



STATE OF WEST VIRGINIA
DEPARTMENT OF BANKING
CHARLESTON 25305

NOTICE OF PUBLIC HEARING OR COMMENT PERIOD ON A PROPOSED RULE

PUBLIC HEARING

AGENCY: West Virginia Department of Banking
RULE TYPE: Legislative
RULE TITLE: General Rules Implementing the West Virginia Community Reinvestment Act

A PUBLIC HEARING ON THE ABOVE PROPOSED RULE WILL BE HELD AT 10:00 a.m. ON September 10, 1986, AT The Department of Banking's Conference Room, Building #3, Room 311-A.

COMMENTS ARE LIMITED TO: ORAL _____ WRITTEN _____ BOTH X _____

COMMENTS MAY ALSO BE MAILED TO:

West Virginia Department of Banking
1800 Washington Street, East
Building #3, Room 311-A
Charleston, West Virginia 25305

THE DEPARTMENT REQUESTS THAT PERSONS WISHING TO MAKE COMMENTS AT THE HEARING MAKE AN EFFORT TO SUBMIT WRITTEN COMMENTS IN ORDER TO FACILITATE A REVIEW OF THESE COMMENTS.

THE ISSUES TO BE HEARD SHALL BE LIMITED TO THE PROPOSED RULE.

A. Kevin Thomas
Deputy Commissioner of Banking

1986 AUG -6 AM 11:25
DEPT. OF BANKING
STATE

FILED

FISCAL NOTE FOR PROPOSED RULES

Rule Title: General Rules Implementing the West Virginia Community Reinvestment Act

Type of Rule: X Legislative _____ Interpretive _____ Procedural

Agency Department of Banking Address 1800 Washington Street, East, Building #3, Room 311-A, Charleston, West Virginia 25305

1. Effect of Proposed Rule	ANNUAL		FISCAL YEAR		
	Increase	Decrease	Current	Next	Thereafter
Estimated Total Cost	\$	\$	\$	\$	\$
Personal Services					
Current Expense					
Repairs and Alterations					
Equipment					
Other					

2. Explanation of above estimates:

The Department is funded by a special revenue account.

3. Objectives of these rules:

Implement the West Virginia Community Reinvestment Act 31A-8B (et seq).

FILED
1986 AUG -6 AM 11:25
OFFICE OF THE CLERK
SECRETARY OF STATE

4. Explanation of Overall Economic Impact of Proposed Rule.

A. Economic Impact on State Government.

N/A

B. Economic Impact on Political Subdivisions; Specific Industries;
Specific groups of citizens.

N/A

C. Economic Impact on Citizens/Public at Large.

N/A

Date: August 7, 1986

Signature of Agency Head or Authorized Representative



Deputy Commissioner of Banking

WEST VIRGINIA LEGISLATIVE RULE
COMMISSIONER OF BANKING
CHAPTER 31A-8B
SERIES 4

Title: General Rules Implementing the West Virginia Community
Reinvestment Act

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WEST VIRGINIA LEGISLATIVE RULES

Commissioner of Banking

West Virginia Code 31A-8B-5
Series 4

FILED
1986 AUG -6 AM 11:2
CLIVE O. HALL, CLERK
SECRETARY OF STATE

Title: General Rules Implementing the West Virginia Community Reinvestment Act

Section 1. General

1.1 Scope and Purpose - This regulation establishes general rules implementing Section 31A Article 8B, the West Virginia Community Reinvestment Act, of the West Virginia Code; it applies to all bank holding companies, all state-chartered banking institutions, all domestic subsidiaries of bank holding companies and all domestic subsidiaries of state-chartered banks operating or with application to operate in West Virginia. West Virginia Code §31A-8B(et. seq.) and this regulation are intended to encourage banks and bank holding companies to help meet the credit needs of their local community or communities; to provide guidance to banks and bank holding companies as to how the Commissioner of Banking ("Commissioner") and the West Virginia Board of Banking and Financial Institutions ("Board") will assess the records of these institutions in satisfying their continuing and affirmative obligations to help meet the credit needs of the local communities, including low- and moderate-income neighborhoods, consistent with the safe and sound operation of those institutions; and to provide for taking into account those records in connection with certain applications.

1.2. Authority - This regulation is issued under the authority of West Virginia Code §31A-8B-5.

1.3. Filing Date -

1.4. Effective Date -

Section 2. Applicability of Federal Community Reinvestment Act of 1977 - All state-chartered banks shall comply with the Federal Community Reinvestment Act of 1977 and any related regulations heretofore or hereafter promulgated thereunder. In connection with the examination of a bank, the Commissioner shall assess the record of performance of the bank in helping to meet the credit needs of its entire community, including low- and moderate-income neighborhoods, consistent with the safe and sound operation of the bank. The Commissioner shall consider the factors established in the Federal Community Reinvestment Act of 1977 and related regulations in making this assessment.

Section 3. Filing Requirements

3.1. General - All bank or bank holding company applications requiring Board or Commissioner approval shall include the current Community Reinvestment Act statement required pursuant to the Federal Community Reinvestment Act of 1977 and related regulations issued thereunder. For purposes of a bank holding company application, the information requested pursuant to these regulations shall be

submitted for each subsidiary bank located in West Virginia, of the applicant bank holding company and each bank located in West Virginia, which is to be acquired by the applicant bank holding company. For purposes of a bank merger application, all information requested pursuant to these regulations shall be submitted for each bank involved in the merger.

3.2. Supplemental Information - In addition to the Community Reinvestment Act (CRA) statement, the applicant may include supplemental information supporting the applicant's record of performance in meeting the credit needs of the community or communities it is attempting to serve. Credit activities in the following loan categories will be considered as important and favorable:

- (A) Housing-Related Loans
 - 1. FHA/VA/FMHA mortgage loans
 - 2. FHA Title I home improvement loans
 - 3. Mobile home loans
 - 4. Loans extended via participation in city, county and/or state housing development agencies
 - 5. Housing loans extended in low- and moderate-income neighborhoods
 - 6. Use of various secondary market programs and participation in such programs
 - 7. In-house housing related loan programs
- (B) Commercial and Industrial Loans
 - 1. Small Business Loans
 - (a) SBA guaranteed loans
 - (b) FHA guaranteed Business and Industrial Loans
 - (c) In-house small business loan programs
 - 2. General Commercial Loans
 - 3. Participation in industrial and economic development programs
 - (a) Extension of industrial development loans
 - (b) Purchase of industrial revenue bonds
 - (c) Investment in local municipal and school bonds (for purposes of this category, local means home county and contiguous counties)
 - (d) Community purpose loans
- (C) Agricultural loans
- (D) Consumer loans
 - 1. Student loans
 - 2. Consumer counseling
 - 3. Loans to low- and moderate-income consumers
 - 4. All other

3.3. Additional Requirement for Interstate Application - Out-of-state bank holding companies seeking to acquire a West Virginia bank or West Virginia bank holding company pursuant to 31A-8A-7(c) shall, in addition to the filing of the required CRA statements, include a record of any formal protests and hearings held regarding the CRA statements of the Applicant and all of their currently owned affiliate banks over the last five years.

3.4. Additional Information - The applicant shall furnish any additional information that the Board, or the Commissioner may require.

Section 4. Assessing the Record of Performance

4.1. General - The Commissioner shall provide staffing adequate to make the assessment of an applicant's record of performance. The applicant's CRA statement(s), any supplemental information filed, any previously or currently filed formal protests, loan data as available from officially filed reports of condition, and any other information as may be required or considered relevant by the Commissioner or the Board will be used as the basis for assessing an applicant's record of performance.

4.2. Use of Statistical Comparisons - Use of various statistical comparisons, generated from quarterly reports of condition, will be used in assessing a bank's CRA performance; however, their use may not be conclusive. Ratio comparisons will be evaluated by taking into consideration the applicant's relative size, corporate structure (number of branches, etc.) and economic conditions. Some examples of the types of statistical comparisons which may be made are:

- (A) Loan-to-Deposit Ratio
- (B) Percentage of loans and of deposits in various categories of loans.
 - 1. real-estate loans
 - 2. consumer loans
 - 3. commercial and industrial loans
- (C) Trends in loan and deposit categories and loan to deposit ratio.

Section 5. Public Participation

5.1. Public Information - In conjunction with an application, the Commissioner shall make available for public inspection the CRA statements, the applicant's record of previously filed CRA protests, historical information concerning loan and deposit trends, and any supplemental information filed.

5.2. Hearings - A banking institution's record of compliance with the Community Reinvestment Act and these regulations shall be a subject for consideration in conjunction with the notice and hearings required by West Virginia Code §31A-3-3.

Section 6. Effect on applications

6.1. Basis for Denial - The assessment of an applicant's record of performance in helping to meet the credit needs of its community or communities, may be the basis for denial of an application.

6.2. The Board or the Commissioner may approve applications subject to terms and conditions, which, in the discretion of the Board or the Commissioner, are considered necessary to improve the applicant's record of community reinvestment.