Texas Department of Banking
Testimony

Testimony of Randall S. James, Banking Commissioner, State Of Texas, Before The Joint Hearing Of The House Committee On Financial Institutions And The House Committee On Insurance

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Interim Studies For Financial Services Modernization
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BACKGROUND

Thank you for the opportunity to address the Committees regarding the status of our efforts to implement financial modernization in the State of Texas. The impetus for our efforts began last Fall. On November 12, 1999, President Clinton signed the Gramm-Leach-Bliley Act of 1999 (GLBA). The new law represents a compromise between H.R. 10, the "Financial Services Act of 1999," and S. 900, the "Financial Services Modernization Act of 1999." (For the benefit of the Committees, the footnotes appearing at the end of this paper contain legal citations for these documents and to relevant committee reports).

GLBA is denominated as federal banking legislation, not insurance or securities legislation, and the informed state response to GLBA is to not only correct laws that are now preemptable by federal law, but to enhance the flexibility of state banks to ensure the future viability of the state charter. Despite being framed as a banking law, however, both the securities and insurance industries were very interested in and satisfied with the new law. One insurance lobbyist called the new law "a resounding victory" for the insurance industry, and I concur. Generally, the wish list for insurance and securities interests was much shorter than that of banks. Over the years, various loopholes had allowed banks into the insurance and securities business, while shutting the door on any reverse activities.

THE STATE RESPONSE TO GRAMM-LEACH-BLILEY

When we testified before the Senate Economic Development Committee on November 1, 1999, the best available source of information on the status of the efforts of the U.S. Congress was a joint press release of Senator Phil Gramm, Chairman of the Senate Banking Committee, and Representative Jim Leach, Chairman of the House Committee on Banking and Financial Services, announcing basic terms of agreement. We now have a surplus of source materials and can begin our task of understanding GLBA and its impact on state policies in earnest. One question may be "why study? Doesn't federal law tell us what we need to do?"

Impact of GLBA on State Law

GLBA changes the way that financial services companies are structured, in that it does not address the nature or range of financial services available to the public, but rather allows some types of companies directly to provide products that previously were provided only by other types of companies. The key areas of impact on state regulated activity involve insurance and securities. The State of Texas must change some of its laws to avoid federal preemption, primarily those that would prevent banks or bank affiliates from selling and underwriting insurance and securities, and this represents the most apparent reason to study our laws in reaction to GLBA to identify "preemptable" laws. We could stop here, but more is possible. Preservation of the viability of a state-chartered banking system is at risk. References to state banks or the state bank charter include state savings banks or the state savings bank charter by applicable federal definition. References to state banks are not intended to denigrate or diminish the equal importance of state savings banks.

GLBA is a continuation of a behind-the-scenes struggle over more than the last decade by certain federal regulators and industry advocates to expand the powers of federally chartered financial institutions. While I cannot say that an objective has been to destroy the viability of the state bank charter, federal legislation in the last decade has impacted the state charter adversely. If a state bank cannot compete with a national bank because of an inherent lack of authority to offer the same types of products and services, financial service consumers will migrate to the national bank. And bankers seeking a charter will select the national bank or federal thrift charter, not the state bank charter.

However, state interests were very active in the process of enacting GLBA. Establishing the viability of "functional regulation" is a major victory for the states. According to a recently completed study by the General Accounting Office, the federal banking agencies, through the issuance of regulatory opinions, have preempted the application of certain state laws to federally chartered institutions 67 times over the last five years, not including preemption by federal court decisions. Eight of these opinions related directly to Texas law. When challenged in court, the federal agencies enjoy a degree of deference that is far beyond what would seem necessary or appropriate.

A particularly egregious example: the Federal Fifth Circuit Court of Appeals held that OTS had the authority under the federal Home Owners Loan Act to preempt the Texas constitutional prohibition on home equity loans, by means of an opinion letter interpreting its own administrative regulation requiring a federal thrift to obtain good security for a loan, a decision reversed only by timely Congressional action directly amending the federal Home Owners Loan Act.

All state agencies that have experienced the kind of indiscriminate preemption the OCC and OTS fostered in the past 15 years will readily agree that this preemptive authority seems unlimited and severely hampers protection of legitimate state interests. However, in GLBA, the OCC's authority to preempt state insurance laws has been severely curtailed by directing the federal courts to grant equal deference to the OCC and the state insurance regulator. This provision, relatively obscure to the general public, is clearly a radical change of direction in federal preemption authority of the OCC. Insurance Commissioner Montemayor and his counterparts from other states deserve considerable credit for this startling result.

We fully support the concept of functional regulation and will defer to the functional regulators with respect to their regulatory jurisdiction, tempered only by our desire to be consulted regarding planned enforcement actions affecting a state bank, a courtesy we will return with respect to our proposed actions.

But all this, bold as it may be, is still only a reaction to GLBA. How can we be proactive in response to GLBA? The question that must be asked is, do we want a state-chartered banking industry? If we do, then our efforts in response to GLBA must go beyond reaction and include creative efforts to enhance the state bank charter.

Today I will discuss the current status of our efforts to study the impact of GLBA and to establish a much higher level of cooperation between regulatory agencies than we have ever done before. I will also raise some of the questions we are grappling with currently. However, I believe financial modernization encompasses far more than our response to GLBA, and I will also briefly address the pressing issues raised by the development of electronic commerce and the impact on Texas law.

COOPERATIVE EFFORTS BY STATE REGULATORS

Cooperation Mandated by GLBA

In conformity with the concept of functional regulation, GLBA mandates extensive cooperation between functional regulators and the federal banking agencies. However, while GLBA extends the same structural advantages to the state bank charter, the Congress saw no need to include state bank regulators within the mandatory cooperative provisions. Existing law has for years included cooperation between state and federal banking regulators, and perhaps Congress considered mandated cooperation between state banking and functional regulators to be beyond the purview of federal law. In any event, cooperation between the affected state agencies is mandatory from a practical perspective if the state bank charter is to remain competitive, and the Legislature should so provide. I believe my insurance and securities colleagues concur with me on this point.

The March 31st Letter

By letter dated March 31, 2000, Senator David Sibley, Representative Kip Averitt and Representative John Smithee laid out a plan for pursuing financial modernization. Addressed to the Banking Commissioner, Insurance Commissioner, Securities Commissioner, and Savings and Loan Commissioner, the letter offered the following observations:

- GLBA allows and encourages the convergence of the banking, insurance and securities industries while maintaining appropriate safety and soundness safeguards. Legal barriers that have historically separated the industries are substantially eliminated from federal law, and in many respects the new federal law will preempt any impeding state law.

- However, GLBA also recognizes the vital regulatory interests of this State by endorsing functional regulation of newly authorized bank activities by those regulatory agencies, both state and federal, that are most knowledgeable regarding the need for and public policies underlying regulation of a specific activity. Although state law may not discriminate against banks in licensing or authorizing securities and insurance activities, a state may impose suitable and reasonable licensing and consumer protection requirements consistent with the underlying rationale for regulation.

- The vital interests of this State will be best served by empowering the state-chartered bank to fully participate in and adapt to modern banking practices to the extent consistent with safety and soundness and the purpose of functional regulation.

We concur with those observations and are responding to the charge laid out by Senator Sibley and Representatives Averitt and Smithee, for the Commissioners to cooperatively study impact of financial modernization on existing Texas statutes and rules, to identify those provisions that are preempted by or inconsistent with the goals and purposes of GLBA and the competitiveness of state-chartered banks, and to assess the continuing effectiveness of existing investor and consumer protection statutes.

We will seek to develop consensus recommendations to the Committees regarding needed legislative changes to State law, as instructed. We will help each other through this process and develop mechanisms for consultation on shared issues and problems. While identifying needed statutory changes and drafting appropriate amendments will of necessity be developed within each agency, without the need for immediate cooperation, future regulatory efforts must be coordinated in light of GLBA's implications. I welcome the input and recommendations from the other regulators and the industries for ideas for possible improvements to the Finance Code that would assist a smooth transition into financial modernization. Hopefully, the other regulators will welcome improvement recommendations as well. We should all be looking at the underlying policy reasons for functional regulatory provisions to reassess what benefits the state derives in comparison to the burden placed on regulated entities, and offer suggestions for change beyond those required by GLBA. GLBA therefore presents an opportunity to restructure functional insurance and securities regulation to more precisely tailor the state's regulatory regime to address the public ills the state sought to remedy in the first place.

Progress in Cooperative Studies

The Commissioners have met and have discussed GLBA by telephone on numerous occasions, and key employees of the agencies are in contact. We have not yet begun an extensive cooperative effort to allow time for planning and for each agency to assess the impact of GLBA in its unique regulatory arena. My perception is that much of the early "heavy lifting" is being done by the Commissioner of Insurance, who has a firm grasp on the implications of GLBA for insurance regulation. Most of the statutory changes required to avoid preemption will be in the Insurance Code. In addition, the insurance commissioners from all the states are specifically charged by GLBA with developing uniform insurance agent licensing standards, through the National Association of Insurance Commissioners. My understanding is that Commissioner Montemayor is committing substantial resources to this national effort in addition to pursuing necessary adjustments to Texas statute, and I appreciate and admire the pace of accomplishment and the example he is setting for all of us.

In recent weeks, I have twice had the opportunity to participate in presentations and training to combinations of insurance and banking trade groups and industry representatives. I believe these combined industry meetings to be especially useful for the convergence of the industries by allowing the interaction of the industries. The presentations have elicited questions as we discuss financial modernization from the "other" industry's perspective.

In my view, at least two areas are becoming evident that must be thoroughly explored in a cooperative manner. First, we must each develop an understanding of the way our respective confidentiality statutes operate, and perhaps pursue some uniformity to ensure that confidential information shared between state and state and federal agencies remains confidential. For example, our analysis of the financial condition of a bank, as expressed in the periodic Report of Examination, could be useful to the Securities Commissioner and to the Commissioner of Insurance. However, an examination report often contains highly personal and intimate details regarding the financial affairs of bank customers. As the banking statutes recognize, this information should never be publically available. In addition, examination reports sometimes contain speculative assessments regarding the future financial condition of a bank, and contains a bank rating of from 1 to 5. The significance of the rating is understood by bank examiners as a crude shorthand that can be useful to us but easily misunderstood by others. Banks are highly leveraged and correspondingly sensitive to unusual movement of assets such as might occur if customers suddenly lost confidence in the bank due to public disclosure of statutorily confidential information and started a "run" on the bank by withdrawing funds. Unless I have complete confidence that governing law requires another regulator to observe this same degree of confidentiality, I cannot authorize sharing this information.

Second, in my efforts to educate myself regarding securities and insurance regulation, I have experienced some difficulty because of differences in terminology. My experience leads me to the conclusion that we must strive for definitional commonality. The banking industry and I would suspect most business industries, including insurance and securities, generally desire to understand the "rules of the game." Minimizing ambiguity and working hard to provide clarity should be one of our more immediate goals.

For example, an out-of-state bank with branches in Texas is domiciled in its "home state" and Texas is a "host state." State banking regulators have developed cooperative strategies to be pursued between home state and host state regulators and I understand the terminology used in that context. However, in insurance regulation, the terms used appear to be "resident" and "nonresident" or "foreign." In banking regulation, a "foreign" bank is from outside the United States and is subject to specialized regulation, but for insurance regulators the entity is "alien."

In this one example, I suspect it is the insurance laws that will ultimately adapt, because GLBA is styled as a banking statute and uses banking terminology. The insurance provisions of GLBA are codified to Title 12 of the United States Code, "Banks and Banking." However, at a minimum, I must understand any differences that exist in ostensibly comparable terminology. This example will admittedly be easy to evaluate, but others will require study. Legislation may be needed to conform definitions that will be applied across financial service industries.
And perhaps equal to the need for legislated common definitions, we must develop an understanding of the policy and functional differences between the regulatory agencies and between the industries they regulate. This can come through extensive interaction of the supervisors.

Recent views expressed by the Federal Reserve Bank of Minneapolis (FRB-MN) in its quarterly publication are informative of the issues we face at the state level and reflect the concerns I have identified According to FRB-MN, a major area where the GLBA framework will face challenges is in implementation of functional regulation, for at least two reasons. First, the objectives and skills of the different regulators involved with supervision of financial holding companies (FHCs) and their subsidiaries vary considerably. For example, the primary mission of the securities regulators may lead to a focus on investor protection and market integrity rather than the "safety and soundness" of the securities firm. In the view of FRB-MN, federal banking regulators may not find the reports and information generated by the securities regulators sufficient to ascertain the threat the securities affiliate poses to the insured banks, and this perceived deficiency might encourage federal banking regulators to obtain direct examination access to the securities firm.

Second, according to the FRB-MN, functional regulation requires regulators to share information and operate in a coordinated fashion. At times regulators capture their conclusions in written reports, but much of their assessments will reside with the examiners themselves or in more informal written material. Distributing informal analysis poses a logistical test that could inhibit full sharing of data and analysis as could data security concerns. Whatever the reasons, failure to fully share information among regulators would limit accurate risk assessments.

These points echo as we look at cooperation at the state level, and identify traps we are determined to avoid.

Texas Banks and Financial Modernization

From March 11th, the first day financial holding company elections could be filed with the Federal Reserve, until last Friday, approximately 167 bank holding companies have filed elections to be FHCs. Interestingly, about two-thirds of these own banks of less that $1 billion in assets, generally considered as "small" banks. Of the 167 filings, 27 had Texas connections, as further detailed on Exhibit A:

- Ten were by Texas-based bank holding companies;
- Nine were by U.S. bank holding companies not domiciled in Texas but with a Texas business presence;
- Eight were by international bank holding companies with a Texas business presence.

We conducted a poll of these 27 businesses to learn more about their reasons for making the election, and the results can be generalized as follows:

- All stated one reason in common: to remain competitive and to be in a position to take advantage of future opportunities.
- The Texas and other U.S. bank holding companies mentioned a desire to expand their insurance activities.
- The non-Texas U.S. and the international bank holding companies added two additional reasons: to increase securities activities beyond those previously allowed under the Bank Holding Company Act of 1956, and to engage in merchant banking activities.
- The largest bank holding companies contacted indicated that the only identified impact on their Texas businesses was the possibility of investment in Texas companies as a result of merchant banking activities.
- On the whole, no major changes in the current business plans of the polled organizations are expected in the immediate future, although some increase in securities and insurance activities is projected as an added convenience to customers.

Unfortunately, some of those electing to be regulated as FHCs are apparently doing so based on an inadequate understanding of GLBA. At present, no process exists to "deregister," and many of the activities these holding companies are interested in pursuing can be done within the pre-existing regulatory framework. My colleagues at the Federal Reserve Bank in Dallas are cognizant of this problem and are calling bank holding companies who file a registration to ask whether the registration is really necessary. Electing FHC status has burdens to accompany the benefits. An enhanced federal antitrust analysis is required for FHC acquisitions. Regulatory capital of the FHC will decline because the investment in certain financial activity subsidiaries will be discounted to keep a sharper eye on safety and soundness implications. And a decline in overall managerial fitness and/or capital adequacy will invoke a specialized corrective regime that imposes tight deadlines for correction and carries the prospect of a divestiture order. The key point to be made is that many of the activities these registering companies, especially state banking interests, are desiring to engage in are possible through pre-GLBA law, such as insurance agency activities.

Community Banks and Financial Modernization

Finally, I offer a slightly more focused analysis on the impact of GLBA on community banks.

Community banking won two major victories in GLBA. First, the new law closes the unitary thrift loophole through which some commercial firms were acquiring federal thrifts. This will prevent Wal-Mart and other commercial firms from breaching the wall historically separating banking and commerce in this country. There will still be some 75 grandfathered unitary thrifts with commercial ties, but had this loophole stayed open the remaining 500 to 600 unitary thrifts without commercial links could have been bought by the likes of Wal-Mart. Advocates of this reform stress that the issue isn't whether you can bank at Wal-Mart; the question is whether or not Wal-Mart is your bank. Those are separable questions.

Second, community bankers also fought hard for and won provisions in the new law to reform the Federal Home Loan Bank (FHLB) system. Beset by an outflow of core deposits to mutual funds and other competitors, community banks under $500 million in assets will now be able to become FHLB members (regardless of the percentage of housing finance assets they have in their portfolio) and use small business- and agricultural-loan collateral to secure advances. I am cautiously optimistic that these provisions will prove to be of lasting importance to community bankers in providing needed access to a valuable source of fixed-rate, long-term funding, and correspondingly important to small business and agricultural borrower in the State of Texas.

Another bonus in GLBA will give most community banks what they perceive to be welcome relief from Community Reinvestment Act (CRA) examinations. Any bank under $250 million in assets that received a "satisfactory" rating on its most recent CRA exam, will now be examined for CRA no more frequently than once every four years. If that bank received an "outstanding" rating, it will not have a CRA exam more than once every five years. While this relief is somewhat limited in scope, it is an improvement over current regulation if implemented appropriately (that is, without a new set of regulatory burdens).

FINANCIAL MODERNIZATION: MORE THAN GLBA

Financial industry forums these days contain much discussion about how GLBA will change the financial services business. While it is true that the GLBA will ultimately change the way that financial services companies are structured; in fact, more far-reaching changes are occurring in the financial services industry as a result of developments in technology. Ironically, the long-sought repeal of the Glass-Steagall Act may not be the main event of financial modernization.

An Everchanging, Technology-Driven Market

GLBA does not change the nature or range of available financial services. It does allow some types of companies to directly provide products that previously were provided only by other types of companies. The bigger story of financial modernization is how the Internet and new technologies are transforming how financial services are produced and delivered. More profoundly, as the potential of technology is being realized, the essence of what constitutes a banking and financial activity is transforming as well.

The most remarkable aspect of the current phase of evolution of the business of banking is how technology is driving multi-dimensional change. Technology impacts not just how products and services are delivered, but also the substantive characteristics of products and services themselves. In essence, the medium used to produce and deliver a product or service is merging with the product and service connected to it. As this occurs, the dimensions of the business of banking are expanding.

We already can see technology driving the evolution of banking in several ways:

- Technology provides new ways of applying the conventional roles and authorities of banks and, thereby, fundamentally transforms them.
- Technology provides banks with new applications for their existing core competencies and, thereby, expands their roles.
- Technology prompts banks to develop new core competencies that ultimately may migrate into the business of banking.
- Technology, and how bank customers use it, may compel banks to develop or acquire new capacities and competencies in order to remain competitive.

We have issued legal opinions over the last three years to facilitate adaptation to new technologies. If the nature of the underlying service, function, or activity proposed to be conducted by a bank falls within the traditional business of banking, the proper approach is to treat new technologies as merely the medium for delivery. In the modern era, failure to adapt to new technologies is the first step on the road to extinction. A few examples of technological adaptation, existing and expected, follow.

- Because a customer must have Internet access in order to engage in on-line banking, a state bank may, incidental to the business of banking, provide full Internet access to customers by acting as an Internet service provider. And because a bank that serves as the Internet provider for its customers will most certainly, given the nature of the technology, possess excess Internet capacity, it may utilize that excess capacity to offer full Internet access to both customers and non-customers.
- A state bank may also help both customer and non-customer businesses establish their own web sites, include advertisements on the bank's web site for other businesses, and provide hypertext links to the other web sites. Banks must be empowered to play a central role in electronic commerce to retain an important function that banks have engaged in throughout our history.
- Technology causes banks to develop new core competencies that, in time, can become part of an expanded business of banking. For example, as banks seek to save significant costs through electronic presentation of checks, a high degree of competence in imaging technology and storage will be essential to support this new approach to check processing. Imaging technology and storage may soon be understood to be part of or

incidental to the business of banking. Internet banking is a primary current application of network computing where relatively little information is stored on consumer controlled devices and the vast majority of information is stored on bank controlled servers. TV banking is on the horizon; it will expand not only access, but also customer reliance upon bank-maintained databases. If this trend continues, consumers may conclude that banks are a logical repository of all their information: financial and non-financial, and banks will have the competency to meet that need.

All the above promises an exciting future for the banking business in this new century and many new opportunities for bank customers. Realization of the potential of new technologies may even mark a unique evolutionary stage in the banking business where businesses and consumers, the technically well-equipped and adept and the economically underprivileged may all benefit from innovations in products and services and delivery that new technologies make possible.

And, of course, these developments also present new challenges for bank regulators, as we strive to position ourselves to understand the new risks that may be presented by new dimensions of the banking business, and to develop expectations about the types of risk management systems we expect banks to employ to identify, monitor and control those risks.

Statutory Adaptations Are Needed

One question we must ask is whether Texas law permits technological adaptation. We will strive in the coming months to identify needed statutory changes in the banking laws, but clearly a more comprehensive overhaul is needed to address vexing legal questions in electronic commerce.

Are electronic signatures legally binding? Is a contract made over the Internet valid and enforceable? In an interstate and Internet context, what court has jurisdiction to hear a dispute, and which state's substantive law will apply? The answers are not clear under Texas law, but need to be answered affirmatively. There is no national consensus on whether existing state and federal laws regarding handwritten signatures can be construed to validate electronic signatures. According to one report, 42 states have adopted legislation pertaining to electronic or digital signatures, no two of which are alike. In future hearings, I hope to explore with you the attributes of Texas law relevant to this issue. For now, I have attached a preliminary listing of relevant Texas statutes as Exhibit B.

Because of industry concerns, Congress several years ago began pursuing a variety of bills designed to validate electronic signatures and electronic commerce, most with an explicit declaration of state law preemption. Fortunately, the bills bogged down in a privacy debate, largely because the bills attempted to establish encryption standards for "digital" signatures (an authenticated electronic signature) and create a law enforcement exception for access to the public key. The net result of the wrong bill could be to federalize commercial law.

The Need for Uniform State Law

We should all be concerned that electronic commerce does not provide the opportunity for a dramatic shift of power from the states to the federal government. Indeed, similar concerns more than 100 years ago led to the formation of the National Conference of Commissioners on Uniform State Laws (ANCCUSL"), with the announced purpose of "promot[ing] uniformity in state law on all subjects where uniformity is desirable and practicable." Particularly in the commercial arena, e.g., the Uniform Commercial Code, NCCUSL has been spectacularly successful, relieving pressure which might otherwise have existed to move significant aspects of contract laws from state control to that of Congress.

The need for uniformity and interoperability once again has come to the fore in light of the widespread and well-grounded perception that the Internet is a vehicle which will permit an explosion of worldwide commerce within the immediate future. Conflicting state laws will create significant barriers to such commerce within the United States, as will conflicting national laws on the international level. In response to the currently threatened federal action, NCCUSL established a drafting committee that has since produced the Uniform Electronic Transactions Act (AUETA"). UETA was approved in July 1999 at the NCCUSL Annual Meeting and it is my understanding that it must be approved again at this year's annual meeting to be submitted to the states for adoption. Attached as Exhibit C is a copy of our letter from last year to the NCCUSL Commissioners from the State of Texas expressing support for the UETA.

The UETA is designed to establish a base for all electronic transactions not governed by the Uniform Commercial Code (AUCC"), by making those changes to contract and other law that are necessary or desirable to facilitate electronic transactions, both public and private. It is not intended to promote electronic commerce or compel anyone to adopt electronic methods. Instead, it is designed to offer assurances or reassurance that the fact that your transactions are electronic or your records are stored electronically will not affect enforceability. In addition, provisions are included in the act dealing with the impact of using secure methods to assure the identity of the sender or the integrity of a message. It will support the ability of the parties to contract for such methods, as well as the ability of a party to refuse to deal with those who do not use such methods. In other words, the UETA might be regarded as a baseline foundation for electronic transactions. It will not deal with the merits or substance of the transaction (as does the UCC), limiting itself to assuring that barriers to electronic transactions are removed.

In our view, the UETA is an essential piece of legislation to financial modernization, especially so in light of the very real possibility that commercial law will be federalized if the states do not act.

Proposed Federal Legislation

The federal legislation that seems on the verge of enactment is S. 761 by Senator Spencer Abraham and H.R. 1714 by Rep. Tom Bliley, which have passed the chambers in which they were filed and are now under consideration in a conference committee. The differences are subtle but interested parties are fiercely debating the correct approach. The evolved approach of both of these bills generally is to preempt any state law that would invalidate an electronic signature, record, or contract, provided that the proposed law would not apply in any state in which the Uniform Electronic Transactions Act is in effect. This exception represents a very effective way to preserve state authority over commercial law.

Without exploring the competing bills in detail, it is fair to say the states prefer the approach of the Senate in S.761, which simply states that it "does not apply in any State in which the Uniform Electronic Transactions Act is in effect." Some argue H.R. 1714 has the same effect, but it also contains additional requirements.

CONCLUSION

We look forward to the challenge of not only adapting to GLBA, but of ushering the financial services industry into the 21st century using new technologies profitably in a safe and sound manner. We pledge cooperation with and mutual respect for the other involved regulatory agencies as we take advantage of each other's unique expertise.

Thank you for the opportunity of addressing you today, and please feel free to call upon us to help you as needed.

Endnotes:

Pub. L. No. 106-102, 106th Cong., 1st Sess. (1999).

H.R. 10, 106th Cong., 1st Sess., 145 Cong. Rec. H231 (daily ed. Jan. 6, 1999) (introduced by Rep. Leach). The bill was reported by the House Committee on Banking and Financial Services on March 23, 1999, and on June 10, 1999. H.R. Rep. No. 74, Pt. 1, 106th Cong., 1st Sess., 145 Cong. Rec. H1,594 (daily ed. March 23, 1999); H.R. Rep. No. 74., Pt. 2, 106th Cong., 1st Sess., 145 Cong. Rec. H4,126 (daily ed. June 10, 1999). The House Committee on Commerce reported the bill on June 15, 1999. H.R. Rep. No. 74, Pt. 3, 106th Cong., 1st Sess., 145 Cong. Rec. H4,340 (daily ed. June 15, 1999). The bill was passed by the House on July 1, 1999. 145 Cong. Rec. H5,323 (daily ed. July 1, 1999).

S. 900, 106th Cong., 1st Sess., 145 Cong. Rec. S4,346 (daily ed. April 28, 1999) (introduced by Sen. Gramm). The bill was reported by the Senate Banking Committee on April 28, 1999. S. Rep. No. 44, 106th Cong., 1st Sess. (1999). It was amended and passed by the full Senate on May 6, 1999. 145 Cong. Rec. S4,878 (daily ed. May 6, 1999). On July 20, 1999, the House of Representatives considered the bill, striking all of the text after the enacting clause and inserting in lieu thereof the provisions of H.R. 10. 145 Cong. Rec. H5,984 (daily ed. July 20, 1999).

See H.R. Conf. Rep. No. 434, 106th Cong., 1st Sess., 145 Cong. Rec. H11,255 (daily ed. Nov. 2, 1999). The Conference Report was adopted by the House and Senate on November 4, 1999. 145 Cong. Rec. S13,871-13,881; H11,526-11,551 (daily ed. Nov. 4, 1999).

U.S. General Accounting Office, Role of the Office of Thrift Supervision and Office of the Comptroller of the Currency in the Preemption of State Law (Feb. 7, 2000).

Summary based on Ron J. Feldman, James M. Lyon, and Niel D. Willardson, Have We Only Just Begun? Challenges in implementing the Gramm-Leach-Bliley regime, Outlook Vol.14, No. 1 (Special Issue, March 2000, Federal Reserve Bank of Minneapolis).