

HOUSE BILL 1135

11

4lr2465

By: **Delegate Wells**

Introduced and read first time: February 7, 2024

Assigned to: Economic Matters

A BILL ENTITLED

1 AN ACT concerning

2 **Financial Institutions – Community Benefit Plan Act of 2024**

3 FOR the purpose of requiring certain regulated financial institutions to develop a
4 community benefit plan in connection with certain applications to the Commissioner
5 of Financial Regulation relating to financial services; requiring certain regulated
6 financial institutions to submit to the Commissioner and make available to the
7 public a report on community benefit goal attainment under certain circumstances;
8 requiring the Commissioner to exercise certain oversight authority relating to the
9 adequacy of the community benefit plans and attainment of goals under the plans;
10 requiring the Commissioner to establish a certain community benefit review
11 committee; establishing the Community Reinvestment Fund as a special, nonlapsing
12 fund to finance certain community development activities; requiring the
13 Commissioner to contract with certain persons to conduct a certain disparity study;
14 and generally relating to financial institutions and community development.

15 BY repealing and reenacting, without amendments,
16 Article – Financial Institutions
17 Section 1–101(a), (d), (e), (g), and (i), 2–118(a) and (b), and 2–120(a)(1) through (3)
18 and (b)
19 Annotated Code of Maryland
20 (2020 Replacement Volume and 2023 Supplement)

21 BY repealing and reenacting, with amendments,
22 Article – Financial Institutions
23 Section 2–118(c), 2–120(c), 5–203(b) and (e), 6–712(c)(1), and 11–503.1
24 Annotated Code of Maryland
25 (2020 Replacement Volume and 2023 Supplement)

26 BY adding to
27 Article – Financial Institutions

EXPLANATION: CAPITALS INDICATE MATTER ADDED TO EXISTING LAW.

[Brackets] indicate matter deleted from existing law.



Section 1–501 through 1–507 to be under the new subtitle “Subtitle 5. Community Benefit Plan”; and 2–118.2 and 6–712(c)(5) Annotated Code of Maryland (2020 Replacement Volume and 2023 Supplement)

BY repealing and reenacting, without amendments, Article – State Finance and Procurement Section 6–226(a)(2)(i) Annotated Code of Maryland (2021 Replacement Volume and 2023 Supplement)

BY repealing and reenacting, with amendments, Article – State Finance and Procurement Section 6–226(a)(2)(ii) 189. and 190. Annotated Code of Maryland (2021 Replacement Volume and 2023 Supplement)

BY adding to Article – State Finance and Procurement Section 6–226(a)(2)(ii) 191. Annotated Code of Maryland (2021 Replacement Volume and 2023 Supplement)

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

Article – Financial Institutions

1–101.

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

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

(e) “Charter” has the meaning stated in § 1–101 of the Corporations and Associations Article.

(g) “Commissioner” means the Commissioner of Financial Regulation in the Maryland Department of Labor.

(i) “Credit union” means a credit union that is incorporated under the laws of this State as a credit union.

SUBTITLE 5. COMMUNITY BENEFIT PLAN.

1 **1-501.**

2 (A) IN THIS SUBTITLE THE FOLLOWING WORDS HAVE THE MEANINGS
3 INDICATED.

4 (B) “APPLICATION FOR A DEPOSIT FACILITY OR LICENSE” MEANS AN
5 APPLICATION TO THE COMMISSIONER FOR:

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

7 (2) THE ESTABLISHMENT OF A DOMESTIC BRANCH OR OTHER
8 FACILITY WITH THE ABILITY TO ACCEPT DEPOSITS FOR A REGULATED FINANCIAL
9 INSTITUTION;

10 (3) THE RELOCATION OF THE HOME OFFICE OR A BRANCH OFFICE OF
11 A REGULATED FINANCIAL INSTITUTION;

12 (4) THE MERGER OR CONSOLIDATION WITH, OR THE ACQUISITION OF
13 THE ASSETS, OR THE ASSUMPTION OF THE LIABILITIES OF A REGULATED FINANCIAL
14 INSTITUTION;

15 (5) THE ACQUISITION OF SHARES IN, OR THE ASSETS OF, A
16 REGULATED FINANCIAL INSTITUTION REQUIRING APPROVAL UNDER STATE LAW; OR

17 (6) AN INITIAL LICENSE OR RENEWAL LICENSE TO MAKE LOANS OR
18 TO OFFER OTHER FINANCIAL SERVICES.

19 (C) “COMMUNITY BENEFIT PLAN” MEANS A PLAN CREATED BY A
20 REGULATED FINANCIAL INSTITUTION THAT:

21 (1) PROVIDES MEASURABLE AND VERIFIABLE GOALS FOR FUTURE
22 AMOUNTS OF SAFE AND SOUND LOANS, INVESTMENTS, GRANTS, SERVICES, AND
23 OTHER FINANCIAL PRODUCTS FOR LOW- AND MODERATE-INCOME INDIVIDUALS
24 AND COMMUNITIES AND OTHER DISTRESSED OR UNDERSERVED INDIVIDUALS AND
25 COMMUNITIES;

26 (2) HAS GOALS THAT ARE DEVELOPED IN REFERENCE TO PAST
27 LEVELS OF LENDING, INVESTMENTS, GRANTS, AND SERVICES;

28 (3) INCLUDES COMPARISONS TO DEMOGRAPHIC BENCHMARKS AND
29 PEER OR INDUSTRY LEVELS OF ACTIVITIES; AND

1 **(4) INCLUDES DOCUMENTATION OF INPUT FROM COMMUNITY-BASED**
2 **ORGANIZATIONS AND OTHER STAKEHOLDERS.**

3 **(D) “COMMUNITY DEVELOPMENT” INCLUDES:**

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

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

8 **(3) COMMUNITY DEVELOPMENT SERVICES, INCLUDING COUNSELING**
9 **AND SUCCESSFUL MORTGAGE OR LOAN MODIFICATIONS OF DELINQUENT LOANS;**

10 **(4) ACTIVITIES THAT PROMOTE:**

11 **(I) INTEGRATION;**

12 **(II) CLIMATE REMEDIATION AND DISASTER PREPAREDNESS;**

13 **(III) ECONOMIC DEVELOPMENT BY FINANCING SMALL**
14 **BUSINESSES OR FARMS THAT MEET THE SIZE ELIGIBILITY REQUIREMENTS OF THE**
15 **DEVELOPMENT COMPANY OR SMALL BUSINESS INVESTMENT COMPANY PROGRAMS**
16 **UNDER 13 C.F.R. § 121.301, OR ANY SUCCESSOR REGULATION, WITH AN EMPHASIS**
17 **ON SMALL BUSINESSES THAT HAVE GROSS ANNUAL REVENUES OF NOT MORE THAN**
18 **\$1,000,000; OR**

19 **(IV) PHYSICAL AND SENSORY ACCESSIBILITY IN HOUSING**
20 **STOCK THAT IS INTEGRATED INTO THE COMMUNITY;**

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

22 **(I) LOW- OR MODERATE-INCOME GEOGRAPHIC AREAS;**

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

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

25 **(IV) DISTRESSED OR UNDERSERVED NONMETROPOLITAN**
26 **MIDDLE-INCOME GEOGRAPHIC AREAS OR OTHER GEOGRAPHIC AREAS DESIGNATED**
27 **BY THE FEDERAL FINANCIAL INSTITUTIONS EXAMINATION COUNCIL; AND**

1 **(6) OTHER ACTIVITIES THAT PROMOTE THE OBJECTIVES OF THIS**
2 **SUBTITLE, AS DETERMINED BY THE REGULATIONS IMPLEMENTING THE FEDERAL**
3 **COMMUNITY REINVESTMENT ACT OR BY THE COMMISSIONER.**

4 **(E) “OTHER DISTRESSED OR UNDERSERVED COMMUNITY” MEANS A**
5 **COUNTY, CENSUS TRACT, OR OTHER AREA THAT, ACCORDING TO A PERIODIC**
6 **REVIEW AND DATA ANALYSIS BY THE COMMISSIONER OR THE APPROPRIATE**
7 **FEDERAL FINANCIAL SUPERVISORY AGENCIES ON AN INTERAGENCY BASIS**
8 **THROUGH THE FEDERAL FINANCIAL INSTITUTIONS EXAMINATION COUNCIL, IS**
9 **EXPERIENCING ECONOMIC HARDSHIP OR IS UNDERSERVED BY FINANCIAL**
10 **INSTITUTIONS, INCLUDING BY HAVING A LOW LEVEL OF LOANS PER HOUSEHOLD OR**
11 **PER SMALL BUSINESS.**

12 **(F) “OTHER UNDERSERVED POPULATIONS” MEANS A POPULATION THAT**
13 **EXPERIENCES ONGOING EFFECTS OF DISCRIMINATION OR IS RELATIVELY**
14 **UNDERSERVED BY FINANCIAL INSTITUTIONS AS MEASURED BY LOANS PER CAPITA**
15 **OR OTHER SIMILAR METRICS.**

16 **(G) “REGULATED FINANCIAL INSTITUTION” MEANS:**

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

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

19 **(3) A NONDEPOSITORY MORTGAGE COMPANY.**

20 **1-502.**

21 **(A) THE GENERAL ASSEMBLY FINDS THAT:**

22 **(1) A REGULATED FINANCIAL INSTITUTION IS REQUIRED BY LAW TO**
23 **DEMONSTRATE THAT IT SERVES THE CONVENIENCE AND NEEDS OF THE**
24 **COMMUNITIES WHERE THE REGULATED FINANCIAL INSTITUTION IS CHARTERED TO**
25 **DO BUSINESS;**

26 **(2) THE CONVENIENCE AND NEEDS OF COMMUNITIES INCLUDE THE**
27 **NEED FOR CREDIT, DEPOSIT SERVICES, AND OTHER FINANCIAL PRODUCTS;**

28 **(3) A REGULATED FINANCIAL INSTITUTION HAS A CONTINUING AND**
29 **AFFIRMATIVE OBLIGATION TO SERVE COMMUNITY NEEDS; AND**

(4) A REGULATED FINANCIAL INSTITUTION MUST DEMONSTRATE RESPONSIVENESS TO COMMUNITY NEEDS BY DEVELOPING A COMMUNITY BENEFITS PLAN WHEN SUBMITTING AN APPLICATION FOR A DEPOSIT FACILITY OR LICENSE.

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

1-503.

(A) THE COMMISSIONER SHALL CONTRACT WITH QUALIFIED PERSONS TO CONDUCT A DISPARITY STUDY TO IDENTIFY UNDERSERVED COUNTIES, POPULATIONS, AND CENSUS TRACTS IN THE STATE.

(B) THE DISPARITY STUDY SHALL IDENTIFY SEGMENTS OF THE POPULATION THAT ARE UNDERSERVED DUE TO DISCRIMINATION BY METROPOLITAN AREA AND BY URBAN AND RURAL COUNTIES.

(C) THE DISPARITY STUDY SHALL BE:

(1) COMPLETED ON OR BEFORE DECEMBER 1, 2024;

(2) UPDATED ONCE EVERY 3 YEARS THEREAFTER; AND

(3) MADE AVAILABLE TO THE PUBLIC.

1-504.

(A) THIS SECTION DOES NOT APPLY TO A NONDEPOSITORY MORTGAGE COMPANY THAT ISSUES LESS THAN 50 SINGLE FAMILY HOME LOANS ON AN ANNUAL BASIS.

(B) (1) A REGULATED FINANCIAL INSTITUTION SHALL DEVELOP A COMMUNITY BENEFIT PLAN IN CONNECTION WITH AN APPLICATION FOR A DEPOSIT FACILITY OR LICENSE.

(2) A COMMUNITY BENEFIT PLAN SHALL:

(I) HAVE A DURATION OF 3 YEARS; AND

(II) INCLUDE GOALS ESTABLISHED FOR EACH YEAR FOR RETAIL LENDING AND COMMUNITY DEVELOPMENT LENDING, INVESTMENT, GRANTMAKING, AND SERVICES.

(3) ON THE EXPIRATION OF A COMMUNITY BENEFIT PLAN, A REGULATED FINANCIAL INSTITUTION SHALL ADOPT A NEW COMMUNITY BENEFIT PLAN.

(4) (I) BEFORE ADOPTING A COMMUNITY BENEFIT PLAN, A REGULATED FINANCIAL INSTITUTION SHALL SUBMIT A DRAFT OF THE PLAN TO THE COMMISSIONER.

(II) THE COMMISSIONER SHALL ESTABLISH A PUBLIC COMMENT PERIOD OF NOT LESS THAN 60 DAYS DURING WHICH MEMBERS OF THE PUBLIC MAY PROVIDE COMMENTS ON THE DRAFT COMMUNITY BENEFIT PLAN.

(III) A REGULATED FINANCIAL INSTITUTION SHALL REVISE THE DRAFT COMMUNITY BENEFIT PLAN IN RESPONSE TO PUBLIC COMMENTS ON THE PLAN.

(IV) THE COMMISSIONER MAY REQUIRE A REGULATED FINANCIAL INSTITUTION TO REVISE A DRAFT COMMUNITY BENEFIT PLAN IN RESPONSE TO PUBLIC COMMENTS ON THE PLAN.

(5) (I) WHEN RENEWING A LICENSE DURING A YEAR WHEN A COMMUNITY BENEFIT PLAN IS IN EFFECT, A REGULATED FINANCIAL INSTITUTION SHALL SUBMIT TO THE COMMISSIONER AND MAKE AVAILABLE TO THE PUBLIC A REPORT ON COMMUNITY BENEFIT PLAN GOAL ATTAINMENT THAT:

1. IDENTIFIES ANY GOALS THE REGULATED FINANCIAL INSTITUTION DID NOT MEET; AND

2. INCLUDES VERIFIABLE DATA.

(II) THE COMMISSIONER SHALL RECEIVE PUBLIC COMMENTS ON THE REPORT DURING A PUBLIC COMMENT PERIOD ESTABLISHED BY THE COMMISSIONER.

(C) (1) A REGULATED FINANCIAL INSTITUTION THAT ISSUES AT LEAST 300 BUT FEWER THAN 1,000 SINGLE FAMILY HOME LOANS EACH YEAR SHALL:

(I) INCLUDE IN ITS COMMUNITY BENEFIT PLAN A RETAIL LENDING PRODUCT OR COMMUNITY DEVELOPMENT LOANS, INVESTMENTS, GRANTS, OR SERVICES THAT ARE TARGETED TO:

1. AT LEAST ONE UNDERSERVED OR DISTRESSED COUNTY; AND

2. LOW- AND MODERATE-INCOME INDIVIDUALS AND OTHER UNDERSERVED POPULATIONS IN THAT COUNTY; AND

(II) FOR EACH PLAN YEAR, SUBMIT TO THE COMMISSIONER AND MAKE AVAILABLE TO THE PUBLIC VERIFIABLE DATA THAT INCLUDES:

1. DEMOGRAPHIC INFORMATION ON RETAIL LENDING RECIPIENTS AND THE NUMBER OF LOANS MADE TO TARGET POPULATIONS; AND

2. DATA REGARDING COMMUNITY DEVELOPMENT LOANS, INVESTMENTS, GRANTS, AND SERVICES.

(2) A REGULATED FINANCIAL INSTITUTION THAT ISSUES 1,000 OR MORE SINGLE FAMILY LOANS EACH YEAR SHALL:

(I) INCLUDE IN ITS COMMUNITY BENEFIT PLAN A RETAIL LENDING PRODUCT OR COMMUNITY DEVELOPMENT LOANS, INVESTMENTS, GRANTS, OR SERVICES THAT ARE TARGETED TO:

1. AT LEAST TWO UNDERSERVED OR DISTRESSED COUNTIES;

2. ONE OR MORE UNDERSERVED OR DISTRESSED CENSUS TRACTS; AND

3. LOW- AND MODERATE-INCOME INDIVIDUALS AND OTHER UNDERSERVED POPULATIONS IN THE COUNTIES AND CENSUS TRACTS; AND

(II) FOR EACH PLAN YEAR, SUBMIT TO THE COMMISSIONER AND MAKE AVAILABLE TO THE PUBLIC VERIFIABLE DATA THAT INCLUDES:

1. DEMOGRAPHIC INFORMATION ON RETAIL LENDING RECIPIENTS AND THE NUMBER OF LOANS MADE TO TARGET POPULATIONS; AND

2. DATA REGARDING COMMUNITY DEVELOPMENT LOANS, INVESTMENTS, GRANTS, AND SERVICES.

(D) A BANKING INSTITUTION OR A CREDIT UNION SHALL DESCRIBE IN A COMMUNITY BENEFIT PLAN, IN CONNECTION WITH THE ESTABLISHMENT OF A DOMESTIC BRANCH OR BRANCH RELOCATION, HOW THE NEW OR RELOCATED BRANCH WILL BENEFIT LOW- AND MODERATE-INCOME CENSUS TRACTS OR PREDOMINATELY MINORITY TRACTS IN PROXIMITY TO THE BRANCH.

(E) (1) A MEMBER OF THE PUBLIC MAY COMMENT AT ANY TIME ON THE COMMUNITY BENEFIT PLAN OF A REGULATED FINANCIAL INSTITUTION.

(2) A REGULATED FINANCIAL INSTITUTION AND THE COMMISSIONER SHALL RETAIN COPIES OF PUBLIC COMMENTS RECEIVED ON A COMMUNITY BENEFIT PLAN FOR 3 YEARS.

1-505.

(A) THE COMMISSIONER SHALL:

(1) REVIEW AN INITIAL COMMUNITY BENEFIT PLAN SUBMITTED BY A REGULATED FINANCIAL INSTITUTION TO ASSESS WHETHER THE PLAN IS ADEQUATE IN MEETING COMMUNITY NEEDS; AND

(2) MONITOR THE EXTENT TO WHICH A REGULATED FINANCIAL INSTITUTION HAS ATTAINED THE GOALS OF THE PLAN DURING EACH YEAR THAT THE PLAN IS IN EFFECT.

(B) IF THE COMMISSIONER DETERMINES THAT A COMMUNITY BENEFIT PLAN IS NOT ADEQUATE IN MEETING COMMUNITY NEEDS OR THAT A REGULATED FINANCIAL INSTITUTION HAS SUBSTANTIALLY FAILED TO ATTAIN ANNUAL GOALS UNDER THE PLAN, THE COMMISSIONER SHALL:

(1) DENY AN APPLICATION FOR A DEPOSIT FACILITY OR LICENSE SUBMITTED BY THE REGULATED FINANCIAL INSTITUTION;

(2) IMPOSE A CIVIL PENALTY UNDER § 2-117 OF THIS ARTICLE OR INCREASE A FEE APPLICABLE TO THE REGULATED FINANCIAL INSTITUTION UNDER § 5-203, § 6-712, OR § 11-503.1 OF THIS ARTICLE, WITH THE PROCEEDS PAYABLE TO THE COMMUNITY REINVESTMENT FUND ESTABLISHED UNDER § 2-118.2 OF THIS ARTICLE;

(3) REQUIRE A BRANCH DIVESTITURE FOR THE REGULATED FINANCIAL INSTITUTION;

1 **(4) PROHIBIT THE REGULATED FINANCIAL INSTITUTION FROM**
2 **SELLING LOANS TO GOVERNMENT-SPONSORED ENTERPRISES; OR**

3 **(5) (I) REQUIRE AN ADJUSTMENT TO THE COMMUNITY BENEFIT**
4 **PLAN OR ADOPTION OF A REMEDIAL ACTION PLAN THAT SPECIFIES CONCRETE**
5 **STEPS TO MEET COMMUNITY NEEDS OR ATTAIN ANNUAL GOALS, SUCH AS**
6 **INCREASING MARKETING TO UNDERSERVED OR DISTRESSED COMMUNITIES; AND**

7 **(II) MAKE AVAILABLE TO THE PUBLIC ANY ADJUSTMENT OR**
8 **REMEDIAL ACTION PLAN REQUIRED UNDER ITEM (I) OF THIS ITEM.**

9 **(C) (1) A BANKING INSTITUTION OR A CREDIT UNION SHALL HONOR ANY**
10 **COMMUNITY BENEFIT PLAN ESTABLISHED BY AN ENTITY ACQUIRED BY THE**
11 **BANKING INSTITUTION OR CREDIT UNION.**

12 **(2) THE COMMISSIONER SHALL DENY AN APPLICATION FOR A**
13 **DEPOSIT FACILITY OF A BANKING INSTITUTION OR CREDIT UNION THAT DOES NOT**
14 **COMPLY WITH PARAGRAPH (1) OF THIS SUBSECTION.**

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 SHALL**
22 **PENALIZE THE REGULATED FINANCIAL INSTITUTION IN A MANNER COMMENSURATE**
23 **WITH THE EXTENT OF THE HARM EXPERIENCED BY INDIVIDUALS OR COMMUNITIES**
24 **IMPACTED BY THE VIOLATION.**

25 **1-506.**

26 **(A) THE COMMISSIONER SHALL ESTABLISH A COMMUNITY BENEFIT REVIEW**
27 **COMMITTEE TO REVIEW THE ADEQUACY OF COMMUNITY BENEFIT PLANS ADOPTED**
28 **BY REGULATED FINANCIAL INSTITUTIONS.**

29 **(B) THE MEMBERSHIP OF THE COMMUNITY BENEFIT REVIEW COMMITTEE**
30 **SHALL CONSIST OF:**

31 **(1) REPRESENTATIVES OF COMMUNITY-BASED ORGANIZATIONS;**

32 **(2) LEADERS FROM THE FAITH COMMUNITY;**

1 **(3) REPRESENTATIVES OF CIVIL RIGHTS ORGANIZATIONS;**

2 **(4) ELECTED OR APPOINTED PUBLIC OFFICIALS FROM URBAN AND**
3 **RURAL JURISDICTIONS; AND**

4 **(5) OTHER STAKEHOLDERS REPRESENTING A DIVERSITY OF**
5 **INTERESTS AND PERSPECTIVES RELATING TO AFFORDABLE HOUSING AND**
6 **COMMUNITY DEVELOPMENT.**

7 **(C) THE COMMUNITY BENEFIT REVIEW COMMITTEE SHALL MEET AT LEAST**
8 **TWICE A YEAR TO:**

9 **(1) ASSESS WHETHER ADOPTED COMMUNITY BENEFIT PLANS ARE**
10 **ADEQUATE IN MEETING COMMUNITY NEEDS;**

11 **(2) REVIEW THE COMMISSIONER'S ENFORCEMENT OF THE**
12 **REQUIREMENTS UNDER THIS SUBTITLE, INCLUDING APPLICATIONS FOR A DEPOSIT**
13 **FACILITY OR LICENSE THAT HAVE BEEN APPROVED AND DENIED BY THE**
14 **COMMISSIONER; AND**

15 **(3) MAKE RECOMMENDATIONS TO THE COMMISSIONER FOR:**

16 **(I) IMPROVEMENTS IN THE EFFECTIVENESS OF ENFORCEMENT**
17 **AND OF COMMUNITY BENEFIT PLANS IN INCREASING LOANS, INVESTMENTS, AND**
18 **SERVICES TO LOW- AND MODERATE-INCOME COMMUNITIES AND OTHER**
19 **UNDERSERVED OR DISTRESSED COMMUNITIES; AND**

20 **(II) THE OPERATION OF THE COMMUNITY REINVESTMENT**
21 **FUND ESTABLISHED UNDER § 2-118.2 OF THIS ARTICLE AND THE ACTIVITIES**
22 **FINANCED BY THE FUND.**

23 **1-507.**

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

26 **"MARYLAND COMMUNITY REINVESTMENT NOTICE**

27 **THE COMMISSIONER OF FINANCIAL REGULATION IN THE MARYLAND**
28 **DEPARTMENT OF LABOR REQUIRES THIS INSTITUTION TO ISSUE A COMMUNITY**
29 **BENEFITS PLAN INDICATING HOW THIS INSTITUTION WILL SERVE THE NEEDS OF**
30 **LOW-INCOME TO MODERATE-INCOME COMMUNITIES AND OTHER UNDERSERVED OR**
31 **DISTRESSED COMMUNITIES. THE COMMISSIONER TAKES THIS PLAN INTO ACCOUNT**

1 WHEN DECIDING ON CERTAIN APPLICATIONS SUBMITTED FOR APPROVAL BY THE
2 OFFICE OF FINANCIAL REGULATION. YOUR INVOLVEMENT IS ENCOURAGED. YOU
3 MAY OBTAIN A COPY OF OUR PLAN FROM THIS INSTITUTION OR FROM THE
4 COMMISSIONER. THE PLAN IS POSTED ON THIS INSTITUTION'S WEBSITE AND YOU
5 MAY ALSO OBTAIN FROM THIS INSTITUTION A HARD COPY OF THE PLAN. YOU MAY
6 SUBMIT WRITTEN COMMENTS ABOUT OUR PLAN AND PERFORMANCE IN MEETING
7 COMMUNITY FINANCIAL SERVICES NEEDS TO THE OFFICE OF FINANCIAL
8 REGULATION.”.

9 (B) THE NOTICE REQUIRED BY SUBSECTION (A) OF THIS SECTION SHALL BE
10 POSTED:

11 (1) IN THE PUBLIC LOBBY OF A REGULATED FINANCIAL INSTITUTION;
12 AND

13 (2) ON THE WEBSITE OF THE REGULATED FINANCIAL INSTITUTION.

14 2–118.

15 (a) In this section, “Fund” means the Banking Institution and Credit Union
16 Regulation Fund established under this section.

17 (b) There is a Banking Institution and Credit Union Regulation Fund that
18 consists of:

19 (1) All revenue received for the chartering and regulation of persons who
20 engage in the business of a banking institution or credit union under this article; and

21 (2) Any other fee, assessment, or revenue received by the Commissioner
22 from banking institutions and credit unions under this article.

23 (c) Notwithstanding subsection (b) of this section, the Commissioner shall [pay]:

24 (1) EXCEPT AS PROVIDED UNDER ITEM (2) OF THIS SUBSECTION, PAY
25 all fines and penalties collected by the Commissioner from banking institutions and credit
26 unions under this article into the General Fund of the State; AND

27 (2) PAY ANY PENALTIES AND FEES ASSESSED UNDER § 1–505 OF THIS
28 ARTICLE INTO THE COMMUNITY REINVESTMENT FUND ESTABLISHED UNDER §
29 2–118.2 OF THIS SUBTITLE.

30 2–118.2.

31 (A) (1) IN THIS SECTION THE FOLLOWING WORDS HAVE THE MEANINGS
32 INDICATED.

1 (2) “COMMUNITY DEVELOPMENT” HAS THE MEANING STATED IN §
2 1-501 OF THIS ARTICLE.

3 (3) “FUND” MEANS THE COMMUNITY REINVESTMENT FUND.

4 (B) THERE IS A COMMUNITY REINVESTMENT FUND.

5 (C) THE PURPOSE OF THE FUND IS TO FINANCE COMMUNITY
6 DEVELOPMENT ACTIVITIES.

7 (D) THE COMMISSIONER SHALL ADMINISTER THE FUND.

8 (E) (1) THE FUND IS A SPECIAL, NONLAPSING FUND THAT IS NOT
9 SUBJECT TO § 7-302 OF THE STATE FINANCE AND PROCUREMENT ARTICLE.

10 (2) THE STATE TREASURER SHALL HOLD THE FUND SEPARATELY,
11 AND THE COMPTROLLER SHALL ACCOUNT FOR THE FUND.

12 (F) THE FUND CONSISTS OF:

13 (1) REVENUE DISTRIBUTED TO THE FUND UNDER § 1-505 OF THIS
14 ARTICLE;

15 (2) MONEY APPROPRIATED IN THE STATE BUDGET TO THE FUND;

16 (3) INTEREST EARNINGS; AND

17 (4) ANY OTHER MONEY FROM ANY OTHER SOURCE ACCEPTED FOR
18 THE BENEFIT OF THE FUND.

19 (G) THE FUND MAY BE USED ONLY FOR COMMUNITY DEVELOPMENT
20 ACTIVITIES.

21 (H) (1) THE STATE TREASURER SHALL INVEST THE MONEY OF THE FUND
22 IN THE SAME MANNER AS OTHER STATE MONEY MAY BE INVESTED.

23 (2) ANY INTEREST EARNINGS OF THE FUND SHALL BE CREDITED TO
24 THE FUND.

25 (I) EXPENDITURES FROM THE FUND MAY BE MADE ONLY IN ACCORDANCE
26 WITH THE STATE BUDGET.

2–120.

(a) (1) In this section the following words have the meanings indicated.

(2) “Board” means the State Collection Agency Licensing Board established under Title 7 of the Business Regulation Article.

(3) “Fund” means the Non–Depository Special Fund established under this section.

(b) There is a Non–Depository Special Fund that consists of:

(1) All revenues received from licensing fees from each licensed person;

(2) All revenues received from registration fees from each registered person;

(3) All revenues received from annual assessments under subsection (h) of this section;

(4) Income from the investments that the State Treasurer makes for the Fund; and

(5) Any other fee, examination or investigation fee or assessment, or revenue received by the Commissioner or the Board with respect to any regulated person.

(c) Notwithstanding subsection (b) of this section:

(1) **[The] EXCEPT AS PROVIDED IN ITEM (3) OF THIS SUBSECTION, THE** Commissioner and the Board shall pay all fines and penalties collected from any regulated person into the General Fund of the State; **[and]**

(2) Revenue received by the Commissioner for use of the Foreclosed Property Registry established under Title 7 of the Real Property Article shall be paid by the Commissioner to the Foreclosed Property Registry Fund established under § 7–105.14 of the Real Property Article; **AND**

(3) THE COMMISSIONER SHALL PAY ANY PENALTIES AND FEES ASSESSED UNDER § 1–505 OF THIS ARTICLE INTO THE COMMUNITY REINVESTMENT FUND ESTABLISHED UNDER § 2–118.2 OF THIS SUBTITLE.

5–203.

(b) The Commissioner shall impose annual assessments on each banking institution as provided in this section, to cover the expense of regulating banking

institutions **AND ENFORCE, AS NECESSARY, THE REQUIREMENTS OF TITLE 1, SUBTITLE 5 OF THIS ARTICLE.**

(e) Notwithstanding subsection (c) of this section[, for]:

(1) FOR a banking institution with a composite CAMELS rating of 3, 4, or 5 for its most recent examination, the annual assessment imposed under this section shall be increased by an additional 25%; **AND**

(2) THE ANNUAL ASSESSMENT IMPOSED UNDER THIS SECTION MAY BE INCREASED BY AN AMOUNT DETERMINED BY THE COMMISSIONER AND PAYABLE TO THE COMMUNITY REINVESTMENT FUND ESTABLISHED UNDER § 2-118.2 OF THIS ARTICLE TO ENFORCE THE REQUIREMENTS OF TITLE 1, SUBTITLE 5 OF THIS ARTICLE.

6-712.

(c) (1) The Commissioner shall impose an annual assessment on each credit union as provided in this subsection to cover the expense of regulating credit unions **AND ENFORCE, AS NECESSARY, THE REQUIREMENTS OF TITLE 1, SUBTITLE 5 OF THIS ARTICLE.**

(5) THE COMMISSIONER MAY INCREASE THE ANNUAL ASSESSMENT BY AN AMOUNT DETERMINED BY THE COMMISSIONER AND PAYABLE TO THE COMMUNITY REINVESTMENT FUND ESTABLISHED UNDER § 2-118.2 OF THIS ARTICLE TO ENFORCE THE REQUIREMENTS OF TITLE 1, SUBTITLE 5 OF THIS ARTICLE.

11-503.1.

(a) The Commissioner shall set by regulation the fees provided for in this subtitle.

(b) The fees established by the Commissioner under this section together with any assessments of licensees under this subtitle shall [be]:

(1) BE reasonable and set in a manner that will collectively produce funds sufficient to cover the direct and indirect costs of fulfilling the statutory and regulatory duties of the Commissioner related to licensees in accordance with this subtitle; **AND**

(2) PROVIDE FOR AN INCREASE IN THE AMOUNT ASSESSED ON A MORTGAGE LENDER, AS NECESSARY, TO ENABLE THE COMMISSIONER TO ENFORCE THE REQUIREMENTS OF TITLE 1, SUBTITLE 5 OF THIS ARTICLE, WITH THE PROCEEDS PAYABLE TO THE COMMUNITY REINVESTMENT FUND ESTABLISHED UNDER § 2-118.2 OF THIS ARTICLE.

(c) The Commissioner shall publish the fee schedule set by the Commissioner.

Article – State Finance and Procurement

6–226.

(a) (2) (i) Notwithstanding any other provision of law, and unless inconsistent with a federal law, grant agreement, or other federal requirement or with the terms of a gift or settlement agreement, net interest on all State money allocated by the State Treasurer under this section to special funds or accounts, and otherwise entitled to receive interest earnings, as accounted for by the Comptroller, shall accrue to the General Fund of the State.

(ii) The provisions of subparagraph (i) of this paragraph do not apply to the following funds:

189. the Teacher Retention and Development Fund; [and]

190. the Protecting Against Hate Crimes Grant Fund; AND

191. THE COMMUNITY REINVESTMENT FUND.

SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take effect October 1, 2024.