

## OCC Defends Federal Bank Preemption

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In response to a [request](#) from the Conference of State Bank Supervisors (“CSBS”), Acting Comptroller of the Currency, Rodney E. Hood, decisively defended OCC regulations regarding the ability of national banks and Federal thrifts to preempt certain state laws. Taking a cue from Executive Orders from the President regarding ensuring government efficiency and reducing anti-competitive barriers, CSBS decided to formally request rescission of the preemption regulations.

In response, Acting Comptroller Hood detailed not only Supreme Court cases upholding the concept of preemption (see our articles on the most recent cases [Cantero 1](#) and [Cantero 2](#)), but also three previous reviews of the regulations by the OCC, including the review in 2004 that identified preempted and non-preempted state laws and Interpretive Letter 1173, interpreting the state of preemption after changes made in the Dodd-Frank Act.

In terms of competition, Acting Comptroller Hood explained, “Federally chartered banks, many of which operate across state lines, therefore may rely on preemption to remove barriers and achieve efficiencies associated with a uniform set of rules. Thus, federal preemption has helped to foster the development of national products and services and multi-state markets, which have benefitted individuals and businesses in every state and powered this Nation’s economy.”