# SENATE JOINT RESOLUTION No. 111

# STATE OF NEW JERSEY 218th LEGISLATURE

INTRODUCED DECEMBER 3, 2018

Sponsored by: Senator TROY SINGLETON District 7 (Burlington)

## **SYNOPSIS**

Urges withdrawal of advance notice of proposed rulemaking on Community Reinvestment Act.

### **CURRENT VERSION OF TEXT**

As introduced.



1	A JOINT RESOLUTION urging withdrawal of the advance notice of
2	proposed rulemaking on the Community Reinvestment Act.
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4	WHEREAS, The Community Reinvestment Act (CRA) was enacted by
5	Congress and the President in 1977 to encourage depository
6	institutions to help meet the credit needs of the communities in
7	which they operate, consistent with sound banking operations; and
8	WHEREAS, The CRA requires federal regulators to periodically
9	evaluate federally-insured depository institutions' records in
10	meeting the credit needs of their entire communities; and
11	WHEREAS, In August of 2018, one of those regulators, the Office of
12	the Comptroller of the Currency (OCC) in the Department of the
13	Treasury, released an advance notice of proposed rulemaking
14	(ANPR) seeking to modernize the regulatory framework
15	implementing the CRA; and
16	WHEREAS, The ANPR would change many aspects of how the CRA
17	currently operates, including how banks are evaluated on their
18	reinvestment activities; and
19	WHEREAS, The CRA has been a critical tool in working to end the
20	practice of redlining, the discriminatory practice of sectioning of
21	areas where banks would avoid investments based on community
22	demographics; and
23	WHEREAS, Redlining hurts many low and moderate-income
24	communities, particularly communities of color, by denying them
25	access to financial services; and
26	WHEREAS, Community groups have negotiated CRA agreements with
27	many financial institutions in New Jersey, which have resulted in
28	people and small businesses throughout the State receiving below-
29	market rate mortgages, discounted home improvement loans
30	affordable consumer lending products, financing for affordable
31	housing, and small business loans for women and minority owned
32	businesses; and
33	WHEREAS, The ANPR threatens to rollback this progress by
34	eliminating most current CRA requirements for financial
35	institutions, and allowing them to self-police; and
36	WHEREAS, Community groups caution that the changes will reduce
37	access to loans and banking services for lower-income individuals
38	and small businesses; and
39	WHEREAS, The ANPR will undermine the original intent of the CRA
40	and will harm low and moderate-income people in New Jersey and
41	across the United States; and
42	WHEREAS, It is fitting and proper to urge the OCC to withdraw the
43	ANPR, and to instead collaborate with stakeholders and regulators
44	to improve the CRA for the good of New Jersey's communities
45 46	now, therefore,
46 47	BE IT RESOLVED by the Senate and General Assembly of the
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**BE IT RESOLVED** by the Senate and General Assembly of the State of New Jersey:

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#### **SJR111** SINGLETON

1	1. The Governor and Legislature of New Jersey respectfully
2	urge the Office of the Comptroller of the Currency to withdraw the
3	advance notice of proposed rulemaking on the Community
4	Reinvestment Act, and to instead collaborate with stakeholders and
5	regulators to improve that act for the good of New Jersey's
6	communities.
7	
8	2. Copies of this resolution, as filed with the Secretary of State,
9	shall be transmitted by the Clerk of the General Assembly or the
10	Secretary of the Senate to the Office of the Comptroller of the
11	Currency in the United States Department of the Treasury.
12	

3. This joint resolution shall take effect immediately.

#### **STATEMENT**

This joint resolution urges the Office of the Comptroller of the Currency to withdraw its Advance Notice of Proposed Rulemaking on the Community Reinvestment Act.

The Community Reinvestment Act (CRA) was enacted by Congress in 1977 to encourage depository institutions to help meet the credit needs of the communities in which they operate, consistent with sound banking operations. In August of 2018, the Office of the Comptroller of the Currency (OCC), released an advance notice of proposed rulemaking (ANPR) that would change many aspects of how the CRA operates, including how banks are evaluated on their reinvestment activities.

The changes threaten to roll back the progress accomplished under the CRA by eliminating many current requirements for financial institutions. Community groups caution that the ANPR, if approved, will reduce access to loans and banking services for lower-income individuals and small businesses.

Pursuant to this joint resolution, the Governor and Legislature of New Jersey respectfully urge the Office of the Comptroller of the Currency to withdraw the ANPR on the Community Reinvestment Act, and to instead collaborate with stakeholders and regulators to improve that act for the good of New Jersey's communities.