

HOUSE BILL NO. 1283

Introduced by

Representatives Novak, Dyk, Kempenich, Lefor, Steiner, Tveit

Senators Myrdal, Rummel

1 A BILL for an Act to create and enact a new chapter to title 6 of the North Dakota Century Code,
2 relating to fair access to financial products and services; and to provide a penalty.

3 **BE IT ENACTED BY THE LEGISLATIVE ASSEMBLY OF NORTH DAKOTA:**

4 **SECTION 1.** A new chapter to title 6 of the North Dakota Century Code is created and
5 enacted as follows:

6 **Fair access to financial products and services - Scope.**

- 7 1. As used in this chapter, "financial institution" means any state bank, national bank,
8 trust company, savings and loan association, savings bank, federal savings and loan
9 association, federal savings bank, mortgage provider, or credit union, any money
10 transmitter, or other nondepository service provider, and any insurance company
11 registered and operating in this state under title 26.1. "Financial institution" also means
12 any other institution that holds and receives deposits, savings, or share accounts,
13 issues certificates of deposit, or provides to its customers any deposit accounts
14 subject to withdrawal by check, instrument, order, or electronic means to effect third-
15 party payments, provides insurance services, or provides investment services.
16 2. To provide fair access to financial products and services, a financial institution may not
17 deny a person a financial product or service:
18 a. Except to the extent justified by the person's documented failure to meet
19 quantitative, impartial, risk-based financial standards established in advance by
20 the financial institution.
21 b. Other than as provided in subdivision a, when the denial is to prevent, limit, or
22 otherwise disadvantage the person from entering or competing in a market or
23 business segment, or in a way that benefits another person or business activity in
24 which the financial institution has a financial interest.

- 1 c. In coordination with another person, which the financial institution offers.
- 2 3. A financial institution that uses standards or guidelines based on nonfinancial,
- 3 nontraditional, and subjective measures such as environmental, social, and
- 4 governance criteria; diversity, equity, and inclusion policies; or political and ideological
- 5 factors shall:
- 6 a. Disclose to the commissioner of financial institutions and the insurance
- 7 commissioner the standards, guidelines, and criteria used by the financial
- 8 institution to determine access to or denial of a financial product or service to a
- 9 person in this state.
- 10 b. Comply with any rules adopted by the commissioner of financial institutions.
- 11 c. Disclose to any person denied a financial product or service the specific data,
- 12 information, criteria, and standard used to support the denial.
- 13 4. The commissioner of financial institutions shall publish a list of financial institutions
- 14 that have adopted standards or guidelines based on nonfinancial, nontraditional, and
- 15 subjective measures on the department of financial institution's website in a location
- 16 open and free to the public.

17 **Penalties.**

- 18 1. Unless otherwise authorized, a financial institution that violates this chapter is subject
- 19 to civil enforcement by the department of financial institutions under section 6-01-04.3.
- 20 2. A financial institution that violates subsection 1 is guilty of a class B misdemeanor for
- 21 the fifth or subsequent offense.
- 22 3. The department of financial institutions shall adopt rules for the enforcement of this
- 23 chapter.