

2026 Regular Session

HOUSE BILL NO. 814

BY REPRESENTATIVE JORDAN

COMMERCE: Provides for the Louisiana Community Investment Fairness Act

1 AN ACT

2 To enact Chapter 25 of Title 6 of the Louisiana Revised Statutes of 1950, to be comprised of  
3 R.S. 6:1431 through 1436, relative to the Louisiana Community Investment Fairness  
4 Act; to provide for findings and purpose; to provide for definitions; to provide for  
5 community investment examinations; to provide for public disclosure or ratings; to  
6 provide for rating consequences; and to provide for related matters.

7 Be it enacted by the Legislature of Louisiana:

8 Section 1 . Chapter 25 of Title 6 of the Louisiana Revised Statutes of 1950, comprised  
9 of R.S. 6:1431 through 1436 is hereby enacted to read as follows:

10 CHAPTER 25: THE LOUISIANA COMMUNITY INVESTMENT FAIRNESS ACT

11 §1431. Short title

12 This Chapter shall be known and may be cited as the "Louisiana Community  
13 Investment Fairness Act" or "LA-CIFA".

14 §1432. Findings and purpose

15 A. The legislature finds that:

16 (1) State-chartered financial institutions receive substantial public benefits  
17 including state deposit insurance backstops, access to the state's payment systems,  
18 and tax advantages.

19 (2) Despite these public benefits, evidence demonstrates that state-chartered  
20 institutions make significantly fewer loans per capita in predominantly minority and

1 low-to-moderate income, or LMI, communities than in predominantly white and  
2 higher-income communities, a practice historically characterized as redlining.

3 (3) The federal Community Reinvestment Act of 1977 applies to federally  
4 chartered institutions; however, state-chartered institutions not subject to federal  
5 examination have demonstrated systematically lower community investment  
6 performance.

7 (4) Louisiana has a compelling public interest in ensuring that institutions  
8 receiving state privileges serve the communities in which they are chartered.

9 B. It is the purpose of this Chapter to encourage state-chartered financial  
10 institutions to help meet the credit needs of the communities in which they are  
11 chartered, consistent with safe and sound operation.

12 §1433. Definitions

13 For the purposes of this Chapter, the following terms have the following  
14 meanings:

15 (1) "Assessment area" means the geographic area in which a regulated  
16 institution is obligated to demonstrate community investment performance, defined  
17 as the parishes in which the institution maintains branches or offices.

18 (2) "Commissioner" means the commissioner of the office of financial  
19 institutions.

20 (3) "Community development activity" means:

21 (a) Loans, investments, or services that support affordable housing for LMI  
22 individuals or families.

23 (b) Loans to small businesses and small farms in LMI census tracts or  
24 majority-minority census tracts.

25 (c) Investments in or grants to community development financial institutions,  
26 or CDFIs.

27 (d) Financial education and counseling services provided to LMI or minority  
28 communities.

29 (e) Mortgage lending in majority-minority census tracts.

1           (4) "LMI" means low-to-moderate income, defined as a census tract in which  
2           the median household income is less than eighty percent of the area median income.

3           (5) "Majority-minority census tract" means a census tract in which more than  
4           fifty percent of the population identifies as non-white.

5           (6) "Regulated institution" means any bank, savings institution, or credit  
6           union chartered by this state with assets of one hundred million dollars or more.

7           §1434. Community investment examinations

8           A. The commissioner shall conduct a community investment examination  
9           of each regulated institution no less than once every three years. Examinations shall  
10           assess all of the following:

11           (1) The institution's record of lending to LMI borrowers and in LMI and  
12           majority-minority census tracts within its assessment area, compared to:

13           (a) The institution's lending in non-LMI, non-minority census tracts.

14           (b) Demographic data on the composition of the institution's assessment  
15           area.

16           (c) Aggregate lending by all institutions in the same assessment area.

17           (2) The institution's investments in community development activities as  
18           defined in R.S. 6:1433.

19           (3) The provision of financial services and products accessible to LMI and  
20           minority customers.

21           (4) Any formal complaints alleging discriminatory lending practices filed  
22           during the examination period.

23           B. Following each examination, the commissioner shall assign the institution  
24           one of the following ratings:

25           (1) Outstanding: The institution's community investment performance is  
26           exceptional and substantially exceeds peer benchmarks.

27           (2) Satisfactory: The institution's performance meets community needs and  
28           satisfies the requirements of this Chapter.

1           (3) Needs to Improve: The institution's performance falls below peer  
2           benchmarks and requires corrective action.

3           (4) Substantial Noncompliance: The institution has failed to meet its  
4           community investment obligations and demonstrates a pattern of discriminatory or  
5           exclusionary lending.

6           §1435. Public disclosure of ratings

7           A. The commissioner shall make all community investment examination  
8           reports and ratings publicly available within sixty days of the completion of each  
9           examination, including publication on the office of financial institutions' website.

10          B. Each regulated institution shall post its current community investment  
11          rating in a conspicuous location in each branch, on its website, and in its annual  
12          report to depositors.

13          C. The commissioner shall publish an annual statewide community  
14          investment report summarizing the performance of all regulated institutions.

15          §1436. Consequences of ratings

16          A. A regulated institution rated "Needs to Improve" shall do all of the  
17          following:

18                 (1) Submit a corrective action plan to the commissioner within ninety days,  
19                 describing specific steps to improve community investment performance.

20                 (2) Meet with the commissioner or his designee within sixty days to discuss  
21                 deficiencies.

22                 (3) Undergo an accelerated examination within eighteen months.

23          B. The commissioner shall consider a regulated institution's community  
24          investment rating in reviewing and acting upon applications by the institution for:

25                 (1) New branch openings or closures in this state.

26                 (2) Merger or acquisition approvals.

27                 (3) Conversion of charter type.

28                 (4) Other actions requiring commissioner approval.

1           C. A regulated institution rated "Substantial Noncompliance" for two  
2           consecutive examination cycles may be subject to all of the following:

3           (1) Denial or conditioning of any pending application for which  
4           commissioner approval is required.

5           (2) Required divestiture of state-funded deposits held by state agencies, if  
6           the commissioner determines such action is appropriate to protect the public interest.

7           (3) Referral to the attorney general for investigation of potential fair lending  
8           violations.

### DIGEST

The digest printed below was prepared by House Legislative Services. It constitutes no part of the legislative instrument. The keyword, one-liner, abstract, and digest do not constitute part of the law or proof or indicia of legislative intent. [R.S. 1:13(B) and 24:177(E)]

HB 814 Original

2026 Regular Session

Jordan

**Abstract:** Provides relative to the Louisiana Community Investment Fairness Act.

Proposed law creates the "Louisiana Community Investment Fairness Act" or "LA-CIFA."

Proposed law provides for findings and purpose.

Proposed law defines "assessment area", "commissioner", "community development activity", "LMI", "majority-minority census tract", and "regulated institution".

Proposed law provides that the commissioner shall conduct a community investment examination of each regulated institution no less than once every three years. Examinations shall assess all of the following:

- (1) The institution's record of lending to LMI borrowers and in LMI and majority-minority census tracts within its assessment area, compared to the institution's lending in non-LMI, non-minority census tracts, demographic data on the composition of the institution's assessment area and aggregate lending by all institutions in the same assessment area.
- (2) The institution's investments in community development activities as defined in proposed law.
- (3) The provision of financial services and products accessible to LMI and minority customers.
- (4) Any formal complaints alleging discriminatory lending practices filed during the examination period.

Proposed law provides that following each examination, the commissioner shall assign the institution one of the following ratings:

- (1) Outstanding: The institution's community investment performance is exceptional and substantially exceeds peer benchmarks.

- (2) Satisfactory: The institution's performance meets community needs and satisfies the requirements of proposed law.
- (3) Needs to Improve: The institution's performance falls below peer benchmarks and requires corrective action.
- (4) Substantial Noncompliance: The institution has failed to meet its community investment obligations and demonstrates a pattern of discriminatory or exclusionary lending.

Proposed law provides that the commissioner shall make all community investment examination reports and ratings publicly available within 60 days of the completion of each examination, including publication on the office of financial institutions' website.

Proposed law provides that each regulated institution shall post its current community investment rating in a conspicuous location in each branch, on its website, and in its annual report to depositors.

Proposed law provides that commissioner shall publish an annual statewide community investment report summarizing the performance of all regulated institutions.

Proposed law provides the requirements for a regulated institution rated "Needs to Improve".

Proposed law provides that the commissioner shall consider a regulated institution's community investment rating in reviewing and acting upon applications by the institution for:

- (1) New branch openings or closures in this state.
- (2) Merger or acquisition approvals.
- (3) Conversion of charter type.
- (4) Other actions requiring commissioner approval.

Proposed law provides what a regulated institution rated "Substantial Noncompliance" for two consecutive examination cycles may be subject to.

(Adds R.S. 6:1431-1436)