

HOUSE BILL 392

I1, C8

3lr0711
CF 3lr0712

By: **Delegate Wells**

Introduced and read first time: January 26, 2023

Assigned to: Economic Matters

A BILL ENTITLED

1 AN ACT concerning

2 **Financial Institutions – Maryland Community Reinvestment Act**

3 FOR the purpose of requiring the Commissioner of Financial Regulation to examine and
4 prepare a written evaluation of the record of certain regulated financial institutions
5 in meeting the financial needs of certain communities; requiring the Commissioner
6 to give a certain regulated financial institution a certain rating based on a certain
7 examination and to prepare a written evaluation; requiring a certain regulated
8 financial institution to prepare a certain improvement plan under certain
9 circumstances; requiring the Commissioner to take certain matters into account
10 when evaluating certain applications of a regulated financial institution; and
11 generally relating to financial institutions and community investment.

12 BY repealing and reenacting, without amendments,
13 Article – Financial Institutions
14 Section 1–101(a), (d), (e), (g), and (i)
15 Annotated Code of Maryland
16 (2020 Replacement Volume and 2022 Supplement)

17 BY adding to
18 Article – Financial Institutions
19 Section 1–501 through 1–509 to be under the new subtitle “Subtitle 5. Maryland
20 Community Reinvestment Act”
21 Annotated Code of Maryland
22 (2020 Replacement Volume and 2022 Supplement)

23 SECTION 1. BE IT ENACTED BY THE GENERAL ASSEMBLY OF MARYLAND,
24 That the Laws of Maryland read as follows:

25 **Article – Financial Institutions**

26 1–101.

EXPLANATION: CAPITALS INDICATE MATTER ADDED TO EXISTING LAW.

[Brackets] indicate matter deleted from existing law.



1 (a) In this article, unless the context clearly requires otherwise, the following
2 words have the meanings indicated.

3 (d) "Banking institution" means an institution that is incorporated under the
4 laws of this State as a State bank, trust company, or savings bank.

5 (e) "Charter" has the meaning stated in § 1-101 of the Corporations and
6 Associations Article.

7 (g) "Commissioner" means the Commissioner of Financial Regulation in the
8 Maryland Department of Labor.

9 (i) "Credit union" means a credit union that is incorporated under the laws of this
10 State as a credit union.

11 **SUBTITLE 5. MARYLAND COMMUNITY REINVESTMENT ACT.**

12 **1-501.**

13 **(A) IN THIS SUBTITLE THE FOLLOWING WORDS HAVE THE MEANINGS**
14 **INDICATED.**

15 **(B) "APPLICATION FOR A DEPOSIT FACILITY OR LICENSE" MEANS AN**
16 **APPLICATION TO THE COMMISSIONER FOR:**

17 **(1) A CHARTER FOR A BANKING INSTITUTION OR A CREDIT UNION;**

18 **(2) THE ESTABLISHMENT OF A DOMESTIC BRANCH OR OTHER**
19 **FACILITY WITH THE ABILITY TO ACCEPT DEPOSITS FOR A REGULATED FINANCIAL**
20 **INSTITUTION;**

21 **(3) THE RELOCATION OF THE HOME OFFICE OR A BRANCH OFFICE OF**
22 **A REGULATED FINANCIAL INSTITUTION;**

23 **(4) THE MERGER OR CONSOLIDATION WITH, THE ACQUISITION OF**
24 **THE ASSETS OF, OR THE ASSUMPTION OF THE LIABILITIES OF A REGULATED**
25 **FINANCIAL INSTITUTION;**

26 **(5) THE ACQUISITION OF SHARES IN, OR THE ASSETS OF, A**
27 **REGULATED FINANCIAL INSTITUTION; OR**

28 **(6) AN INITIAL OR RENEWAL LICENSE TO MAKE LOANS OR OFFER**
29 **OTHER FINANCIAL SERVICES.**

1 (C) "ASSESSMENT AREA" MEANS:

2 (1) FOR A REGULATED FINANCIAL INSTITUTION OTHER THAN A
3 CREDIT UNION:

4 (I) AN AREA WHERE THE REGULATED FINANCIAL INSTITUTION:

5 1. MAINTAINS DEPOSIT-TAKING BRANCHES,
6 AUTOMATED TELLER MACHINES, OR RETAIL OFFICES; AND

7 2. IS REPRESENTED BY AN AGENT; OR

8 (II) FOR AN AREA THAT DOES NOT HAVE DEPOSIT-TAKING
9 BRANCHES, AUTOMATED TELLER MACHINES, RETAIL OFFICES, OR AGENTS, AN AREA
10 WHERE THE REGULATED FINANCIAL INSTITUTION ISSUES A SIGNIFICANT NUMBER
11 OF LOANS OR OTHER PRODUCTS, INCLUDING DEPOSITS, RELATIVE TO THE TOTAL
12 NUMBER OF LOANS OR OTHER PRODUCTS MADE BY THE REGULATED FINANCIAL
13 INSTITUTION OR RELATIVE TO THE TOTAL NUMBER OF LOANS OR OTHER PRODUCTS
14 OFFERED BY THE PRIVATE SECTOR MARKET; OR

15 (2) FOR A CREDIT UNION, THE COMMON BOND OR FIELD OF
16 MEMBERSHIP FOR A CREDIT UNION.

17 (D) (1) "COMMUNITY" MEANS INDIVIDUALS OR GROUPS OF INDIVIDUALS
18 LOCATED IN THE ASSESSMENT AREA OF A REGULATED FINANCIAL INSTITUTION.

19 (2) "COMMUNITY" INCLUDES:

20 (I) LOW- AND MODERATE-INCOME INDIVIDUALS AND
21 NEIGHBORHOODS; AND

22 (II) OTHER DISTRESSED OR UNDERSERVED AREAS AND
23 POPULATIONS.

24 (E) "COMMUNITY BENEFITS PLAN" MEANS A PLAN CREATED BY A
25 REGULATED FINANCIAL INSTITUTION THAT PROVIDES MEASURABLE GOALS FOR
26 FUTURE AMOUNTS OF SAFE AND SOUND LOANS, INVESTMENTS, SERVICES, AND
27 OTHER FINANCIAL PRODUCTS FOR LOW- AND MODERATE-INCOME COMMUNITIES
28 AND OTHER DISTRESSED OR UNDERSERVED COMMUNITIES.

29 (F) "COMMUNITY DEVELOPMENT" INCLUDES:

1 **(1) AFFORDABLE HOUSING FOR LOW- OR MODERATE-INCOME**
2 **INDIVIDUALS;**

3 **(2) AVOIDANCE OF PATTERNS OF LENDING RESULTING IN THE LOSS**
4 **OF AFFORDABLE HOUSING UNITS;**

5 **(3) COMMUNITY DEVELOPMENT SERVICES, INCLUDING FINANCIAL**
6 **COUNSELING AND SUCCESSFUL MORTGAGE OR LOAN MODIFICATIONS OF**
7 **DELINQUENT LOANS;**

8 **(4) ACTIVITIES THAT PROMOTE ECONOMIC DEVELOPMENT BY**
9 **FINANCING SMALL BUSINESSES OR FARMS, WITH AN EMPHASIS ON SMALL**
10 **BUSINESSES OR FARMS THAT HAVE GROSS ANNUAL REVENUES OF NOT MORE THAN**
11 **\$1,000,000; AND**

12 **(5) ACTIVITIES THAT REVITALIZE OR STABILIZE:**

13 **(I) LOW- OR MODERATE-INCOME CENSUS TRACTS;**

14 **(II) DESIGNATED DISASTER AREAS;**

15 **(III) OTHER DISTRESSED OR UNDERSERVED COMMUNITIES;**

16 **(IV) COMMUNITIES CONSISTING DISPROPORTIONATELY OF**
17 **OTHER UNDERSERVED POPULATIONS; OR**

18 **(V) DISTRESSED OR UNDERSERVED NONMETROPOLITAN**
19 **MIDDLE-INCOME CENSUS TRACTS OR OTHER CENSUS TRACTS DESIGNATED BY THE**
20 **FEDERAL FINANCIAL INSTITUTIONS EXAMINATION COUNCIL.**

21 **(G) “DEPOSITORY INSTITUTION” HAS THE MEANING STATED IN THE**
22 **FEDERAL DEPOSIT INSURANCE ACT, 12 U.S.C. § 1813(C).**

23 **(H) “FEDERAL FINANCIAL SUPERVISORY AGENCY” MEANS:**

24 **(1) THE FEDERAL DEPOSIT INSTITUTION CORPORATION;**

25 **(2) THE FEDERAL RESERVE BOARD; OR**

26 **(3) THE CONSUMER FINANCIAL PROTECTION BUREAU.**

27 **(I) “OTHER DISTRESSED OR UNDERSERVED AREA” MEANS A CENSUS TRACT**
28 **OR ANOTHER AREA THAT, ACCORDING TO A PERIODIC REVIEW AND DATA ANALYSIS**

1 BY THE COMMISSIONER OR THE APPROPRIATE FEDERAL FINANCIAL SUPERVISORY
2 AGENCY ON AN INTERAGENCY BASIS THROUGH THE FEDERAL FINANCIAL
3 INSTITUTIONS EXAMINATION COUNCIL, IS EXPERIENCING ECONOMIC HARDSHIP OR
4 IS UNDERSERVED BY FINANCIAL INSTITUTIONS.

5 (J) "OTHER UNDERSERVED POPULATION" MEANS A POPULATION THAT
6 EXPERIENCES ONGOING EFFECTS OF DISCRIMINATION OR IS RELATIVELY
7 UNDERSERVED BY FINANCIAL INSTITUTIONS AS MEASURED BY LOANS PER CAPITA
8 OR OTHER SIMILAR METRICS.

9 (K) "REGULATED FINANCIAL INSTITUTION" MEANS:

10 (1) A BANKING INSTITUTION AS DEFINED IN § 1-101 OF THIS TITLE;

11 (2) A CREDIT UNION AS DEFINED IN § 1-101 OF THIS TITLE; OR

12 (3) A NONDEPOSITORY MORTGAGE COMPANY.

13 1-502.

14 (A) THE GENERAL ASSEMBLY FINDS THAT:

15 (1) A REGULATED FINANCIAL INSTITUTION IS REQUIRED BY LAW TO
16 DEMONSTRATE THAT IT SERVES THE CONVENIENCE AND NEEDS OF THE
17 COMMUNITIES WHERE THE REGULATED FINANCIAL INSTITUTION IS CHARTERED TO
18 DO BUSINESS;

19 (2) THE CONVENIENCE AND NEEDS OF COMMUNITIES INCLUDE THE
20 AVAILABILITY OF CREDIT, DEPOSITORY SERVICES, AND OTHER FINANCIAL
21 PRODUCTS; AND

22 (3) A REGULATED FINANCIAL INSTITUTION HAS AN AFFIRMATIVE
23 AND CONTINUING OBLIGATION TO SERVE THE NEEDS OF THE COMMUNITIES WHERE
24 THE REGULATED FINANCIAL INSTITUTION IS CHARTERED.

25 (B) THE PURPOSE OF THIS SUBTITLE IS TO REQUIRE THE COMMISSIONER
26 TO ENCOURAGE REGULATED FINANCIAL INSTITUTIONS TO MEET THE FINANCIAL
27 NEEDS OF THE LOCAL COMMUNITIES WHERE THE REGULATED FINANCIAL
28 INSTITUTIONS ARE CHARTERED CONSISTENT WITH THE SAFE AND SOUND
29 OPERATION OF THE REGULATED FINANCIAL INSTITUTIONS.

30 1-503.

1 **(A) (1) THE COMMISSIONER SHALL EXAMINE EACH REGULATED**
2 **FINANCIAL INSTITUTION TO ASSESS WHETHER THE REGULATED FINANCIAL**
3 **INSTITUTION IS MEETING THE FINANCIAL NEEDS OF THE LOCAL COMMUNITIES**
4 **WHERE THE REGULATED FINANCIAL INSTITUTION IS CHARTED AT LEAST ONCE**
5 **EVERY 3 YEARS.**

6 **(2) THE COMMISSIONER SHALL:**

7 **(I) PUBLISH AN EXAMINATION SCHEDULE AT THE BEGINNING**
8 **OF EACH CALENDAR YEAR;**

9 **(II) UPDATE THE EXAMINATION SCHEDULE EACH QUARTER;**
10 **AND**

11 **(III) SOLICIT AND CONSIDER PUBLIC COMMENT RELATED TO**
12 **THE COMPLIANCE OF A REGULATED FINANCIAL INSTITUTION WITH THIS SUBTITLE.**

13 **(B) WHEN EXAMINING A REGULATED FINANCIAL INSTITUTION IN**
14 **ACCORDANCE WITH THIS SUBTITLE, THE COMMISSIONER SHALL ASSESS THE**
15 **RECORD OF THE REGULATED FINANCIAL INSTITUTION IN:**

16 **(1) PROVIDING ACCESS TO CREDIT, DEPOSITORY SERVICES, AND**
17 **OTHER FINANCIAL PRODUCTS TO MEMBERS OF THE COMMUNITY WHERE THE**
18 **REGULATED FINANCIAL INSTITUTION IS CHARTERED, CONSISTENT WITH THE SAFE**
19 **AND SOUND OPERATION OF THE REGULATED FINANCIAL INSTITUTION; AND**

20 **(2) PARTICIPATING IN THE FOLLOWING ACTIVITIES:**

21 **(I) RETAIL LENDING, INCLUDING HOME LOANS, SMALL**
22 **BUSINESS LOANS, CONSUMER LOANS, AND OTHER LENDING AND FINANCIAL**
23 **PRODUCTS;**

24 **(II) COMMUNITY DEVELOPMENT LENDING AND INVESTMENT;**

25 **(III) PROVIDING GRANTS TO NONPROFIT ORGANIZATIONS**
26 **ENGAGED IN COMMUNITY DEVELOPMENT;**

27 **(IV) PROVIDING RETAIL FINANCIAL SERVICES, BRANCHES AND**
28 **OTHER SERVICE FACILITIES, LOW-COST DEPOSIT ACCOUNTS, AND COMMUNITY**
29 **DEVELOPMENT SERVICES;**

1 (V) OFFERING SAFE AND SOUND PRODUCTS, USING
2 DELINQUENCY RATES, DEFAULT RATES, REPAYMENT DATA, AND ANY OTHER
3 RELEVANT DATA;

4 (VI) WORKING WITH DELINQUENT BORROWERS TO RESOLVE
5 DELINQUENCIES, INCLUDING TIMELY LOAN MODIFICATIONS; AND

6 (VII) PREVENTING DISPLACEMENT OF LOW- AND
7 MODERATE-INCOME POPULATIONS AND WORKING TO PROMOTE INTEGRATION.

8 (C) THE COMMISSIONER MAY CONDUCT THE EXAMINATIONS REQUIRED
9 UNDER THIS SECTION JOINTLY WITH THE APPROPRIATE FEDERAL FINANCIAL
10 SUPERVISORY AGENCY OR OTHER REGULATED FINANCIAL INSTITUTIONS THAT ARE
11 OR MAY BE SUBJECT TO A FEDERAL COMMUNITY REINVESTMENT ACT
12 REQUIREMENT.

13 1-504.

14 (A) THE COMMISSIONER SHALL GIVE EACH REGULATED FINANCIAL
15 INSTITUTION ONE OF THE FOLLOWING RATINGS BASED ON THE EXAMINATION
16 CONDUCTED IN ACCORDANCE WITH § 1-503 OF THIS SUBTITLE:

17 (1) OUTSTANDING RECORD OF MEETING COMMUNITY NEEDS;

18 (2) SATISFACTORY RECORD OF MEETING COMMUNITY NEEDS;

19 (3) LOW SATISFACTORY RECORD OF MEETING COMMUNITY NEEDS;

20 (4) NEEDS TO IMPROVE RECORD OF MEETING COMMUNITY NEEDS; OR

21 (5) SUBSTANTIAL NONCOMPLIANCE IN MEETING COMMUNITY NEEDS.

22 (B) THE COMMISSIONER MAY ADJUST ANY FEES A REGULATED FINANCIAL
23 INSTITUTION MAY BE REQUIRED TO PAY UNDER THIS ARTICLE BASED ON THE
24 RATING RECEIVED BY THE REGULATED FINANCIAL INSTITUTION UNDER THIS
25 SUBTITLE.

26 (C) A REGULATED FINANCIAL INSTITUTION THAT RECEIVED A RATING OF
27 "NEEDS TO IMPROVE" OR "SUBSTANTIAL NONCOMPLIANCE" MAY NOT RECEIVE
28 DEPOSITS FROM A STATE AGENCY.

29 1-505.

1 **(A) (1) AFTER THE COMMISSIONER EXAMINES A REGULATED FINANCIAL**
2 **INSTITUTION IN ACCORDANCE WITH § 1-503 OF THIS SUBTITLE, THE**
3 **COMMISSIONER SHALL PREPARE A WRITTEN EVALUATION OF THE REGULATED**
4 **FINANCIAL INSTITUTION'S RECORD OF MEETING THE NEEDS OF THE REGULATED**
5 **FINANCIAL INSTITUTION'S COMMUNITY.**

6 **(2) A WRITTEN EVALUATION REQUIRED UNDER THIS SECTION SHALL**
7 **HAVE A PUBLIC SECTION AND A CONFIDENTIAL SECTION.**

8 **(B) (1) THE PUBLIC SECTION OF A WRITTEN EVALUATION SHALL:**

9 **(I) STATE THE COMMISSIONER'S CONCLUSIONS FOR EACH**
10 **EXAMINATION CRITERION AND SUBTEST;**

11 **(II) DISCUSS THE FACTS AND DATA SUPPORTING EACH**
12 **CONCLUSION; AND**

13 **(III) CONTAIN THE RATING OF THE REGULATED FINANCIAL**
14 **INSTITUTION AND A STATEMENT DESCRIBING THE BASIS FOR THE RATING.**

15 **(2) THE INFORMATION REQUIRED BY PARAGRAPH (1) OF THIS**
16 **SUBSECTION SHALL BE DISAGGREGATED BY ASSESSMENT AREA, INCLUDING:**

17 **(I) THE STATE;**

18 **(II) METROPOLITAN AREAS;**

19 **(III) URBAN OR RURAL COUNTIES; AND**

20 **(IV) GROUPINGS OF RURAL COUNTIES.**

21 **(C) (1) THE CONFIDENTIAL SECTION OF THE WRITTEN EVALUATION**
22 **SHALL CONTAIN ANY REFERENCES THAT IDENTIFY:**

23 **(I) A CUSTOMER OF THE REGULATED FINANCIAL INSTITUTION;**

24 **(II) AN EMPLOYEE OR OFFICER OF THE REGULATED FINANCIAL**
25 **INSTITUTION; OR**

26 **(III) A PERSON OR AN ORGANIZATION THAT HAS PROVIDED**
27 **INFORMATION IN CONFIDENCE TO THE COMMISSIONER OR A FEDERAL FINANCIAL**
28 **SUPERVISORY AGENCY.**

1 **(2) (i) EXCEPT AS PROVIDED IN SUBPARAGRAPH (ii) OF THIS**
2 **PARAGRAPH, THE CONFIDENTIAL SECTION OF THE WRITTEN EVALUATION SHALL**
3 **CONTAIN ANY STATEMENTS OBTAINED OR MADE BY THE COMMISSIONER IN THE**
4 **COURSE OF AN EXAMINATION THAT, IN THE JUDGMENT OF THE COMMISSIONER, ARE**
5 **TOO SENSITIVE OR SPECULATIVE IN NATURE TO DISCLOSE TO THE REGULATED**
6 **FINANCIAL INSTITUTION OR THE PUBLIC.**

7 **(ii) 1. THE CONFIDENTIAL SECTION MAY BE DISCLOSED TO**
8 **THE REGULATED FINANCIAL INSTITUTION, WHOLLY OR PARTLY, IF THE**
9 **COMMISSIONER DETERMINES THAT THE DISCLOSURE WILL PROMOTE THE**
10 **OBJECTIVES OF THIS SUBTITLE.**

11 **2. IF A DISCLOSURE IS MADE UNDER THIS PARAGRAPH,**
12 **THE DISCLOSURE MAY NOT IDENTIFY A PERSON OR AN ORGANIZATION THAT HAS**
13 **PROVIDED INFORMATION IN CONFIDENCE TO THE COMMISSIONER OR A FEDERAL**
14 **FINANCIAL SUPERVISORY AGENCY.**

15 **(d) IF A REGULATED FINANCIAL INSTITUTION HAS ENGAGED IN AN UNFAIR,**
16 **ABUSIVE, OR DECEPTIVE TRADE PRACTICE UNDER § 13-301 OF THE COMMERCIAL**
17 **LAW ARTICLE OR AN ACT OR A PRACTICE THAT VIOLATES FAIR LENDING AND**
18 **HOUSING LAWS INTENDED TO ENSURE THE FAIR, EQUITABLE, AND**
19 **NONDISCRIMINATORY ACCESS TO CREDIT FOR INDIVIDUALS AND COMMUNITIES**
20 **THAT ARE ENFORCED BY THE FEDERAL BUREAU OF CONSUMER FINANCIAL**
21 **PROTECTION OR OTHER FEDERAL OR STATE AGENCIES, THE COMMISSIONER MAY**
22 **LOWER THE RATING OF THE REGULATED FINANCIAL INSTITUTION COMMENSURATE**
23 **WITH THE EXTENT OF THE VIOLATION.**

24 **1-506.**

25 **(A) (1) THE COMMISSIONER SHALL REQUIRE A REGULATED FINANCIAL**
26 **INSTITUTION THAT RECEIVED A RATING OF “LOW SATISFACTORY” OR LOWER ON**
27 **THE WRITTEN EVALUATION REQUIRED IN § 1-505 OF THIS SUBTITLE OR IN AN**
28 **INDIVIDUAL ASSESSMENT AREA TO SUBMIT AN IMPROVEMENT PLAN.**

29 **(2) A REGULATED FINANCIAL INSTITUTION THAT IS REQUIRED TO**
30 **SUBMIT AN IMPROVEMENT PLAN SHALL SUBMIT THE IMPROVEMENT PLAN TO THE**
31 **COMMISSIONER FOR APPROVAL:**

32 **(i) IN WRITING; AND**

33 **(ii) NOT LATER THAN 90 DAYS AFTER RECEIVING NOTICE THAT**
34 **THE REGULATED FINANCIAL INSTITUTION IS REQUIRED TO SUBMIT AN**
35 **IMPROVEMENT PLAN.**

1 (B) (1) ON RECEIPT OF AN IMPROVEMENT PLAN, THE COMMISSIONER:

2 (I) SHALL MAKE THE IMPROVEMENT PLAN AVAILABLE TO THE
3 PUBLIC FOR A REVIEW AND COMMENT PERIOD OF NOT LESS THAN 60 DAYS; AND

4 (II) MAY REQUIRE THE REGULATED FINANCIAL INSTITUTION
5 TO REVISE THE IMPROVEMENT PLAN IN RESPONSE TO ANY PUBLIC COMMENTS
6 RECEIVED.

7 (2) IF THE COMMISSIONER REQUIRES A REGULATED FINANCIAL
8 INSTITUTION TO SUBMIT A REVISED IMPROVEMENT PLAN, THE REGULATED
9 FINANCIAL INSTITUTION SHALL SUBMIT THE REVISED IMPROVEMENT PLAN TO THE
10 COMMISSIONER NOT LATER THAN 60 DAYS AFTER THE CLOSE OF THE REVIEW AND
11 COMMENT PERIOD.

12 (C) THE COMMISSIONER MAY APPROVE AN IMPROVEMENT PLAN ONLY IF
13 THE COMMISSIONER FINDS THAT THE IMPROVEMENT PLAN HAS A REASONABLE
14 LIKELIHOOD OF IMPROVING THE REGULATED FINANCIAL INSTITUTION'S RATING TO
15 AT LEAST "SATISFACTORY" IN MEETING THE FINANCIAL NEEDS OF THE COMMUNITY
16 IN THE RELEVANT ASSESSMENT AREAS ON THE NEXT EXAMINATION.

17 1-507.

18 (A) THE COMMISSIONER SHALL TAKE THE RECORD OF A REGULATED
19 FINANCIAL INSTITUTION INTO ACCOUNT WHEN EVALUATING A REGULATED
20 FINANCIAL INSTITUTION'S APPLICATION FOR A DEPOSIT FACILITY OR LICENSE.

21 (B) THE COMMISSIONER SHALL:

22 (1) CONSIDER THE OVERALL RATING OF THE REGULATED FINANCIAL
23 INSTITUTION AND ANY IMPROVEMENT PLANS SUBMITTED IN ACCORDANCE WITH
24 THIS SUBTITLE;

25 (2) PROVIDE AN OPPORTUNITY FOR PUBLIC COMMENT FOR A PERIOD
26 OF NOT LESS THAN 60 DAYS;

27 (3) CONSIDER CHANGES IN THE COMMUNITY REINVESTMENT AND
28 FAIR LENDING PERFORMANCE OF THE REGULATED FINANCIAL INSTITUTION SINCE
29 THE MOST RECENT EXAMINATION AND RATING UNDER THIS SUBTITLE;

30 (4) REQUIRE:

1 **(I) A DEMONSTRATION OF PUBLIC BENEFIT, INCLUDING A**
2 **COMMUNITY BENEFITS PLAN WITH MEASURABLE GOALS REGARDING INCREASING**
3 **RESPONSIBLE LENDING AND OTHER FINANCIAL PRODUCTS THAT IS**
4 **COMMENSURATE WITH THE ABILITY OF THE REGULATED FINANCIAL INSTITUTION**
5 **TO ACCOMPLISH THE GOALS; AND**

6 **(II) THAT THE REGULATED FINANCIAL INSTITUTION CONSULT**
7 **WITH COMMUNITY-BASED ORGANIZATIONS AND OTHER COMMUNITY**
8 **STAKEHOLDERS IN DEVELOPING THE COMMUNITY BENEFITS PLAN; AND**

9 **(5) CONDUCT A PUBLIC HEARING FOR A REGULATED FINANCIAL**
10 **INSTITUTION THAT HAS RECEIVED A “NEED TO IMPROVE” OR “LOW SATISFACTORY”**
11 **GRADE IN ANY ASSESSMENT AREA DURING THE MOST RECENT EXAMINATION.**

12 **1-508.**

13 **(A) A REGULATED FINANCIAL INSTITUTION SHALL PROVIDE A NOTICE TO**
14 **THE PUBLIC THAT IS SUBSTANTIALLY SIMILAR TO THE FOLLOWING:**

15 **“MARYLAND COMMUNITY REINVESTMENT NOTICE**

16 **THE COMMISSIONER OF FINANCIAL REGULATION IN THE MARYLAND**
17 **DEPARTMENT OF LABOR EVALUATES OUR PERFORMANCE IN MEETING THE**
18 **FINANCIAL SERVICES NEEDS OF THIS COMMUNITY, INCLUDING THE NEEDS OF**
19 **LOW-INCOME TO MODERATE-INCOME HOUSEHOLDS AND OTHER UNDERSERVED**
20 **POPULATIONS AND COMMUNITIES. THE COMMISSIONER TAKES THIS EVALUATION**
21 **INTO ACCOUNT WHEN DECIDING ON CERTAIN APPLICATIONS SUBMITTED FOR**
22 **APPROVAL BY THE OFFICE OF FINANCIAL REGULATION. YOUR INVOLVEMENT IS**
23 **ENCOURAGED. YOU MAY OBTAIN A COPY OF OUR EVALUATION. YOU MAY ALSO**
24 **SUBMIT SIGNED, WRITTEN COMMENTS ABOUT OUR PERFORMANCE IN MEETING THE**
25 **FINANCIAL SERVICES NEEDS OF THE COMMUNITY TO THE OFFICE OF FINANCIAL**
26 **REGULATION.”.**

27 **(B) THE NOTICE REQUIRED BY SUBSECTION (A) OF THIS SECTION SHALL BE**
28 **POSTED:**

29 **(1) IN THE PUBLIC LOBBY OF A REGULATED FINANCIAL INSTITUTION;**
30 **AND**

31 **(2) ON THE WEBSITE OF THE REGULATED FINANCIAL INSTITUTION.**

32 **1-509.**

1 **(A) (1) THE COMMISSIONER SHALL ADOPT REGULATIONS TO CARRY OUT**
2 **THIS SUBTITLE.**

3 **(2) THE REGULATIONS SHALL INCLUDE EXAMINATION AND SUBTEST**
4 **CRITERIA FOR THE WRITTEN EVALUATION REQUIRED IN § 1-505 OF THIS SUBTITLE.**

5 **(B) THE COMMISSIONER MAY:**

6 **(1) ALTER THE RATING CATEGORIES IN §**
7 **1-504(A) OF THIS SUBTITLE OR ADD A POINT SCALE; AND**

8 **(2) ADOPT PROVISIONS OF THE FEDERAL COMMUNITY**
9 **REINVESTMENT ACT AND REGULATIONS ADOPTED UNDER THAT ACT.**

10 SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take effect
11 October 1, 2023.