



State Regulators Support CRA Resolution on the OCC True Lender Rule

Apr 28, 2021

Washington, D.C. — The Conference of State Bank Supervisors (CSBS) sent a [letter](#) to Senate Banking Committee Chairman Brown and Ranking Member Toomey supporting the Congressional Review Act (CRA) joint resolution (S.J. Res.15) to strike down the Office of the Comptroller of the Currency's (OCC) true lender rule.

John Ryan, CSBS president and CEO: “The true lender rule undercuts state consumer protection laws by extending national bank preemption to third-party nonbanks. The rule enables otherwise illegal interest rates on loans in which a nonbank holds the predominant economic interest by asserting that its national bank partner is the true lender merely because the bank’s name was on the loan.

“The OCC’s true lender test is so formalistic that it permits nonbanks to effectively lend at otherwise usurious interest rates and completely disregards the long-standing role of states to determine the interest charged to their citizens by nonbank lenders.”

Letter: www.csbs.org/cra-resolution-true-lender

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The Conference of State Bank Supervisors (CSBS) is the national organization of bank regulators from all 50 states, American Samoa, District of Columbia, Guam, Puerto Rico and U.S. Virgin Islands. State regulators supervise 79% of all U.S. banks and are the primary supervisor of nonbank financial services. CSBS, on behalf of state regulators, operates the Nationwide Multistate Licensing System to license and register non-depository financial service providers in the mortgage, money services businesses, consumer finance and debt industries.

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