

No. 1996-92

AN ACT

HB 2344

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

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

Section 1. 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:

“Compliance review committee.” The term shall mean either of the following:

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

(2) Any other person to the extent the person acts in an investigatory capacity at the direction of a compliance review committee.

“Compliance review documents.” Documents prepared for or created by a compliance review committee.

“Depository institution.” A federally chartered or State-chartered financial institution located in this Commonwealth that is authorized to maintain deposit or share accounts.

“Loan review committee.” A person or group of persons who, on behalf of a depository institution, reviews loans held by the institution for the purpose of assessing the credit quality of the loans, compliance with the institution’s loan policies and compliance with applicable laws and regulations.

“Person.” An individual, group of individuals, board, committee, partnership, firm, association, corporation or other entity.

Section 2. Compliance review committee.

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

(1) Loan underwriting standards.

(2) Asset quality.

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

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

Section 3. Documents confidential.

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

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

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

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

Section 4. Construction.

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

Section 5. Effective date.

This act shall take effect in 60 days.

APPROVED—The 2nd day of July, A.D. 1996.

THOMAS J. RIDGE