The Florida Senate

BILL ANALYSIS AND FISCAL IMPACT STATEMENT

(This document is based on the provisions contained in the legislation as of the latest date listed below.)

Prepared By: The Professional Staff of the Committee on Banking and Insurance

BILL: SB 1020

INTRODUCER: Senator Hays

SUBJECT: Banking

DATE: April 11, 2013 REVISED:

	ANALYST	STAFF DIRECTOR	REFERENCE	ACTION
1.	Johnson	Burgess	BI	**Pre-meeting**
2.			JU	
3.			RC	
4.				
5.				
6.				

I. Summary:

SB 1020 amends provisions of the Financial Institutions Codes (Codes). The Office of Financial Regulation (OFR) regulates and charters banks, trust companies, credit unions, and other financial institutions pursuant to the Codes, chapters 655 to 667, Florida Statutes. The OFR ensures Florida-chartered financial institutions comply with state and federal requirements for safety and soundness. This bill amends the following provisions of the Codes:

- Amends the definition of "related interest" to remove the person's family and household members. The bill also creates a definition of "control of a company or bank."
- Prohibits the OFR from initiating an administrative proceeding while a person is subject to a federal proceeding on the same or similar grounds.
- Amends the par value provision to clarify that the par value requirement only applies to the settlement of checks between financial institutions, and provides that institutions may charge fees to cash checks.
- Provides a statement of legislative intent for amending the par value statute.

This bill amends the following sections of the Florida Statutes: 655.005, 655.041, 655.85, and 655.968.

II. Present Situation:

The U.S. dual banking system allows commercial banks to become chartered and regulated under either federal or state law. National banks are chartered under federal law, i.e., the

National Bank Act.[1] Their primary federal regulator is the Office of the Comptroller of the Currency (OCC), an independent agency within the U.S. Department of the Treasury. State-chartered banks are chartered under the laws of the headquarters' state. The primary federal regulator for state banks that are members of the Federal Reserve is the Federal Reserve. The primary federal regulator for non-members is the Federal Deposit Insurance Corporation.

Federal Oversight

The Federal Deposit Insurance Corporation (FDIC) preserves and promotes public confidence in the U.S. financial system by insuring deposits in banks and thrift institutions for at least $250,000; by identifying, monitoring and addressing risks to the deposit insurance funds; and by limiting the effect on the economy and the financial system when a bank or thrift institution fails. An independent agency of the federal government, the FDIC was created in 1933 in response to the thousands of bank failures that occurred in the 1920s and early 1930s. Since the start of FDIC insurance on January 1, 1934, no depositor has lost any insured funds because of a failure. The FDIC receives no Congressional appropriations; it is funded by premiums that banks and thrift institutions pay for deposit insurance coverage and from earnings on investments in U.S. Treasury securities.

The FDIC directly examines and supervises more than 4,500 banks and savings banks for operational safety and soundness, more than half of the institutions in the banking system. The FDIC covers its examination costs in its premiums and assessments, which are based on the risk of the bank.[2] Section 337.12 of the FDIC Rules and Regulations require an annual full-scope on-site examination of every insured state nonmember bank at least once during each 12-month period.[3] Annual examination intervals may be extended to 18 months if certain conditions are met. The FDIC notes that every effort should be made to coordinate examination schedules with state authorities to take advantage of state resources, to minimize duplications of effort, and to lessen business disruptions to institutions. Examinations may be conducted in alternate 12 (or 18) month periods if the FDIC determines that a full-scope, onsite examination completed by the appropriate state supervisory authority during the interim period is acceptable.

The FDIC will accept and rely on state reports of examination in all cases in which it is determined that state examinations enable the FDIC to carry out its supervisory responsibilities. The following criteria[4] may be considered, in whole or in part, when determining the acceptability of a state report of examination under Section 10(d) of the FDI Act:

- The completeness of the state examination report. The state report of examination should contain sufficient information to permit a reviewer to make an independent determination on the overall condition of the institution.

[1] The National Bank Act of 1964 (12 U.S.C. § 24 Seventh) gives enumerated powers and "all such incidental powers as shall be necessary to carry on the business of banking" to nationally chartered banks. To prevent inconsistent or intrusive state regulation from impairing the national system, Congress provided: "No national bank shall be subject to any visitorial powers except as authorized by Federal law." Id. at § 484(a).
[2] See http://www.fdic.gov/deposit/insurance/calculator.html, for the FDIC's calculator.
[3] Section 337.12 of the FDIC Rules and Regulations implements Section 10(d) of the FDI Act and governs the frequency of examinations for insured state nonmember banks.
[4] These guidelines may also be found in the Federal Register Volume 60, Number 123 (Tuesday, June 27, 1995)

- The adequacy of documentation maintained by state examiners to support observations made in examination reports.
- The ability over time of a state banking department to achieve examination objectives. At a minimum, the FDIC will consider the adequacy of state budgeting, examiner staffing and training, and the overall review and follow-up examination process of a state-banking department. Accreditation of a state banking department by the Conference of State Bank Supervisors (CSBS)[5] is among the factors that will be considered.
- The adequacy of any formal or informal arrangement or working agreement between a state banking department and the FDIC.

CSBS Accreditation Standards

To achieve accreditation, a state-banking department must test itself against the criteria in the Self-Evaluation Questionnaire and achieve a total score of not less than 80 percent and a score of not less than 75 percent on the two Examination Sections and not less than 70 percent on all other sections.[6] This score incorporates the standards noted below:

- The legal authority to charter, examine, supervise and regulate all state-chartered banks consistent with basic principles of safety and soundness, and protection of the public interest.
- The demonstrated capability to conduct safety and soundness examinations of state-chartered banks within acceptable time limits. This capability should be supported by a combination of active monitoring and review of federal examinations and other methods in a manner consistent with state statutes, safety and soundness and the public interest.
- Specialized capabilities as required in each state to assure safety and soundness of all state-chartered banks and full compliance with statutes.
- Adequate qualified staff with expertise to charter, examine, supervise and regulate all state-chartered banks and to perform other departmental functions and responsibilities.
- A policy, statutory or departmental, which requires an examination at least once every 18 months for CAMELS rated 1 and 2 financial institutions and not less frequently than once every 12 months for CAMELS rated 3, 4, and 5 financial institutions.
- Adequate statutory authority for the department to carry out its duties and responsibilities independently, including authority to take formal enforcement action(s).
- Adequate funding to achieve all above-mentioned criteria.

State Oversight

The OFR regulates entities that engage in financial institution business in Florida, in accordance with the Florida Financial Institutions Codes (Codes) and the Florida Financial Institutions Rules.[7] The specific chapters under the Codes are:

- Chapter 655, F.S. – Financial Institutions Generally
- Chapter 657, F.S. – Credit Unions

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[5] The CSBS is the nationwide organization of banking regulators from all 50 states. The CSBS Accreditation Program involves a comprehensive review of the critical elements that assure the ability of a state banking department or mortgage agency to discharge its responsibilities through an investigation of its administration and finances, personnel policies and practices, training programs, examination policies and practices, supervisory procedures, and statutory powers.

[6] CSBS, *State Banking Accreditation Program*, August 2012. On file with staff of the Banking and Insurance Committee.

[7] Chapters 69U-100 through 69U-150, F.A.C.

- Chapter 658, F.S. – Banks and Trust Companies
- Chapter 660, F.S. – Trust Business
- Chapter 663, F.S. – International Banking
- Chapter 665, F.S. – Associations
- Chapter 667, F.S. – Savings Banks

The OFR ensures Florida-chartered financial institutions' compliance with state and federal requirements for safety and soundness. The OFR does not regulate national banks and banks that are chartered and regulated in other states. In addition, the OFR does not regulate institutions that are chartered and regulated by foreign institutions, except to the extent those foreign institutions seek to engage in the business of banking or trust business in Florida. The OFR examination costs are financed through a bank's annual assessment, which is based on the assets.

Section 655.041, F.S., allows the OFR to initiate administrative proceedings to impose a fine against persons that have been found to have violated the financial institutions codes, a cease and desist order of the OFR, or any written agreement with the OFR. Section 655.041, F.S., provides that a person must receive written notice of a violation and be provided with a reasonable period to cure the violation before the accrual of any fines or the initiation of any administrative proceedings to impose a fine. According to the OFR, federal regulators impose civil money penalties for violations of federal laws and regulations, and a violation of the Florida financial institutions codes would not ordinarily serve as the basis for a federal regulator to impose a civil money penalty. A violation of a cease and desist order of the OFR would only serve as basis for both the OFR and a federal regulator to seek monetary sanctions if the order was jointly issued. Likewise, a violation of a written agreement with the OFR would only serve as a basis for both the OFR and a federal regulator to seek monetary sanctions if both were parties to the agreement.[8]

According to the OFR, the OFR works with its federal counterparts and the banks to arrive at joint resolutions when possible. Since 2002, over 82 percent (336 of 408) of all administrative actions have been jointly resolved between the OFR, the federal regulator, and the institution. Of the 408 cases, only one case has risen to the level of the OFR and federal regulator seeking separate administrative hearings.[9]

Competitive Equality & Preemption

The U.S. dual banking system is premised on two related doctrines - the competitive equality doctrine and federal preemption. The competitive equality doctrine essentially states that national banks are subject to state laws concerning their daily course of business, such as their acquisition and transfer of property, their right to collect their debts and their liability to be sued for debts, contracts, usury, and trust powers.[10]

However, while states are generally free to legislate on matters not controlled by federal regulation, the application of state laws to national banks is subject to the preemption doctrine.

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[8] Office of Financial Regulation, 2013 Bill Analysis, SB 1020, dated March 22, 1013.
[9] *Id.*
[10] *National Bank v. Commonwealth*, 9 Wall. 353, 362, 19 L.Ed. 701(1870).

By operation of the U.S. Constitution's Supremacy Clause,[11] federal regulation of a particular subject preempts state regulation related to the same subject. In *Barnett Bank of Marion County, N.A. v. Nelson*, 517 U.S. 25 (1996), for instance, the United States Supreme Court held that a federal statute granting small town banks the authority to sell insurance, preempted a Florida statute which prohibited such sales. The federal Dodd-Frank Wall Street Reform and Consumer Protection Act of 2010 codified the test for "conflict preemption" articulated in the *Barnett Bank* decision. The conflict preemption test asks whether the state law prevents or significantly interferes with the exercise by the national bank's powers.[12]

It is noted that the Codes contain a unique provision that ensures competitive equality for *Florida-chartered* financial institutions. If a state law places a Florida financial institution at a competitive disadvantage with national banks, Section 655.061, F.S., authorizes the OFR to grant Florida banks the authority to make any loan or investment or exercise any power which they could make or exercise as if they were federally chartered financial banks, and provides the entitled to the same privileges and protections granted to federally chartered or regulated banks. In addition, this provision states:

> In issuing an order or rule under this section, the office or commission shall consider the importance of maintaining a competitive dual system of financial institutions and whether such an order or rule is in the public interest.[13]

Lending Limits and Related Interests

According to OCC regulations for national banks, lending limits ensure the safety and soundness of national banks by preventing excessive loans to one person or to related persons that are financially dependent. These limits promote diversification of loans and help ensure equitable access to banking services.[14] The lending limits apply to all loans and extensions of credit made by national banks and their domestic operating subsidiaries.

Florida-chartered banks are also subject to lending limits in the Codes:

- *General limitations*: a bank may extend unsecured credit to any person up to 15 percent of its capital accounts, and up to 25 percent of its capital accounts for secured credit. For the latter, the Codes specify that the 25 percent limitation must include the borrower's "related interests."[15]
    - If the bank's total extension of credit to any person (including his or her related interests) exceeds 15 percent of the bank's capital accounts, a majority of the bank's board of directors must approve the loan in advance.
- *Loans to executive officers, directors, and related interests*: banks are prohibited from extending credit of more than $25,000 to any of its executive officers and directors (and their related interests), unless the majority of the board of directors have approved the loan in advance.

[11] U.S. Const., Art. VI, cl. 2.
[12] 12 U.S.C. §25b(b)(1).
[13] The OFR's orders of general application are publicly available on its agency website. https://real.flofr.com/ConsumerServices/SearchLegalDocuments/LDSearch.aspx (last accessed March 16, 2013).
[14] 12 C.F.R. 32.1(b).
[15] Section 658.48(1)(a), F.S.

If the state lending limits are lower than those provided in Regulation O for state banks that are members of the Federal Reserve System, Regulation O provides that the state lending limits control.[16]

Currently, s. 655.005(1)(t), F.S., defines "related interest" as:

> [W]ith respect to any person, *the person's spouse, partner, sibling, parent, child, or other individual residing in the same household as the person*. With respect to any person, the term means a company, partnership, corporation, or other business organization controlled by the person. A person has control if the person:
>
> - Owns, controls, or has the power to vote 25 percent or more of any class of voting securities of the organization;
> - Controls in any manner the election of a majority of the directors of the organization; or
> - Has the power to exercise a controlling influence over the management or policies of the organization (emphasis added).

The 2011 Legislature enacted CS/HB 1121, relating to financial institutions, which made numerous changes to the Banking Codes. Prior to 2011, the term, "related interest," was defined within the context of credit unions' loan powers[17] and lending limits for state banks,[18] and was limited to only any partnership, corporation, or other business organization controlled by a person. Because of the 2011 legislation, "related interest" was moved to s. 655.005(1)(t), F.S., as a general definition and was amended to include specified family and household members of a person. The purpose of this change was to stop circumvention of lending limits by executives and stockholders, who used relatives to obtain loans and other financial benefits.[19]

Regulation O contains a similar prohibition for loans to executive officers, directors, and principal shareholders of state and national banks that are members of the Federal Reserve System. Regulation O does state that a principal shareholder is a person with 10 percent or more of a bank's voting securities, and accounts for shares owned by that person's "immediate family." However, Regulation O only considers an individual's spouse, minor children, and the individual's children residing in the same household, while the Florida provision also includes partners, siblings, parents, or other individuals residing in the same household.

"Related interest" also appears in other provisions of the Codes:

- *Required notice for significant events*: The Codes require financial institutions to provide a written disclosure for certain significant events, including any credit extension to an institution's executive officer and his or her *related interests*, that when combined with all

[16] 12 C.F.R. 215.2(i), footnote 2.
[17] Section 657.038, F.S.
[18] Section 658.48, F.S.
[19] *See* Senate Banking and Insurance staff analysis of SB 1332, the Senate companion to CS/HB 1121 (General Session 2011).

other extensions of credit to that officer, exceed 15 percent of the institution's capital accounts.[20]

- *Stock subscriptions*: Newly formed financial institutions must provide the OFR with a list of subscribers of the capital stock of a proposed bank or trust company, following the completion of a stock offering. The Codes require that the directors provide information to the OFR regarding persons subscribing to 10 percent or more of the voting stock or nonvoting convertible stock. This 10 percent threshold must include the person's *related interests*.[21]
- *Changes in capital*: The Codes require banks and trust companies to provide notice to the OFR upon specified changes in capital. In certain situations where capital accounts have been diminished below regulatory requirements and the bank or trust company cannot reasonably replenish its capital, the Codes permit special stock offering plans subject to OFR's approval. The Codes provide that the OFR shall disapprove a plan that provides unfair or disproportionate benefits to existing shareholders, directors, executive officers, or their *related interests*.[22]

Check Cashing Fee/Par Value

Since 1992, the Codes require banks to settle checks "at par," or at face value.[23] This means that if a person presented a check made out to him for $500 to any bank in Florida, the bank is required to provide $500 in funds. In the past several years, this provision has engendered significant litigation in both state and federal courts by consumers who were charged fees to have checks cashed at banks at which they were not account holders. These cases generally involved two main claims: federal preemption and whether the statute's limitations on fees apply to bank-to-bank transactions[24] or to the cashing of personal checks.

Vida Baptista ("Baptista"), sought to cash a check at a Florida branch of JPMorgan Chase, a national bank. While the check was written by a Chase account holder, Baptista was not a Chase account holder, and was accordingly charged a $6 fee by Chase to cash the check immediately. Baptista brought a class action lawsuit against Chase in federal court, asserting the fee violated s. 655.85, F.S. The federal court held that s. 655.85, F.S., applied to fees on personal checks presented by the payee in person. However, in applying the *Barnett Bank*/Dodd-Frank preemption test described above, the federal district and appellate courts ruled in favor of Chase, finding that s. 655.85, F.S., was preempted by the National Bank Act, which allows banks to exercise a range of incidental powers necessary to carry on the business of banking.[25]

The OCC, empowered by the National Bank Act to adopt bank regulations, authorizes national banks to "charge its customers non-interest charges and fees."[26] The OCC has interpreted

[20] Section 658.945(2)(a)5., F.S.
[21] Section 658.235(2), F.S.
[22] Section 658.36(3)(c), F.S.
[23] Section 655.85, F.S. This provision was enacted in 1992. Section 52, ch. 92-303, L.O.F.
[24] The Federal Reserve System operates a nationwide check-clearing system to facilitate the collection and settlement of checks between paying and collecting banks.
[25] 12 U.S.C. § 24 (Seventh).
[26] 12 C.F.R. § 7.4002(a).

"customer" to include "any person who presents a check for payment."[27] In light of the OCC's interpretation, the federal court held that *national banks* are not bound by the Florida statute disallowing fees to cash checks in person.[28]

Baptista also brought a separate class action lawsuit against PNC Bank, a North Carolina state-chartered bank, in a Florida state court, based on grounds similar to those raised in her lawsuit against Chase. Baptista did not hold an account at PNC and was charged a $5 check-cashing fee to cash a check at a Florida branch. The Fifth District Court of Appeal reached the opposite conclusion from the federal courts' decision in the *Baptista v. Chase* lawsuit, and found that a statute was not preempted. The court held that an out-of-state state-chartered bank was not permitted to charge check-cashing fees under the statute.[29] Finding that the statute was not ambiguous, the Fifth DCA found that the statute did not apply only to bank-to-bank transactions.

In an earlier decision, the Fifth DCA had ruled in favor of Bank of America (a national bank) by holding that s. 655.85, F.S., was preempted by federal law.[30] However, when presented with PNC Bank (North Carolina-chartered bank operating in Florida) in the *Baptista* case, the court did not discuss the applicability of the 1997 federal Riegle-Neal Amendments[31] to the PNC Bank. This federal legislation allows out-of-state state-chartered banks that operate in multiple states to enjoy the same benefits of federal preemption as national banks.

On January 2, 2013, a federal district court in Florida ruled in favor of Regions Bank (an Alabama state-chartered bank) in a class action lawsuit similar to both *Baptista* cases.[32] Following the 11th Circuit Court of Appeal's decision in *Baptista v. JPMorgan Chase Bank*, the federal district court found that s. 655.85, F.S., was preempted, and thus inapplicable to *both* national banks and out-of-state state-chartered banks. The court declined to follow the Fifth DCA's opinion to the extent that the Fifth DCA held s. 655.85, F.S. was not preempted,[33] and applied the Riegle-Neal Amendments in favor of Regions Bank. However, the federal court did not address the issue of whether the statute applied only to bank-to-bank transactions or to the cashing of personal checks. These decisions do not affect the statute's prohibition on Florida-chartered banks to charge check-cashing fees, because banks must follow the laws and regulations of their chartering authority.

III. Effect of Proposed Changes:

Control of a Company and Bank and Related Interest

Section 1 of the bill amends definitions under s. 655.005, F.S. The bill creates a definition for the term, "control of a company or bank" and revises the definition of "related interest." The

[27] Cited in *Wells Fargo Bank of Texas, NA v. James*, 321 F.3d 488 (5th Cir.C.A 2003) (holding that Texas par value statute was preempted by the National Bank Act).
[28] *Vida Baptista v. JPMorgan Chase Bank*, 640 F.3d 1194 (11th Cir. C.A. 2011). The U.S. Supreme Court denied Baptista's petition for certiorari review of the federal appellate decision. *Baptista v. JPMorgan Chase Bank, N.A.*, 132 S.Ct. 253 (2011).
[29] *Vida Baptista v. PNC, N.A.*, 91 So.3d 230 (Fla. 5th DCA 2012) (per curiam), *cert. denied*, 133 S.Ct. 895 (2013).
[30] *Britt v. Bank of America, N.A.*, 52 So.3d 809 (Fla. 5th DCA 2011).
[31] 12 U.S.C. § 1831a(j)1.
[32] *Pereira v. Regions Bank*, 2013 WL 265314 (M.D.Fla. 2013).
[33] Id. at footnote 4. *See also Tafflin v. Levitt*, 493 U.S. 455, 465 (1990) (holding that federal courts are "not bound by state court interpretations" of federal law).

definition of control is defined to mean that a person, directly or indirectly, owns, controls, or has the power to vote 25 percent or more of any class of voting securities of the company or bank, the election of a majority of the directors of the company or bank; or has the power to exercise a controlling influence over the management of policies of the company or bank.

The bill creates a presumption that a person has control if the person is:

- An executive officer or director of the entity; *and*
- Directly or indirectly controls more than 10 percent of any class of voting stock of the entity.

The bill creates a second presumption that a person has control if, directly or indirectly, the person:

- Controls more than 10 percent of any class of voting stock; *and*
- No other person controls a greater percentage of that class of voting stock.

The bill amends the definition of the term, "related interest" by restoring the pre-2011 language. By removing an individual's spouse, partner, sibling, parent, child, or other individual residing in the same household as the person from the definition, the bill defines "related interest" to include only *entities* controlled by the person.

Section 5 amends s. 655.968, F.S., to conform a cross-reference, required because of the changes provided in Section 1 of the bill.

Regulatory Authority of the OFR

Section 2 amends s. 655.041, F.S., relating to administrative fines, to prohibit the OIR from initiating an administrative proceeding while the person is subject to a federal proceeding on the same or similar grounds.

Par Value

Section 3 amends s. 655.85, F.S., to provide that financial institutions must settle checks at par, but overrides the Fifth DCA's decision in *Baptista* to provide that this requirement only applies to the settlement of checks between banks. The bill provides that banks are not prohibited from charging fees to cash checks presented by payees in person, and thus provides consistency with the federal decisions discussed above. This will provide consistency with the federal laws permitting national banks and out-of-state state-chartered banks operating in Florida to charge check-cashing fees, and will place Florida-chartered banks on equal footing with national and other state-chartered banks.

Section 4 of the bill provides a statement of legislative intent for Section 3, indicating that the changes clarify the relevant portions of the Codes relating to the fees imposed by financial institutions.

Section 6 provides an effective date of July 1, 2013.

IV. Constitutional Issues:

A. Municipality/County Mandates Restrictions:

None.

B. Public Records/Open Meetings Issues:

None.

C. Trust Funds Restrictions:

None.

V. Fiscal Impact Statement:

A. Tax/Fee Issues:

None.

B. Private Sector Impact:

The bill's clarification that all banks may charge check-cashing fees may provide additional revenue for Florida-chartered banks. This may also result in more fees for consumers who are not customers of Florida-chartered banks.

See also Government Sector Impact, below.

C. Government Sector Impact:

According to the OFR,[34] delaying the OFR's ability to seek corrective actions could exasperate identified unsafe and unsound practices and pose potential financial risks to Florida's residents. Administrative litigation involving financial institutions pursuant to Florida's Administrative Procedures Act proceeds at a much faster pace and is less costly for a state financial institution as compared to administrative litigation pursuant to federal law. In addition, there is greater potential for disputes between a state financial institution and the OFR regarding appropriate corrective actions to be narrowed more quickly because both are more familiar with Florida's unique markets and decision makers are local.

VI. Technical Deficiencies:

The OFR provided the following concerns regarding Section 2 of the bill:[35]
The bill does not define the term "federal proceeding" or describe when a person is deemed to be subject to such a proceeding. The bill also does not describe or define when a "federal

[34] Office of Financial Regulation, 2013 Bill Analysis, SB 1020, dated March 22, 1013.
[35] Office of Financial Regulation, 2013 Bill Analysis, SB 1020, dated March 22, 1013.

proceeding" would be considered to be "on the same or similar grounds" to the circumstances which would lead to the OFR seeking to impose a fine pursuant to s. 655.041, F.S.

VII. Related Issues:

The OFR, the regional branch of the Federal Deposit Insurance Company (FDIC), and the national Conference of State Bank Supervisors (CSBS) are unaware of any other states that have such a prohibition from state action when a federal regulator was also pursuing an action (Section 2 of the Bill). Such a prohibition could be seen as the state chartering authority seceding some of its sovereign rights to the federal regulator.[36] The CSBS has expressed concerns regarding the bill's limited enforcement authority, and noted that failure to have adequate enforcement authority could jeopardize the accreditation status of a bank regulatory agency.[37]

VIII. Additional Information:

A. Committee Substitute – Statement of Substantial Changes:

(Summarizing differences between the Committee Substitute and the prior version of the bill.)

None.

B. Amendments:

None.

[36] *Id.*

[37] CSBS Letter to Representative Mayfield and Senator Hays, April 1, 2013. Letter on file with staff of the Banking and Insurance Committee.