



## CONNECTICUT BANKERS ASSOCIATION

March 2, 2021

To: Members of the Banking Committee  
From: Tom Mongellow, Art Corey (860-677-5060); Fritz Conway (860-229-0301)  
Re: House Bill 6495, An Act Concerning Equity and Fair Lending  
Position: Opposed

H.B. 6495 would amend Connecticut banking law (C.G.S. Sec. 36a-737) by adding anti-discrimination provisions that are currently present in state and federal anti-discrimination laws, including the Fair Housing Act, the Equal Credit Opportunity Act, and the anti-discrimination laws found in Title 46a of the Connecticut General Statutes. In addition, H.B. 6495 would require the Banking Commissioner to establish a new fair lending examination for Connecticut banks.

H.B. 6495 would also amend Connecticut's community reinvestment statutes (C.G.S. Sec. 36a-30) to require Connecticut banks and credit unions to take reasonable steps to advertise and make available residential loan products in their assessment areas, including low and moderate-income areas and areas where the population of racial minorities is greater than fifty percent. It would also require that loans offered in areas where the population of racial minorities is greater than fifty percent be on terms no less favorable than the same products offered in areas where the population of racial minorities is less than fifty percent.

The Connecticut Bankers Association and its member banks are committed to fair and equitable access to financial services for all. Connecticut's banks currently commit significant resources to ensure that they comply with all of the state and federal laws that prohibit discrimination when offering and providing financial services to individuals in their communities.

However, we also know that there is much work to be done to ensure that these commitments result in greater access to fair and equitable financial products and services for underserved communities.

We believe that the best way to achieve these goals is through partnerships between financial institutions, state and local governments, and community organizations that foster such greater access.

While laws and regulations prohibiting and penalizing discrimination are necessary to deter such behavior, we do not believe they are the only or best way to achieve these goals.

That is why we urge the General Assembly to focus its efforts on legislation that creates and promotes programs that will help Connecticut's financial institutions reach underserved communities. These programs should be designed to address the regulatory restrictions and safety and soundness requirements that can hamper a bank's ability to provide loan products to low-income individuals. This can be done, for example, through public-private partnerships that include loan guarantees.

While there are current and proposed programs that do just that, including through the Connecticut Housing Finance Authority and the Department of Economic and Community Development, we believe the state should be exploring additional opportunities to expand access to financial services in underserved communities. Connecticut's banks stand ready to be a part of that process.

Finally, with respect to the bill's proposed changes to Connecticut's community reinvestment statute, we suggest that our state's law should coincide as much as possible with the federal law and the regulations of the federal banking agencies. The federal banking agencies are working now to modernize their CRA regulations. We believe Connecticut should not amend its community reinvestment statute until that process is complete.

The Connecticut Bankers Association appreciates the opportunity to comment upon House Bill 6495.