Bill as Introduced

HB 827 – AS INTRODUCED

2003 SESSION

03-0988
06/09

HOUSE BILL ***827***

AN ACT establishing a committee to study the costs and benefits to the state of a state-level community reinvestment act for credit unions and non-bank mortgage lenders doing business in this state.

SPONSORS: Rep. Potter, Merr 38

COMMITTEE: Commerce

ANALYSIS

This bill establishes a committee to study the costs and benefits to the state of a state-level community reinvestment act for credit unions and non-bank mortgage lenders doing business in this state.

Explanation: Matter added to current law appears in ***bold italics.***
Matter removed from current law appears [~~in brackets and struckthrough.~~]
Matter which is either (a) all new or (b) repealed and reenacted appears in regular type.

HB 827 – AS INTRODUCED

03-0988
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STATE OF NEW HAMPSHIRE

In the Year of Our Lord Two Thousand Three

AN ACT establishing a committee to study the costs and benefits to the state of a state-level community reinvestment act for credit unions and non-bank mortgage lenders doing business in this state.

Be it Enacted by the Senate and House of Representatives in General Court convened:

1 Committee Established. There is established a committee to study the costs and benefits to the state of a state-level community reinvestment act for credit unions and non-bank mortgage lenders doing business in this state.

2 Membership and Compensation.

I. The members of the committee shall be as follows:

(a) Three members of the house of representatives, one of whom shall be a member of the commerce committee, appointed by the speaker of the house.

(b) Three members of the senate, appointed by the president of the senate.

II. Members of the committee shall receive mileage at the legislative rate when attending to the duties of the committee.

3 Duties. The committee shall study the costs and benefits to the state of a state-level community reinvestment act for credit unions and non-bank mortgage lenders doing business in this state. The committee shall consider the need for regulation to cover larger credit unions regarding home lending to non-white and low and moderate income borrowers.

4 Chairperson; Quorum. The members of the study committee shall elect a chairperson from among the members. The first meeting of the committee shall be called by the first-named house member. The first meeting of the committee shall be held within 45 days of the effective date of this section. Four members of the committee shall constitute a quorum.

5 Report. The committee shall report its findings and any recommendations for proposed legislation to the speaker of the house of representatives, the senate president, the house clerk, the senate clerk, the governor, and the state library on or before November 1, 2003.

6 Effective Date. This act shall take effect upon its passage.

Hearing Minutes

HOUSE COMMITTEE ON COMMERCE

PUBLIC HEARING ON HB 827

BILL TITLE: establishing a committee to study the costs and benefits to the state of a state-level community reinvestment act for credit unions and non-bank mortgage lenders doing business in this state.

DATE: March 3, 2003

LOB ROOM: 302 **Time Public Hearing Called to Order:** 2:50 pm

Time Adjourned: 3 pm

(please circle if present)

Committee Members: Reps. Hunt, L. Fraser, Francoeur, Belanger, Langley, DiFruscia, D. Flanders, Spiess, Holden, Liebl, Quandt, Charles Clark, Brady, Scamman, Stepanek, Reardon, Kathleen Taylor, Meader, DeStefano, Vachon and Kopka.

Bill Sponsors: Rep. Potter

TESTIMONY

* Use asterisk if written testimony and/or amendments are submitted.

Rep. Frances Potter, sponsor – Introduced the bill. Community Reinvestment Act (CRA) passed in 1976. Banks and savings banks are bound by the law. Credit Unions and non-bank lenders are not under the law.

Q: Rep. Paul Spiess – If CRA is intended to balance deposit gathering with local lenders, how can we ask non-banks to comply with CRA?

A: That would be an issue for consideration by the study committee.

Q: Chairman John Hunt – If credit unions are owned by the depositors, and are specifically designed to serve their constituency, how can we compel them to invest in the larger community?

A: Many credit unions have gotten very large and don't just serve their customer base. They have a broader market.

Martha Yager, representing self – There have been many changes in the financial services industry. A lot of the traditional work of banks has been taken over by credit unions and non-bank lenders. Several states have state CRA laws for credit unions.

James Demers, Mortgage Bankers & Brokers Association and New England Financial Services Association – Do not support the section relating to non-bank lenders.

Russ Hilliard Attorney representing the NH Credit Union League – Opposes the bill. Credit unions are uniquely charged to serve their depositors. They do community reinvestment by the definition of their charter.

Respectfully Submitted:

Paul D. Spiess, Clerk

Sub-Committee Actions

HOUSE COMMITTEE ON COMMERCE

SUBCOMMITTEE WORK SESSION ON HB 827

BILL TITLE: establishing a committee to study the costs and benefits to the state of a state-level community reinvestment act for credit unions and non-bank mortgage lenders doing business in this state.

DATE: March 17, 2003

Subcommittee Members: Reps. Fraser, Vachone, Kopka, Clark and Scamman

Comments and Recommendations: ITL Recommendation.

Amendments:

Sponsor: Rep. OLS Document #:

Sponsor: Rep. OLS Document #:

Sponsor: Rep. OLS Document #:

Motions: OTP, OTP/A, ITL, Interim Study (Please circle one.)

Moved by Rep.

Seconded by Rep.

Vote:

Motions: OTP, OTP/A, ITL, Interim Study (Please circle one.)

Moved by Rep. Scamman

Seconded by Rep. Clark

Vote: 3-2

Respectfully submitted,

Rep. Leo W. Fraser, Jr.
Subcommittee Chairman/Clerk

Voting Sheets

HOUSE COMMITTEE ON COMMERCE

EXECUTIVE SESSION on HB 827

BILL TITLE: **establishing a committee to study the costs and benefits to the state of a state-level community reinvestment act for credit unions and non-bank mortgage lenders doing business in this state.**

DATE: March 19, 2003

LOB ROOM: 302

Amendments:

Sponsor: Rep. OLS Document #:

Sponsor: Rep. OLS Document #:

Sponsor: Rep. OLS Document #:

Motions: OTP, OTP/A, ITL, Interim Study (Please circle one.)

Moved by Rep.

Seconded by Rep.

Vote: (Please attach record of roll call vote.)

Motions: OTP, OTP/A, ITL, Interim Study (Please circle one.)

Moved by Rep. Fraser

Seconded by Rep. Spiess

Vote: 13-0 (Please attach record of roll call vote.)

CONSENT CALENDAR VOTE: 13-0

(Vote to place on Consent Calendar must be unanimous.)

Statement of Intent: Refer to Committee Report

Respectfully submitted,

Rep. Paul D. Spiess, Clerk

OFFICE OF THE HOUSE CLERK 2003 SESSION

COMMERCE

Bill #: HB827 **Title:** _____

PH Date: ___/___/___ **Exec Session Date:** 3/19/03

Motion: ITL **Amendment #:** _____

MEMBER	YEAS	NAYS
Hunt. John B. Chairman	✓	
Fraser. Leo W. V Chairman	✓	
Francoeur. Sheila T	✓	
Belanger. Ronald J	✓	
Langley. Jane S	✓	
DiFruscia. Anthony R		
Flanders. Donald H	✓	
Spiess. Paul D	✓	
Holden. Randolph N		
Liebl. George J		
Quandt. Matthew J	✓	
Clark. Charles L	✓	
Brady. Mark A	✓	
Scamman. Stella	✓	
Stepanek. Stephen B		
Reardon. Tara G		
Taylor. Kathleen N		
Meader. David R	✓	
DeStefano. Stephen T	✓	
Vachon. Dennis P		
Kopka. Angeline A		
	13	0

TOTAL VOTE:
Printed: 1/6/2003

Committee Report

COMMITTEE REPORT

COMMITTEE: **Commerce**

BILL NUMBER: **HB 827**

TITLE: establishing a committee to study the costs and benefits to the state of a state-level community reinvestment act for credit unions and non-bank mortgage lenders doing business in this state.

DATE: March 19, 2003 CONSENT CALENDAR YES ☒ NO ☐

☐ OUGHT TO PASS

☐ OUGHT TO PASS WITH AMENDMENT

☒ INEXPEDIENT TO LEGISLATE

☐ REFER TO COMMITTEE FOR INTERIM STUDY
(Available only in second year of biennium.)

STATEMENT OF INTENT
(Include Committee Vote)

This bill would create a committee to study the costs and benefits to the state of a statewide level community reimbursement act for credit union non-bank mortgage lenders. So far as credit unions are concerned, they can only lend to their individual depositors and as such being non-profit financial organizations would now be subject to the Credit Reporting Act. Non-bank mortgage lenders do not take deposits so that they too would be exempt from this bill. As both financial institutions identified in the bill would be exempt, the committee felt that legislation to create a study committee was not appropriate.

Vote 13-0.

Rep. Leo W. Fraser, Jr.
FOR THE COMMITTEE

Original: House Clerk
cc: Committee Bill file

USE ANOTHER REPORT FOR MINORITY REPORT

CONSENT CALENDAR

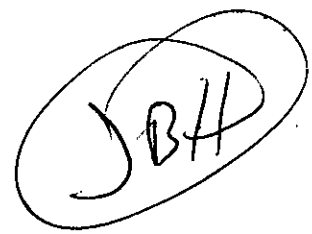
Commerce

HB 827, establishing a committee to study the costs and benefits to the state of a state-level community reinvestment act for credit unions and non-bank mortgage lenders doing business in this state. **INEXPEDIENT TO LEGISLATE**

Rep. Leo W. Fraser, Jr. for Commerce: This bill would create a committee to study the costs and benefits to the state of a statewide level community reimbursement act for credit union non-bank mortgage lenders. So far as credit unions are concerned, they can only lend to their individual depositors and as such being non-profit financial organizations would now be subject to the Credit Reporting Act. Non-bank mortgage lenders do not take deposits so that they too would be exempt from this bill. As both financial institutions identified in the bill would be exempt, the committee felt that legislation to create a study committee was not appropriate **Vote 13-0.**

HB 827
Rep. Leo W. Fraser, Jr.

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Leo Fraser

HB 827 -

This bill would create a Committee to Study the costs and benefits to the State of a State-wide Local community re-investment act for Credit Union non bank mortgage lenders

So far as Credit Unions are concerned, they can only lend to their ~~deposit~~ individual depositors and as such being non-profit financial organizations would not be subject to the

Credit Reporting Reporting Act

Non-bank mortgage lenders

do not take deposits so that

they too need to exempt from

this bill

as both financial institutions

identified in the bill that need

to Exempt, the Committee felt

that legislation to create a

study committee ~~was~~ was not

necessary