

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.



SJR111 SINGLETON

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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 off
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 now, therefore,

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47 **BE IT RESOLVED** by the Senate and General Assembly of the
48 *State of New Jersey*:

