

STATE OF OKLAHOMA

2nd Session of the 49th Legislature (2004)

SENATE CONCURRENT
RESOLUTION 68

By: Rabon of the Senate

and

Carey of the House

AS INTRODUCED

A Concurrent Resolution memorializing Congress to review the actions of the federal Office of the Comptroller of the Currency regarding rules preempting state consumer protection laws as they apply to certain banks, their subsidiaries and agents; and directing distribution.

WHEREAS, state financial regulators and attorneys general have a long history of protecting consumers from predatory lending and other lending abuses; and

WHEREAS, state financial regulators aggressively promote access to healthy, comprehensive and competitive financial services for their citizens; and

WHEREAS, on January 7, 2004, the federal Office of the Comptroller of the Currency (OCC) finalized rules that preempt most state consumer protection laws and enforcement of those laws as they apply to national banks, their operating subsidiaries and agents; and

WHEREAS, the sweeping OCC rules reach beyond preempting state laws and enforcement for national banks and also prohibit the states from licensing, examining and otherwise regulating state-chartered corporations that are subsidiaries of national banks, such as mortgage brokers and mortgage lenders, finance companies and other nondepository lending companies; and

WHEREAS, the OCC ignored calls from members of Congress, the National Governor's Association, National Association of Attorneys General, National Conference of State Legislatures, Conference of State Bank Supervisors, North American Securities Administrators Association, American Association of Residential Mortgage Regulators, major consumer groups and state financial regulators for congressional oversight and review of the impact of the rules and finalized rules while Congress was in recess; and

WHEREAS, the OCC preemption threatens to undermine the unique American dual banking system that promotes the strongest banking market in the world and provides critical fuel to the economy of the United States; and

WHEREAS, the OCC's rules radically rewrite the time-honored standard for federal preemption of state laws as interpreted by courts and intended by Congress; and

WHEREAS, the federalist system is based upon belief in a decentralized government, with authority given to the states and the federal government, and the OCC's rules centralizing regulatory power into the hands of a single individual - the Comptroller; and

WHEREAS, Congress has authority over this federal regulatory agency that is not operating in the best interest of the nation's banking system and economy; and

WHEREAS, both houses of Congress have either held or scheduled oversight hearings to address the OCC's preemption rules.

NOW, THEREFORE, BE IT RESOLVED BY THE SENATE OF THE 2ND SESSION OF THE 49TH OKLAHOMA LEGISLATURE, THE HOUSE OF REPRESENTATIVES CONCURRING THEREIN:

THAT the Oklahoma State Legislature is committed to maintaining the role of the states in enforcement of consumer protection laws and in dual regulation of financial institutions, and it opposes any federal rule that undermines this state authority, including the OCC's rule preempting state consumer protection laws and enforcement

that apply to national banks, their operating subsidiaries and agents.

THAT the Oklahoma State Legislature urges Congress to carefully review the actions of the OCC, reestablish a balance of power between the state and federal laws in a way that benefits consumers, financial institutions and our economy; restore the dual banking system; and reassert its authority over federal banking policy.

THAT copies of this resolution be distributed to the President of the United States Senate, the Speaker of the United States House of Representatives, the Oklahoma Congressional Delegation, and the President of the United States of America.

49-2-3278

JCR

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