OCC’s Activities and Operations Rule Would Undermine the Dual Banking System

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State regulators are opposed to portions of the Office of the Comptroller of the Currency (OCC)’s proposed rule that would expand the scope of activities that could occur at non-branch offices of national banks because they would undermine the state regulatory system, CSBS said in a comment letter today.

CSBS asked the OCC to rescind the non-branch sections from the proposed rule because they:

- Make far-reaching and unprecedented changes without legal authority
- Undermine the dual banking system including the policy of competitive equality between state and national banks coupled with deference to state standards
- Conflict with the limits on NBA preemption prescribed by Congress
- Would allow national banks to operate de facto branches without branch-related obligations under the Community Reinvestment Act

Additionally, the OCC shortened the comment period timeframe by starting it from the day the proposed rule was posted on the agency’s website and not waiting until it was published in the Federal Register.

“CSBS believes that issues of such importance to the balance of federal and state power in the dual banking system should not be rushed through the rulemaking process to