



# Economic Affairs Interim Committee

## 58th Montana Legislature

PO BOX 201706  
Helena, MT 59620-1706  
(406) 444-3064  
FAX (406) 444-3036

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DAWN FIELD, Secretary

January 27, 2004

The Honorable Dennis Rehberg  
516 Cannon House Office Building  
Washington, D.C. 20515

VIA FAX: 202-225-5687

Dear Rep. Rehberg:

The Economic Affairs Interim Committee of the Montana Legislature voted unanimously at its January 23, 2004, meeting to request that Montana's Congressional delegation reflect the concern of state legislators regarding a new preemption rule from the Office of the Comptroller of the Currency. In particular, the bipartisan Committee asks that Montana's Congressional delegation request Congressional action to suspend the OCC's new rule that preempts state consumer protection laws.

After hearing comments from federal and state financial regulators at a joint meeting with the State Administration and Veterans' Affairs Committee, the Economic Affairs Committee expressed its strong concern that the OCC rule will erode the dual banking system that has been in existence for over 130 years. The National Governors' Association, the National Association of Attorneys General from all 50 states, the National Conference of State Legislatures and state financial regulators such as the Conference of State Bank Supervisors have all called for congressional oversight and review of the impact of the OCC proposals. Montana's Commissioner of Banking and Financial Institutions, Annie Goodwin, told the Committees that, without any specific act of Congress, the OCC has swept away state consumer protection laws and law enforcement as they apply to national banks. This concentration of authority is a concern to states, which believe in the benefits of citizens' legislatures and the importance of a state's role in providing regulations that appropriately meet the needs of the local population.

The House Financial Services Committee's Subcommittee on Oversight and Investigations will hold a hearing at 10 a.m. on Wednesday, January 28, in Room 2128 Rayburn to review the OCC regulations. Given the potential for the OCC regulations to result in significant changes to the financial regulatory structure and state law enforcement authority for consumer financial protection, the Economic Affairs

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Committee requests that a member of your staff monitor the hearing and that you reflect Montana's interest in requesting that Congress reestablish the balance of power that has existed between state and federal law regulation in a manner that benefits consumers, businesses and all financial institutions.

Sincerely,

Representative Joe McKenney, Chair

Economic Affairs Committee

cc: Judy Martz, Governor

Annie M. Goodwin, Montana Commissioner of Banking and Financial Institutions