

A Group of Concerned Law Professors

March 11, 2010

The Honorable Gary L. Ackerman
2243 Rayburn HOB
Washington, DC 20515-3205

Dear Representative Ackerman:

We are law professors concerned about encouraging the most thoughtful, effective and flexible improvements in regulation of the financial services industry. We urge that you clarify federal law to be sure that states have the authority to join federal agencies in protecting consumers of financial products and services. In the past, some federal agencies have used broad powers of preemption to shield banks from state attempts to prohibit problematic financial practices like charging excessive fees and pushing dubious mortgages. New financial laws regulating consumer financial products and related practices of financial institutions should include a provision that would allow states to protect consumers with state rules that are stricter than (but consistent with) the minimum consumer protection standards established by federal laws and regulations.

Preserving the rights of the states to protect state interests concurrently with federal law has worked successfully in many aspects of consumer protection, as well as in other arenas like environmental protection and insurance. We could have averted many recent financial troubles now plaguing our economy had the states been freer to regulate on behalf of their financial consumers. We do not propose to alter the current law of federal preemption of state financial regulation that may be needed to promote safety and soundness of the financial system as a whole. However, it is essential that Congress remove the shackles on state innovation in protecting consumers of financial products and services.

Thank you for your consideration.

On behalf of the group whose members are listed on the accompanying pages,



David G. Oedel
Professor of Law
Mercer University Law School
1021 Georgia Avenue
Macon, Georgia 31207
(478) 301-2629 (office)
oedel_dg@law.mercer.edu