
THE GENERAL ASSEMBLY OF PENNSYLVANIA

HOUSE BILL

No. 2344 Session of
1996

INTRODUCED BY HASAY, LESCOVITZ, ALLEN, BARLEY, FARGO, BAKER,
GEIST, EGOLF, PETTIT, SAYLOR, McCALL, STERN, STABACK,
FLEAGLE, COY, SERAFINI, BUNT, TULLI, D. W. SNYDER, MARKOSEK,
READSHAW, PHILLIPS, STAIRS, HERSHEY, GANNON, ZUG, SEMMEL,
MILLER, D. R. WRIGHT, LYNCH, HERMAN, NICKOL, E. Z. TAYLOR AND
ROHRER, JANUARY 31, 1996

REFERRED TO COMMITTEE ON COMMERCE AND ECONOMIC DEVELOPMENT,
JANUARY 31, 1996

AN ACT

1 Providing for the confidentiality of certain records relating to
2 credit and the credit policy of depository institutions.

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

5 Section 1. Definitions.

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

9 "Compliance review committee." The term shall mean either of
10 the following:

11 (1) An audit, loan review or compliance committee
12 appointed by the board of directors of a depository
13 institution.

14 (2) Any other person to the extent the person acts in an
15 investigatory capacity at the direction of a compliance

1 review committee.

2 "Compliance review documents." Documents prepared for or
3 created by a compliance review committee.

4 "Depository institution." A federally chartered or State-
5 chartered financial institution located in this Commonwealth
6 that is authorized to maintain deposit or share accounts.

7 "Loan review committee." A person or group of persons who,
8 on behalf of a depository institution, reviews loans held by the
9 institution for the purpose of assessing the credit quality of
10 the loans, compliance with the institution's loan policies and
11 compliance with applicable laws and regulations.

12 "Person." An individual, group of individuals, board,
13 committee, partnership, firm, association, corporation or other
14 entity.

15 Section 2. Compliance review committee.

16 This act applies to a compliance review committee whose
17 functions are to evaluate and seek to improve one or more of the
18 following:

19 (1) Loan underwriting standards.

20 (2) Asset quality.

21 (3) Financial reporting to Federal or State regulatory
22 agencies.

23 (4) Compliance with Federal or State statutory or
24 regulatory requirements.

25 Section 3. Documents confidential.

26 (a) General rule.--Except as provided in subsection (b):

27 (1) compliance review documents are confidential and are
28 not discoverable or admissible in evidence in any civil
29 action arising out of matters evaluated by the compliance
30 review committee; and

1 (2) compliance review documents delivered to a Federal
2 or State governmental agency remain confidential and are not
3 discoverable or admissible in evidence in any civil action
4 arising out of matters evaluated by the compliance review
5 committee.

6 (b) Exception.--This section does not apply to any
7 information required by statute or regulation to be maintained
8 by or provided to a governmental agency while the information is
9 in the possession of the governmental agency to the extent
10 applicable law expressly authorizes its disclosure.

11 Section 4. Construction.

12 This act shall not be construed to limit the discovery or
13 admissibility in any civil action of any documents that are not
14 compliance review documents.

15 Section 5. Effective date.

16 This act shall take effect in 60 days.