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# InBOX

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## **Regulatory Reform Update: Senate Passes Regulatory Reform Legislation**

You are probably aware that the State Banking Department has been working diligently with our Congressional Delegates, CSBS, OBA, and CBAO on regulatory reform issues. On Thursday, May 20, 2010, by a vote of 59 to 39, the Senate passed its version of a financial regulatory reform bill. The version passed by the Senate includes several provisions of particular interest to state financial regulators and the dual banking system. The State Banking Department will continue to work to preserve these provisions in the final version of the regulatory reform legislation:

- The bill preserves the Federal Reserve System's supervisory role over state-member banks and all holding companies;
- The bill no longer includes a provision requiring the FDIC to subsidize the OCC's examination of smaller national banks;
- The bill creates a consumer financial protection bureau to be housed within and funded by the Fed;
- The bill provides for uniform ability across charter types for de novo interstate branching;
- The bill provides for limited preemption for national banks and thrifts through a case-by-case process based on the Barnett standard; and
- The bill strengthens state attorneys general authority to enforce applicable consumer protection law.

As the bill goes to conference, we will continue to work on several outstanding issues, including:

- Urging the Senate to accept language from the House bill establishing non-voting seats on the Financial Stability Oversight Council for state banking, insurance, and securities regulators;
- Pushing for the House position, which DOES NOT include language subjecting all state-chartered banks to national bank lending limits;
- Treatment of trust-preferred securities under the so-called Collins Amendment regarding bank and bank holding company leverage and risk-based capital requirements; and
- Requiring extensive and meaningful coordination between any new federal consumer financial protection regulator and state regulators.

***The Banking Departments extends a sincere "Thank you" to the Oklahoma Congressional Delegation for their persistent support of community banking. We look forward to continuing to work with them on regulatory reform issues until a final product is achieved.***