

Community Reinvestment Act

12 USC 2901; Title VII of Pub. L. 95-128, 91 Stat. 1147 (October 12, 1977)

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SECTION 801-Short Title

This title may be cited as the "Community Reinvestment Act of 1977".
[12 USC 2901 note.]

SECTION 802-Congressional Findings and Statement of Purpose

- (a) The Congress finds that-
- (1) regulated financial institutions are required by law to demonstrate that their deposit facilities serve the convenience and needs of the communities in which they are chartered to do business;
 - (2) the convenience and needs of communities include the need for credit services as well as deposit services; and
 - (3) regulated financial institutions have continuing and affirmative obligation to help meet the credit needs of the local communities in which they are chartered.
- (b) It is the purpose of this title to require each appropriate Federal financial supervisory agency to use its authority when examining financial institutions, to encourage such institutions to help meet the credit needs of the local communities in which they are chartered consistent with the safe and sound operation of such institutions.
- [12 USC 2901.1

SECTION 803-Definitions

- For the purposes of this title
- (1) the term "appropriate Federal financial supervisory agency" means ----
- (A) the Comptroller of the Currency with respect to national banks;
 - (B) the Board of Governors of the Federal Reserve System with respect to State chartered banks which are members of the Federal Reserve System and bank holding companies;
 - (C) the Federal Deposit Insurance Corporation with respect to State chartered banks and savings banks which are not members of the Federal Reserve System and the deposits of which are insured by the Corporation; and
 - (D) the Director of the Office of Thrift Supervision, in the case of a savings association (the deposits of which are insured by the Federal Deposit Insurance Corporation) and a savings and loan holding company;
- (2) the term "regulated financial institution" means an insured depository institution (as defined in section 3 of the Federal Deposit Insurance Act); and
- (3) the term "application for a deposit facility" means an application to the appropriate Federal financial supervisory agency otherwise required under Federal law or regulations thereunder for
- (A) a charter for a national bank or Federal savings and loan association;
 - (B) deposit insurance in connection with a newly chartered State bank, savings bank, savings and loan association or similar institution;
 - (C) the establishment of a domestic branch or other facility with the ability to accept deposits of a regulated financial institution;
 - (D) the relocation of the home office or a branch office of a regulated financial institution;
 - (E) the merger or consolidation with, or the acquisition of the assets, or the as-

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sumption of the liabilities of a regulated financial institution requiring approval under section 18(c) of the Federal Deposit Insurance Act or under regulations issued under the authority of title IV of the National Housing Act; or (F) the acquisition of shares in, or the assets of, a regulated financial institution requiring approval under section 3 of the Bank Holding Company Act of 1956 or section 408(e) of the National Housing Act.

(4) A financial institution whose business predominately consists of serving the needs of military personnel who are not located within a defined geographic area may define its "entire community" to include its entire deposit customer base without regard to geographic proximity.

[12 USC 2902. As amended by acts of Nov. 10, 1978 (92 Stat. 3713 and Aug. 9, 1989 (103 Stat. 440, 526).]

SECTION 804-Financial Institutions; Evaluation

(a) *In general.* In connection with its examination of a financial institution, the appropriate Federal financial supervisory agency shall-

(1) assess the institution's record of meeting the credit needs of its entire community, including low- and moderate-income

neighborhoods, consistent with the safe and sound operation of such institution; and (2) take such record into account in its

evaluation of an application for a deposit facility by such institution.

(b) *Majority-owned institutions.* In assessing and taking into account, under subsection (a), the record of a nonminority-owned and nonwomen-owned financial institution, the appropriate Federal financial supervisory agency may consider as a factor capital investment, loan participation, and other ventures undertaken by the institution in cooperation with minority- and women-owned financial institu-

tions and low- income credit unions provided that these activities help meet the credit needs rating of local communities in which such institutions and credit unions are chartered.

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[12 USC 2903. As amended by act of Oct. 28, 1992 (106 Stat. 3874).

SECTION 805-Report to Congress

Each appropriate Federal financial supervisory agency shall include in its annual report to the Congress a section outlining the actions it has taken to carry out its responsibilities under this title.

[12 USC 2904.1

SECTION 806-Regulations

Regulations to carry out the purposes of this title shall be published by each appropriate Federal financial supervisory agency, and shall take effect no later than 390 days after the date of enactment of this title.

[12 USC 2905.1

SECTION 807-Written Evaluations

(a) (1) Upon the conclusion of each examination of an insured depository institution under section 804, the appropriate Federal financial supervisory agency shall prepare a written evaluation of the institution's record of meeting the credit needs of its entire community, including low- and moderate income neighborhoods.

(2) Each written evaluation required under paragraph (1) shall have a public section and a confidential section.

(b) (1) (A) The public section of the written evaluation shall

- (i) state the appropriate Federal financial supervisory agency's conclusions for each assessment factor identified in the regulations prescribed by the Federal financial supervisory agencies to implement this Act;
- (ii) discuss the facts and data supporting such conclusions; and
- (iii) contain the institution's rating and

a statement describing the basis for the

(B) The information required by clauses (i) and (ii) of subparagraph (A) shall be

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presented separately for each metropolitan area in which a regulated depository institution maintains one or more domestic branch offices.

- (2) The institution's rating referred to in paragraph (1)(C) shall be I of the following:

(A) "Outstanding record of meeting community credit needs".

(B) "Satisfactory record of meeting community credit needs".

(C) "Needs to improve record of meeting community credit needs".

(D) "Substantial noncompliance in meeting community credit needs".

Such ratings shall be disclosed to the public on and after July 1, 1990.

- (c) (1) The confidential section of the written evaluation shall contain all references that identify any customer of the institution, any employee or officer of the institution, or any person or organization that has provided information in confidence to a Federal or State financial supervisory agency.

(2) The confidential section shall also contain any statements obtained or made by the appropriate Federal financial supervisory regulatory agency in the course of an examination which, in the judgment of the agency, are too sensitive or speculative in nature to disclose to the institution or the public.

(3) The confidential section may be disclosed, in whole or part, to the institution, if the appropriate Federal financial supervisory agency determines that such disclosure will promote the objectives of this Act.

However, disclosure under this paragraph shall not identify a person or organization that has provided information in confidence to a Federal or State financial supervisory agency.

- (d) Institutions with interstate branches.

(1) In the case of a regulated financial institution that maintains domestic branches in 2 or more States, the appropriate Federal financial supervisory agency shall prepare-

(A) a written evaluation of the entire institution's record of performance under this title, as required by subsections (a), (b), and (c); and

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(B) for each State in which the institution maintains I or more domestic branches, a separate written evaluation of the institution's record of performance within such State under this title, as required by subsections (a), (b), and (c).

(2) In the case of a regulated financial institution that maintains domestic branches in 2 or more States within a multistate metropolitan area, the appropriate Federal financial supervisory agency shall prepare a separate written evaluation of the institution's record of performance within such metropolitan area under this title, as required by subsections (a), (b), and (c). If the agency prepares a written evaluation pursuant to this paragraph, the scope of the written evaluation required under paragraph (1)(B) shall be adjusted accordingly.

(3) A written evaluation prepared pursuant to paragraph (1)(B) shall

(A) present the information required by subparagraphs (A) and (B) of subsection (b)(1) separately for each metropolitan area in which the institution maintains I or more domestic branch offices and separately for the remainder of the nonmetropolitan area of the State if the institution maintains I or more domestic branch offices in such nonmetropolitan area; and (B) describe how the Federal financial supervisory agency has performed the examination of the institution, including a list of the individual branches examined.

(e) For purposes of this section the following definitions shall apply:

(1) The term "*domestic branch*" means any branch office or other facility of a regulated financial institution that accepts deposits, located in any State.

(2) The term "*metropolitan area*" means any primary metropolitan statistical area, metropolitan statistical area, or consolidated metropolitan statistical area, as defined by the Director of the Office of Management and Budget, with a population of 250,000 or more, and any other area designated as such by the appropriate Federal financial supervisory agency.

(3) The term "*State*" has the same mean

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ing as in section 3 of the Federal Deposit Insurance Act.

[12 USC 2906. As added by act of Aug. 9, 1989 (103 Stat. 527); and amended by acts of Dec. 19, 1991 (105 Stat. 2306) and Sept. 29, 1994 (108 Stat. 2364).]

SECTION 808-Operation of Branch Facilities by Minorities and Women

(a) *In general.* In the case of any depository institution which donates, sells on favorable terms (as determined by the appropriate Federal financial supervisory agency), or makes available on a rent-free basis any branch of such institution which is located in any predominantly minority neighborhood to any minority depository institution or women's depository institution, the amount of the contribution or the amount of the loss incurred in connection with such activity may be a factor in determining whether the depository institution is meeting the credit needs of the institution's community for purposes of this title.

(b) *Definitions.* For purposes of this section-

(1) The term "*minority institution*" means a depository institution (as defined in section 3(c) of the Federal Deposit Insurance

American,

Act) -

(A) more than 50 percent of the owner-

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ship or control of which is held by I or more minority individuals; and

(B) more than 50 percent of the net profit or loss of which accrues to I or more minority individuals.

(2) The term "*women's depository institution*" means a depository institution (as defined in section 3(c) of the Federal Deposit Insurance Act)

(A) more than 50 percent of the ownership or control of which is held by I or more women;

(B) more than 50 percent of the net profit or loss of which accrues to I or more women; and

(C) a significant percentage of senior management positions of which are held by women.

(3) The term "*minority*" has the meaning given to such term by section 1204(c)(3) of the Financial Institutions Reform, Recovery and Enforcement Act of 1989.*

[12 USC 2907. As added by acts of Dec. 12, 1991

Stat. 1775) and Oct. 28, 1992 (106 Stat. 3874).]

* Section 1204(c)(3) of this act (12 USC 1811 note) reads as follows:

(e) The term "minority" means any Black

Native American, Hispanic American, or Asian American.