

this title or an insured institution as defined in section 401 of the National Housing Act”.

1978—Par. (4), Pub. L. 95-630 added par. (4).

**EFFECTIVE DATE OF 2010 AMENDMENT**

Amendment by Pub. L. 111-203 effective on the transfer date, see section 351 of Pub. L. 111-203, set out as a note under section 906 of Title 2, The Congress.

**EFFECTIVE DATE OF 1978 AMENDMENT**

Amendment by Pub. L. 95-630 effective Nov. 10, 1978, see section 1505 of Pub. L. 95-630, set out as a note under section 27 of this title.

**§ 2903. 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) of this section, 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 institutions and low-income credit unions provided that these activities help meet the credit needs of local communities in which such institutions and credit unions are chartered.

**(c) Financial holding company requirement**

**(1) In general**

An election by a bank holding company to become a financial holding company under section 1843 of this title shall not be effective if—

(A) the Board finds that, as of the date the declaration of such election and the certification is filed by such holding company under section 1843(l)(1)(C)<sup>1</sup> of this title, not all of the subsidiary insured depository institutions of the bank holding company had achieved a rating of “satisfactory record of meeting community credit needs”, or better, at the most recent examination of each such institution; and

(B) the Board notifies the company of such finding before the end of the 30-day period beginning on such date.

**(2) Limited exclusions for newly acquired insured depository institutions**

Any insured depository institution acquired by a bank holding company during the 12-month period preceding the date of the submission to the Board of the declaration and certification under section 1843(l)(1)(C)<sup>1</sup> of this

title may be excluded for purposes of paragraph (1) during the 12-month period beginning on the date of such acquisition if—

(A) the bank holding company has submitted an affirmative plan to the appropriate Federal financial supervisory agency to take such action as may be necessary in order for such institution to achieve a rating of “satisfactory record of meeting community credit needs”, or better, at the next examination of the institution; and

(B) the plan has been accepted by such agency.

**(3) Definitions**

For purposes of this subsection, the following definitions shall apply:

**(A) Bank holding company; financial holding company**

The terms “bank holding company” and “financial holding company” have the meanings given those terms in section 1841 of this title.

**(B) Board**

The term “Board” means the Board of Governors of the Federal Reserve System.

**(C) Insured depository institution**

The term “insured depository institution” has the meaning given the term in section 1813(c) of this title.

**(d) Low-cost education loans**

In assessing and taking into account, under subsection (a), the record of a financial institution, the appropriate Federal financial supervisory agency shall consider, as a factor, low-cost education loans provided by the financial institution to low-income borrowers.

(Pub. L. 95-128, title VIII, §804, Oct. 12, 1977, 91 Stat. 1148; Pub. L. 102-550, title IX, §909(1), Oct. 28, 1992, 106 Stat. 3874; Pub. L. 106-102, title I, §103(b), Nov. 12, 1999, 113 Stat. 1350; Pub. L. 110-315, title X, §1031(a), Aug. 14, 2008, 122 Stat. 3488.)

**REFERENCES IN TEXT**

Section 1843(l)(1)(C) of this title, referred to in subsec. (c)(1)(A), (2), was redesignated section 1843(l)(1)(D) of this title by Pub. L. 111-203, title VI, §606(a)(2), July 21, 2010, 124 Stat. 1607.

**AMENDMENTS**

2008—Subsec. (d), Pub. L. 110-315 added subsec. (d).

1999—Subsec. (c), Pub. L. 106-102 added subsec. (c).

1992—Pub. L. 102-550 designated existing provisions as subsec. (a), inserted heading, and added subsec. (b).

**EFFECTIVE DATE OF 1999 AMENDMENT**

Amendment by Pub. L. 106-102 effective 120 days after Nov. 12, 1999, see section 161 of Pub. L. 106-102, set out as a note under section 24 of this title.

**REGULATIONS**

Pub. L. 110-315, title X, §1031(b), Aug. 14, 2008, 122 Stat. 3488, provided that: “Not later than 1 year after the date of enactment of this Act [Aug. 14, 2008], each appropriate Federal financial supervisory agency shall issue rules in final form to implement section 804(d) of the Community Reinvestment Act of 1977 [12 U.S.C. 2903(d)], as added by this section.”

**§ 2904. Report to Congress**

Each appropriate Federal financial supervisory agency shall include in its annual report

<sup>1</sup> See References in Text note below.