

2025 Regular Session

HOUSE BILL NO. 418

BY REPRESENTATIVE WILDER

Prefiled pursuant to Article III, Section 2(A)(4)(b)(i) of the Constitution of Louisiana.

FINANCIAL INSTITUTIONS: Provides with respect to transactions of financial institutions

1 AN ACT

2 To enact R.S. 51:1430, relative to financial institutions transaction; to provide for
3 definitions; to provide for adverse actions; to prohibit certain actions by a financial
4 institutional; to provide for violations; to provide for civil actions; to provide for
5 severability; and to provide for related matters.

6 Be it enacted by the Legislature of Louisiana:

7 Section 1. R.S. 51:1430 is hereby enacted to read as follows:

8 §1430. Practices by a financial institution

9 A.(1) As used in this Section, the following terms have the following
10 meanings:

11 (a) "Adverse action" means a decision by a financial institution to directly
12 or indirectly decline to provide full and equal enjoyment in the provision of financial
13 services and includes refusing to provide, terminating, or restricting financial
14 services. An adverse action does not include:

15 (i) A change in the terms of an account expressly agreed to by an applicant.

16 (ii) Any action or forbearance relating to an account taken in connection with
17 inactivity, default, or delinquency as to that account.

18 (iii) A refusal to provide services because applicable law prohibits the
19 creditor from providing the service requested.

1 (iv) A refusal to provide a service because the creditor does not offer the
2 type of service requested.

3 (b)(i) "Discriminate in the provision of financial services" means taking an
4 adverse action against a customer on the basis of one of the following criteria:

5 (aa) Any person's exercise of religion that is protected from government
6 interference by the First Amendment to the Constitution of the United States of
7 America, Article 1, Section 8 of the Constitution of Louisiana, or federal or state law,
8 including all aspects of religious observance and practice, as well as belief and
9 affiliation.

10 (bb) Any person's speech, expression, or association that is protected from
11 government interference by the First Amendment to the Constitution of the United
12 States of America, Article 1, Sections 7 and 9 of the Constitution of Louisiana, or
13 federal or state law, including the person's opinions, speech, or other expressive
14 activities, including the lawful preservation of privacy regarding those activities,
15 such as the refusal to disclose lobbying, political activity, or contributions beyond
16 what is required by applicable state and federal law.

17 (cc) Failure or refusal to adopt any targets or disclosures related to
18 greenhouse gas emissions beyond what is required by applicable state and federal
19 law.

20 (dd) Failure or refusal to conduct any type of racial, diversity, or gender
21 audit or disclosure or to provide any sort of quota, preference, or benefit based, in
22 whole or in part, on race, diversity, or gender.

23 (ee) Failure or refusal to facilitate or assist employees in obtaining abortions
24 or gender transition services.

25 (ff) Except as provided in Item (ii) of this Subparagraph, participation in
26 business activities with an entity that engages in the exploration, production,
27 utilization, transportation, sale, or manufacturing of fossil fuel sources or
28 fossil-fuel-based energy or business activities with an entity that engages in the

1 manufacture, distribution, wholesale, supply, or retail of firearms, firearms
2 accessories, or ammunition.

3 (ii) For the purposes of Subitem (i)(ff) of this Subparagraph only,
4 "discriminate in the provision of financial services" does not include the financial
5 institution evaluating quantifiable financial risks of a person based on impartial,
6 financial-risk-based standards that include activities described in Subitem (i)(ff) of
7 this Subparagraph, if such standards are established in advance by the financial
8 institution and publicly disclosed to customers and potential customers.

9 (c)(i) "Financial institution" means, notwithstanding R.S. 51:1406, one of the
10 following:

11 (aa) A bank that has total assets over one hundred billion dollars.

12 (bb) A payment processor, credit card company, credit card network,
13 payment network, payment service provider, or payment gateway that has processed
14 more than one hundred billion dollars in transactions in the last calendar year.

15 (ii) A financial institution includes any affiliate or subsidiary company, even
16 if that company is also a financial institution.

17 (d) "Financial service" means any financial product or service offered by a
18 financial institution.

19 (e) "Person" means any individual, partnership, association, joint stock
20 company, trust, corporation, nonprofit organization, or other business or legal entity.

21 (f) "Protected from government interference" refers to any speech, religious
22 exercise, association, expression, or conduct that is protected by the First
23 Amendment other than activities that the Supreme Court of the United States has
24 expressly held are unprotected as of the date of this Act, such as obscenity, fraud,
25 incitement, true threats, fighting words, or defamation.

26 (2) These definitions shall be construed in favor of the broad protection of
27 the conduct, opinions, and beliefs protected by the First Amendment to the
28 Constitution of the United States of America, applicable federal laws, the
29 Constitution of Louisiana, and state law.

1 B.(1) If a financial institution takes an adverse action against a person, that
2 person may request a statement of specific reasons within ninety days after receiving
3 notice of the refusal to provide, restriction of, or termination of service.

4 (2) The person may request the statement from a customer service
5 representative or designated account representative by phone, U.S. mail, or electronic
6 mail.

7 (3) Unless otherwise prohibited by federal law, the financial institution shall
8 transmit the statement of specific reasons by U.S. mail and electronic mail, if known
9 to the financial institution, within thirty days of receiving the person's request.

10 (4) The statement of specific reasons shall include a description of the
11 reasons for the denial or termination of service. This statement shall be specific and
12 indicate the principal reason or reasons for the adverse action. A statement that the
13 adverse action was based on the institution's internal standards or policies or that the
14 person failed to achieve a qualifying score on the institution's credit scoring system
15 is insufficient. If any criteria listed in Subparagraph (A)(1)(b) of this Section
16 factored into the institution's decision to take an adverse action, it must be described
17 in the statement.

18 (5) If the financial institution provides an adverse action statement to the
19 customer consistent with its obligations under the Equal Credit Opportunity Act and
20 implementing regulations, that statement shall be considered to satisfy the
21 requirements of this Subsection.

22 C. A financial institution shall not do either of the following:

23 (1) Discriminate in the provision of financial services to a person.

24 (2) Agree, conspire, or coordinate, directly or indirectly, including through
25 any intermediary or third party, with another person, or group of persons, to engage
26 in activity prohibited by Paragraph (1) of this Subsection.

27 (3) Provide false or misleading information in the report required in
28 Subsection B of this Section.

1 D. Any violation of this Section shall be an unfair or deceptive act or
2 practice declared unlawful by R.S. 51:1405 and, in addition to the rights and
3 remedies provided in this Section, shall subject the violator to any and all other
4 actions and penalties provided for in this Chapter.

5 E. Any person harmed by a violation of this Chapter may initiate a civil
6 action for either of the following:

7 (1) To recover actual damages, or ten thousand dollars, whichever is greater,
8 for each violation. If the trier of fact finds that the violation was willful, it may
9 increase the damages to an amount of up to three times the actual damages sustained,
10 or thirty thousand dollars, whichever is greater. A court shall award a prevailing
11 plaintiff reasonable attorney fees and court costs.

12 (2) To obtain preventive relief, including an application for a permanent or
13 temporary injunction, restraining order, or other order as is necessary to enforce the
14 requirements of this Chapter.

15 F. If a financial institution can show by clear and convincing evidence that
16 the plaintiff filed a civil action pursuant to Subsection E in bad faith, it shall be
17 entitled to reasonable attorney fees and court costs from the plaintiff.

18 Section 2. If any provision of this Act or the application thereof is held invalid, such
19 invalidity shall not affect other provisions or applications of this Act which can be given
20 effect without the invalid provisions or applications, and to this end the provisions of this
21 Act are hereby declared severable.

DIGEST

The digest printed below was prepared by House Legislative Services. It constitutes no part of the legislative instrument. The keyword, one-liner, abstract, and digest do not constitute part of the law or proof or indicia of legislative intent. [R.S. 1:13(B) and 24:177(E)]

HB 418 Original

2025 Regular Session

Wilder

Abstract: Provides relative to financial institutions transaction.

Proposed law defines "adverse action", "discriminate in the provision of financial services", "financial institution", "financial service", "person", and "protected from government interference".

Proposed law provides that if a financial institution takes an adverse action against a person, that person may request a statement of specific reasons within 90 days after receiving notice of the refusal to provide, restriction of, or termination of service.

Proposed law provides that a financial institution shall not:

- (1) Discriminate in the provision of financial services to a person.
- (2) Agree, conspire, or coordinate, directly or indirectly, including through any intermediary or third party, with another person, or group of persons, to engage in activity prohibited by proposed law.
- (3) Provide false or misleading information in the report required in proposed law.

Proposed law provides that any violation of proposed law shall be an unfair or deceptive act or practice declared unlawful by present law.

Proposed law provides for what civil actions any person harmed by a violation of proposed law may initiate.

Proposed law provides that if a financial institution can show by clear and convincing evidence that the plaintiff filed a civil action pursuant to proposed law in bad faith, it shall be entitled to fees and costs.

Provides for severability.

(Adds R.S. 51:1430)