

# City of Providence

STATE OF RHODE ISLAND AND PROVIDENCE PLANTATIONS

## CHAPTER 2007-15

No. 26

### AN ORDINANCE

AMENDING THE CITY OF PROVIDENCE  
ORDINANCE CHAPTER 2006-33 No. 245, APPROVED JUNE  
12, 2006 REGARDING CITY DEPOSITORY BANKS

Approved January 8, 2007

***Be it ordained by the City of Providence:***

BE IT ORDAINED BY THE CITY COUNCIL OF THE CITY OF PROVIDENCE:

SECTION 1. The Code of Ordinances of the City of Providence is hereby  
amended as follows:

Section 1. Lending and deposit specifications required.

With each bid for interest upon city and school funds, the controller shall  
obtain, in a form prescribed by him from each bidder, the lending and deposit information  
for its home office and for each branch office or facility information that shall include,  
but is not limited to, the following:

- (a) the affidavit required under Section 2;
- (b) the number of high cost loans made by the lender and its affiliates;
- (c) the market share ratio of the lender's refinance loans in minority census  
tracts in Providence to non-minority census tracts in Providence;
- (d) the market share ratio of the lender's refinance loans in low and moderate  
income census tracts in Providence to middle and upper income census  
tracts.
- (e) Ratios of high cost loans shall be broken out separately; and considering  
each lender and affiliate separately in the calculations.

Section 2. Definitions; city depository.

(a) The definitions of R.I.G.L. § 34-25.2-4, as amended from time to time, are hereby incorporated into this Ordinance by reference. In addition, as used in this Ordinance, the following terms shall have the meanings respectively indicated below:

"Predatory lender" means a business entity that has made, within the previous 24 month period, predatory loans that comprise either:

- (1) 5% of the total annual number of loans made; or
- (2) 25 individual loans; whichever is less.

Each lender and affiliate shall be considered separately for the purposes of these calculations, and only loans secured by residential real estate that is located within the City of Providence shall be considered. The term "predatory lender" shall not include a business entity that has demonstrated to the satisfaction of the Director of Finance that it has discontinued the practice of making predatory loans and has taken steps to ensure that it does not make such loans in the future.

"Predatory loan" means a loan that violates any of the provisions of R.I.G.L. § 35-25.2-5 or § 35-25.2-6.

(b) No bidding bank or savings and loan association may be designated as a city depository if it or any of its affiliates is a predatory lender. Every bidding bank and loan association shall, prior to any such designation, submit to the City an affidavit certifying that neither it, nor any of its affiliates, is a predatory lender. The affidavit shall be in a form prescribed by the Director of Finance and shall be sworn by one or more of the officers of the bank or loan association.

### Section 3. City contracts.

(a) No person or business entity shall be awarded a contract with the City if the person or business entity, or any of its affiliates is a predatory lender. Every person or business entity seeking to do business with the City shall submit to the City an affidavit certifying that neither it, nor any of its affiliates, is a predatory lender. The affidavit shall be in a form prescribed by the Director of Finance and shall be sworn by the person or one or more of the officers or owners of the business entity, as the case may be. Nothing in this section shall affect the validity of any contract entered into in connection with any debt obligations issued by or on behalf of the City, regardless of whether the contract is


awarded in compliance with this Section. Any other contract awarded in violation of this Section shall be voidable at the option of the City.

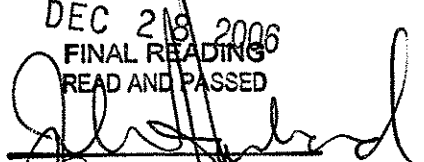
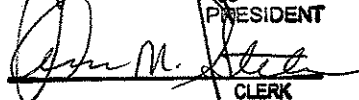
(b) The purchasing agent may suspend the ineligibility of a person or business entity in order to allow execution of a contract with the person or entity, upon written application by the head of a city agency or department affected by the proposed contract, setting forth facts sufficient in the judgment of the purchasing agent to establish: (i) that the public health, safety or welfare of the city requires the goods or services of the person or business entity; and (ii) that the city is unable to acquire the goods or services at comparable price and quality, and in sufficient quantity from other sources.

Section 4. Severability.

If any provision of this ordinance is held invalid, such provision shall be deemed excised from this ordinance and the invalidity thereof shall not affect any of the other provisions of this ordinance. If the application of any provision of this ordinance to any person or circumstance is held invalid, it shall not affect the application of such provision to other persons or circumstances.

SECTION 2. This ordinance shall take effect on passage and shall be retroactive to July 11, 2006.

**IN CITY COUNCIL**  
**DEC 7 2006**  
**FIRST READING**  
**READ AND PASSED**  
  
 CLERK

**IN CITY COUNCIL**  
**DEC 21 2006**  
**FINAL READING**  
**READ AND PASSED**  
  
 PRESIDENT  
  
 CLERK

**APPROVED**  
  
 MAYOR 1/8/07