

# Senate Study Bill 2225

## Conference Committee Text

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1 1 Section 1. Section 12C.6A, subsections 2 and 3, Code 1995,  
1 2 are amended to read as follows:

1 3 2. In addition to establishing a minimum interest rate for  
1 4 public funds pursuant to section 12C.6, the committee composed  
1 5 of the superintendent of banking, the auditor of state or a  
1 6 designee, and the treasurer of state shall develop a list of  
1 7 financial institutions eligible to accept state public funds.  
1 8 The committee shall require that a financial institution  
1 9 seeking to qualify for the list shall annually provide the  
1 10 committee a written statement that the financial institution  
1 11 has a commitment to community reinvestment consistent with the  
1 12 safe and sound operation of a financial institution. The  
1 13 committee shall accept a letter, certified

~~copy of the annual~~

1 14

~~community reinvestment report filed by the financial~~

1 15

~~institution pursuant to~~  
~~by an officer of the financial~~

1 16 institution, stating the financial institution's most recent  
1 17 rating under the federal Community Reinvestment Act, 12 U.S.C.  
1 18 } 2901 et seq., in satisfaction of the written statement  
1 19 requirement under this subsection. To qualify for the list a  
1 20 financial institution must demonstrate a continuing commitment  
1 21 to meet the credit needs of the local community in which it is  
1 22 chartered.  
1 23 3.

~~The committee shall develop procedures to ensure that~~

1 24

~~the financial institution's statement is available and~~

1 25

~~accessible for examination by citizens.~~

- The committee may  
1 26 require a financial institution to provide public notice  
1 27 inviting the public to submit comments to the financial  
1 28 institution regarding its community lending activities. Each  
1 29 financial institution shall maintain a file open to public  
1 30 inspection which contains

~~the five most recent annual~~

1 31

~~community reinvestment disclosure statements,~~  
~~public comments~~

1 32 received on its community investment activities, and the

1 33 financial institution's response to those comments. The  
1 34 committee shall adopt procedures for both of the following:  
1 35 a. To receive information relating to a financial  
2 1 institution's commitment to community reinvestment.  
2 2 b. To receive challenges from any person to a financial  
2 3 institution's continued eligibility to receive state public  
2 4 funds.  
2 5 Sec. 2. Section [12C.6A](#), subsection 4, paragraphs d and g,  
2 6 Code 1995, are amended to read as follows:  
2 7 d. Practices intended to discourage application for

~~types~~

2 8

~~of credit set forth in the Community Reinvestment Act~~

2 9

~~statement~~

~~home mortgages, small business loans, small farm~~

2 10 ~~loans, community development loans, and, if consumer lending~~

2 11 ~~constitutes a substantial majority of a financial~~

2 12 ~~institution's business, consumer loans.~~

2 13 g. Participation in local community and rural development

2 14 and redevelopment projects, and in state and federal business

2 15 and economic development programs.

~~The committee may specify~~

2 16

~~by rule which programs must be included in the annual~~

2 17

~~statement.~~

2 18

#### EXPLANATION

2 19 This bill amends chapter 12C, which relates to the deposit  
2 20 of public funds, by striking references to the annual  
2 21 community reinvestment report filed pursuant to federal law,  
2 22 as that statement is no longer required. In lieu of that  
2 23 statement, the committee which develops the list of financial  
2 24 institutions eligible to accept state public funds is to  
2 25 accept a letter, certified by an officer of the financial  
2 26 institution, stating the financial institution's most recent  
2 27 rating under the federal Community Reinvestment Act. Language  
2 28 relating to the availability of the financial institution's  
2 29 annual community reinvestment disclosure statement to the  
2 30 public is also stricken.

2 31 Under section 12C.6A, the committee receives challenges to  
2 32 a financial institution's continued eligibility to receive  
2 33 state public funds. Two of the factors considered by the  
2 34 committee are amended by the bill. First, the committee is to  
2 35 look at practices of the financial institution intended to  
3 1 discourage application for home mortgages, small business  
3 2 loans, small farm loans, community development loans, and, if  
3 3 consumer lending is a substantial majority of the financial  
3 4 institution's business, consumer loans. Currently, the  
3 5 committee is to look at practices intended to discourage  
3 6 application for types of credit set forth in the Community  
3 7 Reinvestment Act statement, which will no longer be required.  
3 8 Language is also stricken which grants the committee the  
3 9 authority to specify which state and federal business and  
3 10 economic development programs participated in by the financial  
3 11 institution are to be included in an annual statement.

3 12 LSB 4088SC 76  
3 13 mj/jj/8