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.

The General Assembly of the Commonwealth of Pennsylvania

hereby enacts as follows:

Section 1.  Short title.

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

Section 2.  Legislative intent.

The General Assembly finds and declares as follows:

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

(2) The protection of the rights of this Commonwealth's
residents and businesses, including financial freedom, is a
fundamental role of government and any limitations on access
to financial services based on nontraditional criteria would not only threaten the rights and proper privileges of this Commonwealth's residents and businesses but would also be a threat to the institutions and foundation of a free democratic state and a threat to the peace, order, health, safety and general welfare of this Commonwealth and residents of this Commonwealth.

Section 3. Definitions.

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

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

"Depository institution." The term includes:

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

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

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

"Financial service." A financial product or service.

"Trust company." The term includes:


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

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

Section 4. Fair access to financial services.

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

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

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

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

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

(ii) In a way that benefits another person or
business activity in which the financial institution has a financial interest.

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

Section 5. Disclosure of nontraditional evaluation criteria.

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

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

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

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

Section 6. Regulations.

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

Section 7. Violations and penalties.

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

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

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

Section 8. Effective date.

This act shall take effect in 60 days.