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U.S. House of Representatives
 Committee on Commerce

Room 2125, Rayburn House Office Building

Washington, DC 20515-6115

June 30, 1999

JAMES E. DERDERIAN, CHIEF OF STAFF

H.R. 10 IS A BUST FOR CONSUMERS

Dear Colleague:

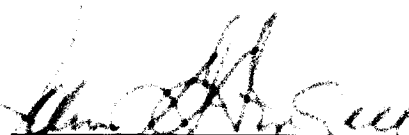
The big banks, brokerage firms, insurance companies and diversified financial firms tout this bill as a boon to consumers because it offers the industry more ways to sell consumers products and information. Don't be fooled by the "more choices" argument when those choices are not accompanied by adequate protections. The Rules Committee Print contains only those consumer protections deemed "acceptable" to the bankers.

According to June 25 Consumers Union testimony before the Commerce Committee: "H.R. 10 needs to be strengthened to protect against bad practices."

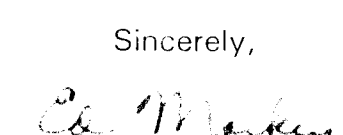
- H.R. 10 broadly preempts consumer protections on the activities of banks such as deposit taking or lending laws, *e.g.*, ATM surcharge laws, check cashing or predatory lending laws.
- H.R. 10 preempts 1,781 essential state insurance laws across the country, including requirements that insurance consumers be paid legitimate claims in a timely manner, requirements that insurance companies invest premiums paid by insurance consumers in a prudent and safe manner, and requirements that insurance companies contribute to a state fund established and maintained for the purpose of guaranteeing the solvency of insurers.
- The Rules Committee Print provides woefully inadequate privacy protections for both medical and financial information.
- The Rules Committee Print, by incorporating the Banking Committee's operating subsidiary model, sanctifies the ability of the Comptroller of the Currency (OCC) to run roughshod over state consumer laws, allowing national banks to ignore important state consumer protections. Over the past few years, the OCC has issued opinion letters telling national banks that they do not have to comply with such essential protections as state lifeline banking laws that protect consumers from price gouging on checking accounts and laws that prohibit prepayment penalties when consumers sell their homes and pay off their mortgages. And, with the passage last Congress of the "Riegle-Neal Clarification Act" (H.R. 1306), state banks can ignore state consumer protection laws whenever a national bank may do so.

Support our efforts to protect consumers. Oppose the bill if they fail or are not made in order.

Sincerely,



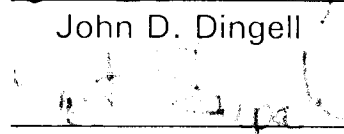
John D. Dingell



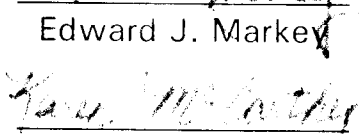
Edward J. Markey



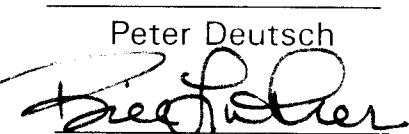
Peter Deutsch



Bart Stupak



Karen McCarthy



Bill Luther