



STATE OF WEST VIRGINIA
DEPARTMENT OF BANKING
CHARLESTON 25305

NOTICE OF RULE MODIFICATION

LEGISLATIVE RULE: General Rules implementing the West Virginia Community Reinvestment Act

The above titled rule has been modified as a result of comments by the Legislative Rule-Making Review Committee and the attached modifications have been incorporated into the above titled rule and filed in the Secretary of State's office on December 11, 1986.

A handwritten signature in cursive script, reading "A. Kevin Thomas", written over a horizontal line.

A. Kevin Thomas
Deputy Commissioner of Banking

FILED

1986 DEC 11 PM 1:43

OFFICE OF THE SECRETARY OF STATE

WEST VIRGINIA LEGISLATIVE RULES

FILED

Commissioner of Banking

1966 DEC 11 PM 1:43

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

JOHN A. W. ...
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 related regulations heretofore 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. 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. 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. Federal Housing Authority/Veterans Administration/Farmers Home Administration mortgage loans
 - 2. Federal Housing Authority 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) Small Business Administration guaranteed loans
 - (b) Farmers Home Administration 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. Out-of-state bank holding companies seeking to acquire a West Virginia bank or West Virginia bank holding company pursuant to West Virginia Code §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. The applicant shall furnish any additional information that the Board, or the Commissioner may require.

Section 4. Assessing the Record of Performance

4.1. 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 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. For all bank or bank holding company applications requiring Board or Commissioner approval the applicants shall, in conjunction with public notice and publication requirements of the Federal Reserve Board or Federal Deposit Insurance Corporation, include in said notice's the following statement:

"The public is also invited to submit written comments regarding this application to the West Virginia Board of Banking and Financial Institutions. Write Commissioner of Banking, Capitol Complex, Charleston, West Virginia 25305."

5.2. 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.

5.3. 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. 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.

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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DEPARTMENT OF BANKING
CHARLESTON 25305

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1986 DEC 11 PM 1:43

DEPARTMENT OF BANKING
SECRETARY OF STATE

M E M O R A N D U M

TO: Legislative Rule Making Review Committee

FROM: A. Kevin Thomas *A. Kevin Thomas*
Deputy Commissioner of Banking

RE: Modification to general rules implementing the West Virginia Community Reinvestment Act.

DATE: December 11, 1986

All modification recommended by the Committee and staff, regarding the above rule, have been followed. The following is a summary of these modifications:

Section 2, Page 1: language regarding regulations hereafter promulgated was stricken.

Section 3.2, Page 2: full agency designations were substituted for abbreviations.

Section 3.3, Page 2: West Virginia Code was added to code reference.

WEST VIRGINIA LEGISLATURE
Legislative Rule-Making Review Committee



NOTICE OF ACTIONS TAKEN BY LEGISLATIVE RULE-MAKING REVIEW COMMITTEE

December 11, 1986

TO: Ken Hechler, Secretary of State, State Register

TO: Mr. A. Kevin Thomas
Deputy Commissioner of Banking
WV Department of Banking
State Capitol
Charleston, WV 25305

FROM: Legislative Rule-Making Review Committee

PROPOSED RULE: General Rules Implementing the WV Community
Reinvestment Act

FILED
1986 DEC 12 AM 10:39
SECRETARY OF STATE

The Legislative Rule-Making Review Committee recommends that the West Virginia Legislature:

1. Authorize the agency to promulgate the Legislative Rule as originally filed or as modified by the agency
2. Authorize the agency to promulgate part of the Legislative rule; a statement of reasons for such recommendation is attached.
3. Authorize the agency to promulgate the Legislative rule with certain amendments; amendments and a statement of reasons for such recommendation is attached.
4. Recommends that the rule be withdrawn; a statement of reasons for such recommendation is attached.

 X

Pursuant to Code 29A-3-11(c), this notice has been filed in the state register and with the agency proposing the rule.