

**Prepared Remarks for Charles G. Cooper
Immediate Past Chairman, Conference of State Bank Supervisors
Commissioner, Texas Department of Banking
CSBS State-Federal Supervisory Forum
New Orleans, Louisiana
May 23, 2017**

We are at the end of a long day so I will keep my remarks short. It has been an honor to serve as the CSBS Chairman for this past year. Truly an honor. There are so many people that I need to express my gratitude for their support.

First, my bride Linda, for putting up with the extra hours. She would ask, is that Banking Department work or CSBS work that you are doing? I would answer yes because I was really doing both. Certainly thanks go out to the staff at the Texas Department of Banking for keeping the trains on schedule, especially since we have been going through our Legislative Session. And thanks to the CSBS staff that provided me with so much support, and to the Board of Directors and all of the Committee Chairs and committee members for doing such an outstanding job.

If I had to sum up the year in one word, it would be Unity.

A year ago, in Denver I said we need to come together as never before, 50 sovereign and strong. I also quoted a song sung by Kenney Chesney with a verse that said, when our backs are against the wall, you mess with one, you got us all. We are all individually strong. But united, we are a force to be reckoned with. You mess with one, you got us all. From Fintech, to consumer protection, to our federal relationships, to the future of our own state system, we came together.

Together, we stood up to the OCC and defended the state regulatory system. While some may say it was nothing but protecting our own turf, we made sure that this unlawful act received the attention that it deserved. We rattled a few cages. It has been more than a generation since CSBS has been a lead plaintiff against a federal agency. I am proud of how our Board came together to make this tough decision. We are in the beginning stages of this process, but because of our actions, more people know who CSBS is and more about the state regulatory system.

We came together to protect our citizens from the business practices of bad actors like Ocwen. This saga had been going on for years. We finally said enough is enough, and 29 states filed actions against the company. Our appreciation goes out to the Multistate Mortgage Committee, the Non Depository Supervisory Committee, CSBS staff and other commissioners for bringing all of this together. The work is obviously not completed. This is the first of several issues that we are dealing with on the non-depository front. We all have to work together to streamline this type of supervisory response.

We all came together in seeking common sense, right sized regulation at the federal level. Your Executive Committee had periodic meetings with FDIC Chairman Gruenberg and his senior staff. One thing that I can say about these meetings is that we are persistent if nothing else. Our annual fly-in brought us together to state our case to members of Congress. We also brought our thoughts to the Federal Reserve Board of Governors.

So I have a question. What percent of the nation's bank are state chartered? Right, 78%. That is a relevant number. This means when Congress considers banking legislation, we need and deserve to have a seat at the table. We need to continue to talk about this 78%.

This October, our 5th Community Bank Research and Policy Conference will be held in conjunction with the Federal Reserve. These conferences produce solid information to highlight the issues facing our community banks.

Most recently, as you know, President Trump signed an Executive Order on Core Principles for Regulating the United States Financial System. The Order directed the Secretary of the Treasury to consult with the various agencies. The Treasury Department reached out to CSBS to put together a roundtable of commissions to discuss the aspects of the Order. So these meetings were not just with the federal agencies. They wanted to hear from us – the states -- to hear our views.

Also, a small group of commissioners met with the staff from the National Economic Council. The NEC Director will have a major influence on the nominations for the heads of the banking agencies: the OCC head, the FDIC Chairman whose term is up this year, and the Vice Chair of the Federal Reserve in charge of supervision along with two open board positions. The CFPB director's term is up next year. We had a very frank conversation and stressed the need for nominees with practical industry and supervisory experience. We have to stay involved in the process as these nominees will shape the regulatory landscape for years to come.

I mention these meetings because it points out our increase in relevancy in policy making at the national level. A few years ago we would not have been asked for our opinions. The awareness of CSBS and the state system has increased due to your hard work.

When you become more relevant, people expect more from you (or us) with a "what have you done for us lately" mentality. In March, our Board committed that by the year 2020, the states will adopt an integrated 50-state licensing and supervisory system. As you know, we continue to take fire due to our patchwork quilt regulatory approach in the non-depository arena. The standup of the Non-Depository Supervisory Committee and its activity have certainly been positive. We all need to commit to this vision or this area of supervision will be delivered into the hands of the federal agencies for all practical purposes.

And finally, NMLS. I continue to be in awe of the visionaries that created this system. NMLS 2.0 is moving forward and creates the framework that Vision 2020 is based. Thanks to all of the

staff and the SRR Board of Managers for your hard and extremely professional work as it represents the best of the state system.

Once again, it has been my honor to serve as Chairman of CSBS. I congratulate Albert on his election and congratulate all of the new officers, committee chairs and members, and task force members and district officers. CSBS is a great organization. It is your organization. We all have to stay involved for us to move forward.

Thank you.

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