

Existing law (R.S. 6:124.1) provides that financial institutions are obligated to demonstrate that their deposit facilities serve the needs and convenience of the communities where they are chartered to do business. Existing law further provides that regulated financial institutions have a continuing obligation to help meet the credit needs of the communities where they are chartered. The federal Community Reinvestment Act of 1977 requires that each financial institution receive an annual rating indicating the degree to which the institution has met such community credit needs.

New law repeals prior law requirement that a financial institution may not receive public funds for deposit if it had received two consecutive less than satisfactory ratings under the federal Community Reinvestment Act of 1977.

Existing law (R.S. 39:1220(A)(4)) provides that local depositing authorities shall select financial institutions as the depository for their funds that are domiciled or have branches in the parish, municipality, or congressional district, along with other specific conditions.

New law repeals prior law requirement that the financial institution may not receive public funds for deposit if it had received two consecutive less than satisfactory ratings under the federal Community Reinvestment Act of 1977.

Existing law (R.S. 49:317) provides that the Interim Emergency Board shall designate as state depositories such financial institutions doing business in the state as advisable after considering recommendations from the treasurer.

New law repeals prior law requirement that the financial institution may not receive public funds for deposit if it had received two consecutive less than satisfactory ratings under the federal Community Reinvestment Act of 1977.

Effective August 1, 2013.

(Amends R.S. 49:317; Repeals R.S. 6:124.1(C) and R.S. 39:1220(A)(4))