

ORDINANCE NO. 182138

An ordinance adding Section 20.95.1 to Chapter 5.1 of the Los Angeles Administrative Code to provide for the establishment of a Responsible Banking Investment Monitoring Program.

**THE PEOPLE OF THE CITY OF LOS ANGELES
DO ORDAIN AS FOLLOWS:**

Section. 1. Section 20.95.1 is hereby added to Chapter 5.1 of the Los Angeles Administrative Code to read:

Sec. 20.95.1 Additional Disclosures Required From Financial Institutions.

The intent of the Responsible Banking Investment Monitoring Program is to spur community reinvestment by the City's financial institutions and underwriters.

In addition to the disclosures required elsewhere in this Chapter, banking institutions already providing City banking business or seeking City banking business must also disclose the following information through annual filings with the appropriate City official as described below:

(a) Commercial banks: An annual statement of community reinvestment activities. Specific to the City of Los Angeles, the statement shall contain information including but not limited to the number, size and type of small business loans; home mortgages; home improvement loans; community development loans; and investments within the City of Los Angeles, to be provided by census tract for the year immediately predating the filing. In addition, such statements shall also include the institution's participation in the City's foreclosure prevention and home loan principal reduction programs and any other similar programs reported by census tract; and its federal Community Reinvestment Act (CRA) score.

"Commercial bank" shall be defined for purposes of this Chapter as a banking institution that accepts cash deposits for checking and savings accounts from customers and uses those cash deposits to issue loans.

The statement required by this Section shall be filed by July 1st of each year with the City Treasurer, who shall make this information available to the public on its official website within 60 days after it is filed. The information required by this Section shall be first filed by the commercial bank when it applies to receive City deposits or other commercial banking business with the City and shall be updated annually as long as the bank continues to receive or seek City business.

(b) Investment banks: A statement of their corporate citizenship which shall include but not be limited to: participation in charitable programs or scholarships within the City during the year immediately predating the filing; internal policies regarding utilization of subcontractors which are designated as "women owned," "minority owned," or "disabled" business enterprises.

"Investment bank" shall be defined for purposes of this Chapter as a financial institution that provides underwriting services including the buying and selling of stocks, bonds and other securities and other debt related services.

The statement required by this Section shall be filed by July 1st of each year with the City Administrative Officer, who shall make this information available to the public on its official website within 60 days after it is filed. The information required by this Section shall be first filed by the investment bank when it applies to participate in the City's selling of municipal indebtedness or other investment business with the City and shall be updated annually as long as the financial institution continues to receive or seek City business.

The City Administrative Officer, or the relevant city department, not excluding proprietary departments, will produce a matrix of the information provided by the financial institutions, as defined by the City Administrative Officer, whenever a financial transaction is transmitted to Council for approval.

A financial institution which has both commercial and investment branches shall be subject to the type of disclosure associated with the kind of City business it pursues: cash deposits or other types of commercial banking services or the selling of securities or other debt related services.

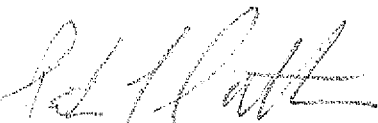
Investment banks shall not be subject to disclosure requirements identified in Section 20.95 as long as they seek only investment banking business as defined above. If the financial institution seeks City's commercial banking business then that financial institution is subject to all of this Chapter's requirements.

(c) The information requested by this Section shall be disclosed on a form to be provided by the City, and signed by an authorized representative under penalty of perjury. The disclosure statements filed by banking institutions shall be posted on the appropriate City websites for public viewing within 60 days of the beginning of each new City fiscal year; and be available for public inspection and copying.

Sec. 2. The City Clerk shall certify to the passage of this ordinance and have it published in accordance with Council policy, either in a daily newspaper circulated in the City of Los Angeles or by posting for ten days in three public places in the City of Los Angeles: one copy on the bulletin board located at the Main Street entrance to the Los Angeles City Hall; one copy on the bulletin board located at the Main Street entrance to the Los Angeles City Hall East; and one copy on the bulletin board located at the Temple Street entrance to the Los Angeles County Hall of Records.

I hereby certify that this ordinance was passed by the Council of the City of Los Angeles, at its meeting of MAY 15 2012.

JUNE LAGMAY, City Clerk

By 
Deputy

Approved MAY 25 2012


Mayor

Approved as to Form and Legality

CARMEN A. TRUTANICH, City Attorney

By Valentin F. Dinu (TBE)
VALENTIN F. DINU
Assistant City Attorney

Date May 11, 2012

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