

April 1, 2004

Statement of the Honorable Rahm Emanuel  
Committee on Financial Services  
Hearing on “Oversight of Office of the Comptroller of the Currency”

Thank you, Mr. Chairman, for holding this important hearing. These issues are of great concern to officials in my home state of Illinois, who are worried about the impact these rules will have on consumers and small businesses.

While I commend the Office of Comptroller of the Currency for including two new requirements in the final rule intended to address potential lending abuses by national banks, I am concerned about taking the local “cop on the beat” off the street, especially in light of the fact that national banks now have thousands of local operating subsidiaries in major cities like Chicago.

I also believe OCC may have inappropriately applied its preemption standard to exempt from state laws the operating subsidiaries of national banks – even if these operating subsidiaries are *state-chartered* entities.

And I think a strong case can be made that federal preemption should be debated and decided by Congress. An example of this is the recently enacted FACT Act (FCRA) that preempts several state laws. This was done only after a full and complete debate by Congress and a majority decision that is appropriate in this area. The bipartisan FACT Act process should serve as a model for considering issues of federal preemption going forward.

I understand that Ranking Member Barney Frank and the State Attorneys General have called on OCC to voluntarily narrow the scope of these rules, and have told OCC that if it does not act by May, he will introduce a resolution of disapproval under the Congressional Review Act.

I look forward to hearing from Comptroller Hawke today, and to working with my colleagues to ensure a vibrant dual banking system that encourages competition and protects consumers from abusive predatory lending practices.

Thank you, Mr. Chairman.