FDIC Proposed Rule on State Bank Parity

COMMENT LETTER

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November 23, 2026
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Jennifer M. Jones
Deputy Executive Secretary
Attention: Comments — RIN 3064-AG34
Federal Deposit Insurance Corporation
550 17th Street NW
Washington, DC 20429

Re: State Bank Parity — RIN 3064-AG34

Dear Ms. Jones:

The Conference of State Bank Supervisors ("CSBS")1 appreciates the opportunity to comment on the Federal Deposit Insurance Corporation's ("FDIC") proposed rule on State Bank Parity.2 CSBS supports extending parity between state and national banks to services provided across state lines without a host-state branch. The proposed rule would help preserve a competitive state charter and the continuing role of state law and state supervision in interstate banking.

The proposal is targeted to the application of host-state law. It would not independently determine whether a particular host-state law is preempted, alter federal interest-rate authority, or reallocate state supervisory responsibilities. Nor would it validate the legally suspect preemption positions of the Office of the Comptroller of the Currency ("OCC").3, 4

1. **Parity for non-branch services would preserve meaningful charter choice**

A fundamental precept of the dual banking system is that banks have a meaningful choice between viable state and national charters as their business models and geographic reach evolve.5 Disparate treatment of comparable interstate services can erode the viability of that choice by pressuring banks to select a national charter when they would otherwise prefer a state charter and state supervision. By extending parity to non-branch services, the proposal preserves the state charter as a practical alternative and sustains the diversity of supervisory approaches that is a central strength of the dual banking system.

Read the full comment letter.

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  CSBS represents state banking and financial regulators in all 50 states, the District of Columbia, and the U.S. territories. The views expressed in this letter do not necessarily reflect the positions of individual

states.

- 2

  FDIC, Notice of Proposed Rulemaking, *State Bank Parity*, 91 Fed. Reg. 60018 (Sept. 22, 2026) (hereinafter the "proposal").

- 3

  See CSBS and American Association of Residential Mortgage Regulators, Comment Letter Re: Preemption Determination: State Interest-on-Escrow Laws; Real Estate Lending Escrow Accounts (Jan. 29, 2026) (hereinafter "CSBS/AARMR, Interest-on-Escrow Preemption Letter"); CSBS, Comment Letter Re: Order Preempting the Illinois Interchange Fee Prohibition Act, at 1–3 (May 29, 2026) (hereinafter "CSBS, IFPA Preemption Letter"). *See alsoCantero v. Bank of Am., N.A.*, 602 U.S. 205, 219-20 (2024); *Conti v. Citizens Bank, N.A.*, 157 F.4th 10 (1st Cir. 2025); *Cantero v. Bank of Am., N.A.*, 2026 U.S. App. LEXIS 13066, *63 (May 5, 2026).

- 4

  Many of the OCC's legally suspect preemption determinations rely on preemption regulations at 12 C.F.R. §§ 7.4007 and 7.4008 that are overbroad and ignore the preemption standard and process required under 12 U.S.C. § 25b(b)(1)(B).

- 5

  See 143 Cong. Rec. H3088–89 (daily ed. May 21, 1997) (statement of Rep. Roukema) (describing the 1997 amendments as preserving the state charter as a "viable and effective option" for interstate banks); 143 Cong. Rec. H3094 (daily ed. May 21, 1997) (statement of Rep. Bereuter) (describing the 1997 amendments as preserving a "viable, competitive alternative to the national bank charter."). *See also* Alan Greenspan, Chairman, Board of Governors of the Federal Reserve System, *Financial Reform and the Importance of the State Charter*, remarks at the Annual Meeting and Conference of the Conference of State Bank Supervisors (May 3, 1997).

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