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Memo

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Date: May 6, 2008

To: Members of the U.S. House of Representatives

From: Floyd E. Stoner, Executive Vice President, Congressional Relations
& Public Policy, ABA

RE: Oppose the Miller/LaTourette Amendment Expected During Floor
Consideration of the Housing Package

I am writing to you on behalf of the members of the American Bankers Association (ABA) to express our strong opposition to an amendment expected to be offered by Rep. Brad Miller (D-NC) and Rep. Steven LaTourette (R-OH).

The Miller/LaTourette amendment, expected to be offered during floor consideration of the American Housing Rescue and Foreclosure Prevention Act of 2008, would alter long-standing authorities of the federal banking agencies to preempt state laws which conflict with federal law and which interfere with the safety and soundness and other regulation of national banks and federal thrifts.

The House Financial Services Committee approved bipartisan legislation (H.R. 5830) after numerous hearings and several days of thoughtful debate and deliberation. H.R. 5830 is a carefully considered effort to help distressed homeowners stay in their homes. The legislation is voluntary, and it sunsets in two to four years.

H.R. 5830 is a major component of the American Housing Rescue and Foreclosure Prevention Act of 2008. Yet, the Miller/LaTourette amendment was never offered or considered by the Committee during consideration of H.R. 5830.

The Miller/LaTourette amendment would permanently change the National Bank Act, the Home Owners' Loan Act, and several U. S. Supreme Court decisions. The amendment would exempt any state laws regulating foreclosure of residential property and the treatment of foreclosed property from preemption by the federal banking regulatory agencies. If adopted, the Miller/LaTourette amendment would fundamentally alter the balance of federal and state regulatory authority and harm national banks, federal thrifts, and the safety and soundness of our dual banking system. Nothing suggests the need for such a sweeping change in federal law.

ABA strongly opposes the Miller/LaTourette amendment.