or homeowners or
22 dwelling fire and allied lines coverage.

23 (6) INSURANCE.—The term “insurance” means
24 property and casualty insurance. Such term includes
25 primary insurance, surplus lines insurance, and any

1 other arrangement for the shifting and distributing
2 of risks that is determined to be insurance under the
3 law of any State in which the insurer or insurer
4 group engages in an insurance business.

5 (7) INSURER.—The term “insurer”—

6 (A) means any corporation, association, so-
7 ciety, order, firm, company, mutual, partner-
8 ship, individual, aggregation of individuals, or
9 any other legal entity that is authorized to
10 transact the business of property or casualty in-
11 surance in any State or that is engaged in a
12 property or casualty insurance business; and

13 (B) does not include an individual or entity
14 which represents an insurer as agent solely for
15 the purpose of selling or which represents a
16 consumer as a broker solely for the purpose of
17 buying insurance.

18 (8) ISSUED.—The term “issued” means, with
19 respect to an insurance policy, newly issued or re-
20 newed.

21 (9) JOINT UNDERWRITING ASSOCIATION.—The
22 term “joint underwriting association” means an un-
23 incorporated association of insurers established to
24 provide a particular form of insurance to the public.

1 (10) MORTGAGE INSURANCE.—The term
2 “mortgage insurance” means insurance against the
3 nonpayment of, or default on, a mortgage or loan
4 for residential or commercial property.

5 (11) PRIVATE MORTGAGE INSURANCE.—The
6 term “private mortgage insurance” means mortgage
7 insurance other than mortgage insurance made
8 available under the National Housing Act, title 38 of
9 the United States Code, or title V of the Housing
10 Act of 1949.

11 (12) PROPERTY AND CASUALTY INSURANCE.—
12 The term “property and casualty insurance”—

13 (A) means insurance against loss of or
14 damage to property, insurance against loss of
15 income or extra expense incurred because of
16 loss of, or damage to, property, and insurance
17 against third party liability claims caused by
18 negligence or imposed by statute or contract;
19 and

20 (B) does not include workers’ compensa-
21 tion, professional liability, or title insurance.

22 (13) RESIDUAL MARKET.—The term “residual
23 market”—

24 (A) means an assigned risk plan, joint un-
25 derwriting association, or any similar mecha-

1 nism designed to make insurance available to
2 those unable to obtain it in the voluntary mar-
3 ket; and

4 (B) includes each statewide plan under
5 part A of title XII of the National Housing Act
6 to assure fair access to insurance requirements.

7 (14) RURAL AREA.—The term “rural area”
8 means any area that—

9 (A) has a population of 10,000 or more;

10 (B) has a continuous boundary; and

11 (C) contains only areas that are rural
12 areas, as such term is defined in section 520 of
13 the Housing Act of 1949 (except that clause
14 (3)(B) of such section 520 shall not apply for
15 purposes of this title).

16 (15) SECRETARY.—The term “Secretary”
17 means the Secretary of Housing and Urban Develop-
18 ment.

19 (16) STATE.—The term “State” means any
20 State, the District of Columbia, the Commonwealth
21 of Puerto Rico, the Northern Mariana Islands, the
22 Virgin Islands, American Samoa, and the Trust Ter-
23 ritory of the Pacific Islands.

1 **SEC. 215. EFFECTIVE DATE.**

2 The requirements of this title relating to reporting
3 of information by insurers shall take effect with respect
4 to the first annual reporting period that begins more than
5 36 months after the date of the enactment of this Act.

6 **Subtitle B—Improvements in Other**
7 **Data Disclosure Requirements**

8 **SEC. 221. IMPROVE SMALL BUSINESS AND AGRICULTURE**
9 **LENDING DATA DISCLOSURE.**

10 (a) REPORTING REQUIREMENTS.—Section 806 of the
11 Community Reinvestment Act of 1977 (12 U.S.C. 2905)
12 is amended—

13 (1) by inserting “(a) IN GENERAL.—” after
14 “SEC. 806.”; and

15 (2) by adding at the end the following new sub-
16 section:

17 “(b) REGULATORY EXEMPTIONS FROM REPORTING
18 REQUIREMENTS.—

19 “(1) PROHIBITION ON REGULATORY EXEMP-
20 TIONS FROM CERTAIN REPORTING REQUIRE-
21 MENTS.—No provision of this title may be construed
22 as authorizing the Board or any other Federal agen-
23 cy to exempt any depository institution from the re-
24 quirements of any regulation prescribed under this
25 title relating to the provision of data relating to
26 farm and small business loans, except with regard to

1 any institution described in section 809(a) which is
2 not an affiliate of any bank holding company or sav-
3 ings and loan holding company.

4 “(2) IMPROVED DATA COLLECTION FOR SMALL
5 BUSINESS AND FARM LOANS.—Regulations pre-
6 scribed under this section shall require the following
7 information to be collected by regulated financial in-
8 stitutions in connection with applications for farm
9 and small business loans:

10 “(A) The race and gender of applicants,
11 including minority-owned and women-owned
12 farms or small businesses.

13 “(B) The revenue of applicants for farm
14 and small business loans.

15 “(C) The actual census tract in which the
16 applicant resides or is located.

17 “(D) The disposition of the application by
18 the regulated financial institution and appli-
19 cant.

20 “(3) DEFINITIONS.—For purposes of this para-
21 graph (2), the following definitions shall apply:

22 “(A) MINORITY-OWNED FARM OR SMALL
23 BUSINESS.—The term ‘minority-owned farm or
24 small business’ means a farm or small busi-
25 ness—

1 “(i) more than 50 percent of the own-
 2 ership or control of which is held by 1 or
 3 more minority individuals; and

4 “(ii) more than 50 percent of the net
 5 profit or loss of which accrues to 1 or more
 6 minority individuals.

7 “(B) WOMEN-OWNED FARM OR SMALL
 8 BUSINESS.—The term ‘women-owned farm or
 9 small business’ means a farm or small busi-
 10 ness—

11 “(i) more than 50 percent of the own-
 12 ership or control of which is held by 1 or
 13 more women; and

14 “(ii) more than 50 percent of the net
 15 profit or loss of which accrues to 1 or more
 16 women.

17 “(C) MINORITY.—The term ‘minority’ has
 18 the meaning given to such term by section
 19 1204(c)(3) of the Financial Institutions Re-
 20 form, Recovery and Enforcement Act of 1989.”.

21 **SEC. 222. MAINTENANCE AND DISCLOSURE OF INFORMA-**
 22 **TION BY THE FINANCIAL INSTITUTIONS EX-**
 23 **AMINATION COUNSEL.**

24 In collecting information from financial institutions,
 25 and affiliates of financial institutions, under the Commu-

1 nity Reinvestment Act of 1977 and the Home Mortgage
2 Disclosure Act of 1975 relating to farm, small business,
3 and home loans, and maintaining such information on and
4 disclosing such information from the national information
5 center database, the Financial Institutions Examination
6 Council shall identify whether the financial institution or
7 affiliate is transmitting such information pursuant to the
8 Community Reinvestment Act of 1977 or the Home Mort-
9 gage Disclosure Act of 1975.

10 **TITLE III—REGULATORY AND**
11 **STRUCTURAL REFORMS**

12 **SEC. 301. ANTIREDLINING REQUIREMENT FOR FINANCIAL**
13 **HOLDING COMPANIES.**

14 Section 4(l)(1) of the Bank Holding Company Act of
15 1956 (12 U.S.C. 1843(l)(1)) is amended—

16 (1) by striking “and” at the end of subpara-
17 graph (B);

18 (2) by striking the period at the end of sub-
19 paragraph (C) and inserting “; and”; and

20 (3) by adding at the end the following new sub-
21 paragraph:

22 “(D) in the case of any bank holding com-
23 pany which underwrites or sells, or any affiliate
24 of which underwrites or sells, annuities con-
25 tracts or contracts insuring, guaranteeing, or

1 indemnifying against loss, harm, damage, ill-
2 ness, disability, or death—

3 “(i) the company or affiliate has not
4 been adjudicated in any Federal court, and
5 has not entered into a consent decree filed
6 in a Federal court or into a settlement
7 agreement, premised upon a violation of
8 the Fair Housing Act for the activities de-
9 scribed in this subparagraph; or

10 “(ii) if such company or affiliate has
11 entered into any such consent decree or
12 settlement agreement, the company or the
13 affiliate is not in violation of the decree or
14 settlement agreement as determined by a
15 court of competent jurisdiction or the
16 agency with which the decree or agreement
17 was entered into.”.

18 **SEC. 302. NOTICE AND PUBLIC COMMENT REQUIRED BE-**
19 **FORE ESTABLISHING A FINANCIAL HOLDING**
20 **COMPANY.**

21 Paragraph (6) of section 4(k) of the Bank Holding
22 Company Act of 1956 (12 U.S.C. 1843(k)) is amended
23 to read as follows:

24 “(6) NOTICE AND OPPORTUNITY FOR COMMENT
25 REQUIRED.—

1 “(A) IN GENERAL.—No financial holding
2 company shall directly or indirectly acquire, and
3 no company that becomes a financial holding
4 company shall directly or indirectly acquire con-
5 trol of, any company in the United States, in-
6 cluding through merger, consolidation, or other
7 type of business combination, that is engaged in
8 activities permitted under this subsection or
9 subsection (n) or (o), unless—

10 “(i) such holding company has pro-
11 vided notice to the Board, not later than
12 60 days prior to such proposed acquisition
13 or prior to becoming a financial holding
14 company, and during that time period, or
15 such longer time period not exceeding an
16 additional 60 days, as established by the
17 Board;

18 “(ii) the Board has provided public
19 notice and opportunity for comment for
20 not less than 30 days; and

21 “(iii) the Board has not issued a no-
22 tice disapproving the proposed acquisition
23 or retention.

24 “(B) FACTORS FOR CONSIDERATION.—In
25 reviewing any prior notice filed under this para-

1 graph, the Board shall take into consider-
2 ation—

3 “(i) whether the company is in com-
4 pliance with all applicable criteria set forth
5 in subsection (b) and the provisions of sub-
6 section (d);

7 “(ii) whether the proposed combina-
8 tion represents an undue aggregation of
9 resources;

10 “(iii) whether the proposed combina-
11 tion poses a risk to the deposit insurance
12 system;

13 “(iv) whether the proposed combina-
14 tion poses a risk to State insurance guar-
15 anty funds;

16 “(v) whether the proposed combina-
17 tion can reasonably be expected to be in
18 the best interests of depositors or policy-
19 holders of the respective entities;

20 “(vi) whether the proposed trans-
21 action can reasonably be expected to fur-
22 ther the purposes of this Act and produce
23 benefits to the public;

24 “(vii) whether, and the extent to
25 which, the proposed combination poses an

1 undue risk to the stability of the financial
2 system in the United States; and

3 “(viii) the community reinvestment
4 record of all parties to the proposed trans-
5 action.

6 “(C) REQUIRED INFORMATION.—The
7 Board may disapprove any prior notice filed
8 under this paragraph if the company submitting
9 such notice neglects, fails, or refuses to furnish
10 to the Board all relevant information required
11 by the Board.

12 “(D) SOLICITATION OF VIEWS OF OTHER
13 SUPERVISORY AGENCIES.—

14 “(i) IN GENERAL.—Upon receiving a
15 prior notice under this paragraph, in order
16 to provide for the submission of their views
17 and recommendations, the Board shall give
18 notice of the proposal to—

19 “(I) the appropriate Federal
20 banking agency of any bank involved;

21 “(II) the appropriate functional
22 regulator of any functionally regulated
23 nondepository institution (as defined
24 in section 5(c)(1)(C)) involved; and

1 “(III) the Secretary of the Treas-
2 ury, the Attorney General, and the
3 Federal Trade Commission.

4 “(ii) TIMING.—The views and rec-
5 ommendations of any agency provided no-
6 tice under this paragraph shall be sub-
7 mitted to the Board not later than 30 cal-
8 endar days after the date on which notice
9 to the agency was given, unless the Board
10 determines that another shorter time pe-
11 riod is appropriate.

12 **SEC. 303. PUBLIC MEETINGS FOR BANK ACQUISITIONS AND**
13 **MERGERS.**

14 (a) BANK HOLDING COMPANY ACT OF 1956.—Sec-
15 tion 3(c)(2) of the Bank Holding Company Act of 1956
16 (12 U.S.C. 1842(c)(2)) is amended—

17 (1) by striking “FACTORS.—In every case” and
18 inserting “FACTORS.—

19 “(A) IN GENERAL.—In every case”; and

20 (2) by adding at the end the following new sub-
21 paragraph:

22 “(B) PUBLIC MEETINGS.—In the case of
23 each application for approval under this section,
24 the Board shall, as necessary and on a timely
25 basis, conduct public meetings in 1 or more

1 areas where the Board believes, in the sole dis-
2 cretion of the Board, there will be a substantial
3 public impact.”.

4 (b) FEDERAL DEPOSIT INSURANCE ACT.—Section
5 18(c) of the Federal Deposit Insurance Act (12 U.S.C.
6 1828(c)) is amended by adding at the end the following
7 new paragraph:

8 “(12) PUBLIC MEETINGS.—In each merger trans-
9 action involving 1 or more insured depository institutions,
10 the responsible agency shall, as necessary and on a timely
11 basis, conduct public meetings in 1 or more areas where
12 the agency believes, in the sole discretion of the agency,
13 there will be a substantial public impact.”.

14 (c) NATIONAL BANK CONSOLIDATION AND MERGER
15 ACT.—The National Bank Consolidation and Merger Act
16 (12 U.S.C. 215 et seq.) is amended by adding at the end
17 the following new section:

18 **“SEC. 6. PUBLIC MEETINGS FOR BANK CONSOLIDATIONS**
19 **AND MERGERS.**

20 “In each case of a consolidation or merger under this
21 Act, the Comptroller shall, as necessary and on a timely
22 basis, conduct public meetings in 1 or more areas where
23 the Comptroller believes, in the sole discretion of the
24 Comptroller, there will be a substantial public impact.”.

1 (d) HOME OWNERS' LOAN ACT.—Section 10(e) of
2 the Home Owners' Loan Act (12 U.S.C. 1463) is amended
3 by adding at the end the following new paragraph:

4 “(7) PUBLIC MEETINGS FOR DEPOSITORY IN-
5 STITUTION ACQUISITIONS AND MERGERS.—In each
6 case involving an application under this subsection,
7 the Director shall, as necessary and on a timely
8 basis, conduct public meetings in 1 or more areas
9 where the Director believes, in the sole discretion of
10 the Director, there will be a substantial public im-
11 pact.”.

12 **SEC. 304. CRA EXAMINATION SCHEDULE FOR SMALL**
13 **BANKS.**

14 Section 809(a) of the Community Reinvestment Act
15 of 1977 (12 U.S.C. 2908(a)) is amended—

16 (1) in paragraph (1), by striking “60 months”
17 and inserting “48 months”; and

18 (2) in paragraph (2), by striking “48 months”
19 and inserting “36 months”.

20 **SEC. 305. CRA SUNSHINE REQUIREMENTS.**

21 (a) IN GENERAL.—Section 48 of the Federal Deposit
22 Insurance Act (12 U.S.C. 1831y) (as added by section 711
23 of the Gramm-Leach-Bliley Act) is amended—

1 (1) in subsection (a), by striking paragraphs
2 (1) and (2) and inserting the following new para-
3 graphs:

4 “(1) shall be disclosed to the appropriate Fed-
5 eral banking agency and subsequently may be made
6 available in accordance with, and to the extent pro-
7 vided in, section 552 of title 5, United States Code,
8 subject to section 552a of such title; and

9 “(2) may be monitored by the appropriate Fed-
10 eral banking agency, during the effective period of
11 the agreement, for purposes of determining the ex-
12 tent to which the parties to the agreement are com-
13 plying with the agreement.”;

14 (2) by striking subsections (b), (c), (d), (f), (g),
15 and (h);

16 (3) by redesignating subsection (e) as sub-
17 section (b); and

18 (4) in paragraph (1)(B) of subsection (b) (as so
19 redesignated by paragraph (3) of this subsection)—

20 (A) by inserting “or” after the semicolon
21 at the end of clause (i);

22 (B) by striking the period at the end of
23 clause (ii) and inserting “; or”; and

24 (C) by striking clause (iii).

1 **SEC. 306. CONTINUING COMMUNITY REINVESTMENT RE-**
2 **QUIREMENT FOR FINANCIAL HOLDING COM-**
3 **PANIES.**

4 (a) IN GENERAL.—Section 4(l)(2) of the Community
5 Reinvestment Act of 1977 (12 U.S.C. 1843(l)(2)) is
6 amended—

7 (1) in subparagraph (A), by inserting “or con-
8 tinuing” after “commencing”; and

9 (2) in subparagraph (B), by inserting “or main-
10 taining” after “acquiring”.

11 (b) TECHNICAL AND CONFORMING AMENDMENT.—

12 (1) Paragraph (1) of section 4(m) of the Bank
13 Holding Company Act of 1956 (12 U.S.C.
14 1843(m)(1)) is amended by striking “subsection
15 (l)(1)” and inserting “paragraph (1) or (2) of sub-
16 section (l)”.

17 (2) Paragraph (2) of section 4(m) of the Bank
18 Holding Company Act of 1956 (12 U.S.C.
19 1843(m)(2)) is amended by striking “subsection
20 (l)(1)” and inserting “paragraphs (1) and (2) of
21 subsection (l)”.

22 **SEC. 307. CHANGES IN REPORTING REQUIREMENTS UNDER**
23 **THE HOME MORTGAGE DISCLOSURE ACT OF**
24 **1975.**

25 (a) PROHIBITION ON REGULATORY EXEMPTIONS
26 FROM REPORTING REQUIREMENTS.—Section 304 of the

1 Home Mortgage Disclosure Act of 1975 (12 U.S.C. 2803)
2 is amended by adding at the end the following new sub-
3 section:

4 “(n) PROHIBITION ON REGULATORY EXEMPTIONS
5 FROM REPORTING REQUIREMENTS.—Subject to sub-
6 section (i)—

7 “(1) no provision of this title may be construed
8 as authorizing the Board, the Secretary, or any
9 other Federal agency to exempt any depository insti-
10 tution from the requirements of this title; and

11 “(2) any exemption from the requirements of
12 this title provided in any regulation, such as the ex-
13 emption provided in Appendix A to part 203 of the
14 Code of Federal Regulations for lending institutions
15 described in section 303(2)(B) whose total dollar
16 amount of purchase loans originated in any year did
17 not exceed 10 percent of the total dollar amount of
18 all loan originations by such institution in such year,
19 shall cease to be effective as of the date of the enact-
20 ment of the Community Reinvestment Modernization
21 Act of 2001.”

22 (b) INFORMATION ON PRIME AND SUBPRIME MORT-
23 GAGE LOANS.—

1 (1) IN GENERAL.—Section 304(b) of the Home
2 Mortgage Disclosure Act of 1975 (12 U.S.C.
3 2803(b)) is amended—

4 (A) by striking “and” at the end of para-
5 graph (3);

6 (B) by striking the period at the end of
7 paragraph (4) and inserting a semicolon; and

8 (C) by adding at the end the following new
9 paragraph:

10 “(5) the number and dollar amount of mort-
11 gage loans that were subprime loans and the number
12 and dollar amount of mortgage loans that were not
13 subprime loans;”.

14 (2) SUBPRIME LENDING PROGRAM DEFINED.—
15 Section 303 of the Home Mortgage Disclosure Act
16 of 1975 (12 U.S.C. 2802) is amended by adding at
17 the end the following new paragraph:

18 “(7) SUBPRIME LOANS.—The term ‘subprime
19 loan’—

20 “(A) has the meaning given such term by
21 the Secretary, in regulations; and

22 “(B) includes any loan made through a
23 program maintained by a depository institution
24 that involves higher interest rates or fees than
25 traditional mortgage loans.”.

1 (c) REPORTING OF ADDITIONAL DATA REQUIRED.—
2 Section 304(b) of the Home Mortgage Disclosure Act of
3 1975 (12 U.S.C. 2803(b)) is amended by inserting after
4 paragraph (5) (as added by subsection (b) of this section)
5 the following new paragraph:

6 “(6) information on loan pricing and terms, in-
7 cluding interest rates, bona fide discount points,
8 origination fees, financing of lump sum insurance
9 premium payments, balloon payment, and prepay-
10 ment penalties; and”.

11 (d) REPORTING ON MANUFACTURED HOME LOANS
12 THAT ARE NOT TREATED BY THE DEPOSITORY INSTITU-
13 TION AS REAL ESTATE LOANS.—

14 (1) IN GENERAL.—Section 304(b) of the Home
15 Mortgage Disclosure Act of 1975 (12 U.S.C.
16 2803(b)) is amended by inserting after paragraph
17 (6) (as added by subsection (c) of this section) the
18 following new paragraph:

19 “(7) the number and dollar amount of mort-
20 gage loans secured by manufactured homes (as de-
21 fined in section 603 of the National Manufactured
22 Housing Construction and Safety Act of 1974).”.

23 (2) MORTGAGE LOAN DEFINED TO INCLUDE
24 MANUFACTURED HOME LOANS.—Section 303(1) of
25 the Home Mortgage Disclosure Act of 1975 (12

1 U.S.C. 2802(1)) is amended by inserting “or a man-
2 ufactured home” after “residential real property”.

3 (e) ENFORCEMENT POWERS FOR SECRETARY.—Sec-
4 tion 305 of the Home Mortgage Disclosure Act of 1975
5 (12 U.S.C. 2804) is amended by inserting at the end the
6 following new subsection:

7 “(d) AUTHORITY TO CARRY OUT SUBSECTION
8 (b)(4).—For purposes of enforcing compliance with the re-
9 quirements of this title pursuant to subsection (b)(4)—

10 “(1) subsections (b) through (n) of section 8 of
11 the Federal Deposit Insurance Act shall apply to de-
12 pository institutions described in section 303(2)(B)
13 in the same manner they apply to depository institu-
14 tions (as defined in section 3 of the Federal Deposit
15 Insurance Act); and

16 “(2) the Secretary shall have the same powers
17 and duties under such subsections with respect to
18 depository institutions described in section
19 303(2)(B) as an appropriate Federal banking agen-
20 cy (as defined in such Act) has with respect to de-
21 pository institutions (as defined in section 3 of the
22 Federal Deposit Insurance Act).”.

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