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THE GENERAL ASSEMBLY OF PENNSYLVANIA

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HOUSE BILL

No. 334 Session of  
2023

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INTRODUCED BY STAMBAUGH, ZIMMERMAN, JAMES, M. MACKENZIE,  
KAUFFMAN, HAMM, R. MACKENZIE, TWARDZIK, GLEIM, ROWE,  
SCIALABBA, KEEFER AND LEADBETER, MARCH 13, 2023

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REFERRED TO COMMITTEE ON COMMERCE, MARCH 13, 2023

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AN ACT

1 Requiring fair access to financial services; imposing powers and  
2 duties on the Department of Banking and Securities; and  
3 imposing penalties.

4 The General Assembly of the Commonwealth of Pennsylvania  
5 hereby enacts as follows:

6 Section 1. Short title.

7 This act shall be known and may be cited as the Fair Access  
8 to Financial Services Act.

9 Section 2. Legislative intent.

10 The General Assembly finds and declares as follows:

11 (1) The Commonwealth recognizes the rights of its  
12 residents, including the freedom of speech and association,  
13 and that these rights may be infringed when financial  
14 institutions limit access to financial services for any  
15 reason other than objective financial criteria.

16 (2) The protection of the rights of this Commonwealth's  
17 residents and businesses, including financial freedom, is a  
18 fundamental role of government and any limitations on access

1 to financial services based on nontraditional criteria would  
2 not only threaten the rights and proper privileges of this  
3 Commonwealth's residents and businesses but would also be a  
4 threat to the institutions and foundation of a free  
5 democratic state and a threat to the peace, order, health,  
6 safety and general welfare of this Commonwealth and residents  
7 of this Commonwealth.

8 Section 3. Definitions.

9 The following words and phrases when used in this act shall  
10 have the meanings given to them in this section unless the  
11 context clearly indicates otherwise:

12 "Department." The Department of Banking and Securities of  
13 the Commonwealth.

14 "Depository institution." The term includes:

15 (1) A depository institution as defined in 12 U.S.C. §  
16 1813 (relating to definitions).

17 (2) A Federal credit union as defined in 12 U.S.C. §  
18 1752 (relating to definitions).

19 (3) A State credit union as defined in 12 U.S.C. § 1752.

20 "Federal financial regulatory agency." The term includes the  
21 Federal Reserve System, the United States Department of the  
22 Treasury, the United States Office of the Comptroller of the  
23 Currency, the National Credit Union Administration, the Federal  
24 Deposit Insurance Corporation, the United States Securities and  
25 Exchange Commission and the United States Consumer Financial  
26 Protection Bureau.

27 "Financial institution." A depository institution, trust  
28 company, licensee, an individual subject to the jurisdiction of  
29 a Federal financial regulatory agency or person subject to the  
30 jurisdiction of the department under the act of December 5, 1972

1 (P.L.1280, No.284), known as the Pennsylvania Securities Act of  
2 1972.

3 "Financial service." A financial product or service.

4 "Trust company." The term includes:

5 (1) A national bank authorized by 12 U.S.C. § 92a  
6 (relating to trust powers).

7 (2) A trust company as defined in section 102 of the act  
8 of November 30, 1965 (P.L.847, No.356), known as the Banking  
9 Code of 1965.

10 (3) An interstate bank as defined in section 102 of the  
11 Banking Code of 1965.

12 Section 4. Fair access to financial services.

13 To provide fair access to financial services, a financial  
14 institution:

15 (1) Shall make each financial service the institution  
16 offers available to all individuals in the geographic market  
17 served by the financial institution on a nondiscriminatory  
18 basis.

19 (2) May not deny a person a financial service that the  
20 financial institution offers except to the extent justified  
21 by the documented failure to meet quantitative, impartial  
22 risk-based financial standards established in advance by the  
23 financial institution or in compliance with section 5.

24 (3) May not deny a person a financial service that the  
25 financial institution offers, other than as provided in  
26 paragraph (2), if the effect of the denial is to prevent,  
27 limit or otherwise disadvantage the person:

28 (i) From entering or competing in a market or  
29 business segment.

30 (ii) In a way that benefits another person or

1 business activity in which the financial institution has  
2 a financial interest.

3 (iii) In coordination with a third party, from a  
4 financial service that the financial institution offers.

5 Section 5. Disclosure of nontraditional evaluation criteria.

6 To provide financial services in this Commonwealth, a  
7 financial institution that utilizes standards or guidelines  
8 based on nonfinancial, nontraditional and subjective measures,  
9 including environmental, social and governance criteria,  
10 diversity, equity and inclusion policies or political and  
11 ideological factors shall:

12 (1) Disclose to the department the specific standards,  
13 guidelines and criteria used by the financial institution to  
14 determine access or denial of a financial service to a person  
15 in this Commonwealth.

16 (2) Comply with rules and regulations promulgated by the  
17 department.

18 (3) Disclose to a person denied a financial institution  
19 service the specific standards, guidelines and criteria used  
20 to support the denial. The consumer disclosure shall be in  
21 bold 14-point font.

22 Section 6. Regulations.

23 The department shall promulgate regulations relating to the  
24 fair access to financial services to implement the provisions of  
25 this act.

26 Section 7. Violations and penalties.

27 (a) Civil enforcement.--Unless otherwise authorized, a  
28 financial institution that violates section 5 shall be subject  
29 to civil enforcement by the Department of Revenue under the act  
30 of December 17, 1968 (P.L.1224, No.387), known as the Unfair

1 Trade Practices and Consumer Protection Law.

2 (b) Private civil action.--A person harmed by a violation of  
3 this act may file a civil action.

4 (c) Criminal enforcement.--Notwithstanding civil enforcement  
5 under this section, violations of this act shall be a  
6 misdemeanor if a financial institution has committed five or  
7 more violations.

8 Section 8. Effective date.

9 This act shall take effect in 60 days.