

**VIA E-MAIL**

December 4, 2014

Richard Cordray, Director  
Consumer Financial Protection Bureau  
1700 G Street NW  
Washington, DC

Dear Director Cordray:

On behalf of the National Conference of Insurance Legislators (NCOIL), I write to initiate a formal dialogue between NCOIL and CFPB to ensure that consumer protections in this country are fair and effective. As an organization of state legislators who chair and are instrumental in the committees developing insurance laws in each statehouse, NCOIL knows that local regulation is a proven success and would like to discuss with CFPB how best to maintain those safeguards.

While state legislators and the CFPB have a mutual goal of protecting consumers from abuses and potentially harmful practices, NCOIL believes there should be bright lines of regulatory responsibility in order to best achieve those protections. The legislation that authorized the CFPB wisely established such a boundary—making clear that CFPB authority does not extend to the business of insurance. We write today because we have concerns that certain CFPB enforcement actions may inadvertently blur those lines, and we hope to foster common understanding and avoid potential conflicts over regulatory policy and responsibilities.

States insurance regulators, who are responsible for the financial supervision of mortgage guaranty insurers, have reviewed and approved captive reinsurance transactions that CFPB determined were kickbacks between the mortgage guaranty insurers and mortgage lenders. CFPB actions against title insurers, which also are closely supervised by state insurance regulators, and the Bureau's plans to oversee non-bank auto lending, which relates to the sale of credit-related insurance, are areas in which we would like to better understand CFPB's criteria for involving itself in the business of insurance.

As insurance becomes more and more intertwined with banking and other financial services, many state legislative committees, as you know, have jurisdiction over more than just insurance. Some NCOIL lawmakers have heard concerns from smaller banks and financial institutions regarding their interactions with the CFPB, particularly regarding how some Bureau directives to resolve alleged problems relate to CFPB's statutory authority. We would like to discuss this issue in a more formal manner.

We look forward to future dialogues with you and, hopefully, to engaging with you at NCOIL conferences, such as our February 27 to March 1, 2015, Spring Meeting in Charleston. We hope your participation will be part of an ongoing effort with NCOIL to foster common understanding and avoid conflicts over regulatory policy and responsibilities.

Thank you for your commitment to protecting consumers. Please contact Susan Nolan, NCOIL Executive Director, at [snolan@ncoil.org](mailto:snolan@ncoil.org) or at 518-687-0178 with any questions or to discuss opportunities for NCOIL-CFPB communication.

Sincerely,

A handwritten signature in cursive script that reads "Neil D. Breslin".

Sen. Neil D. Breslin, NY  
NCOIL President

cc: Senate Committee on Banking, Housing & Urban Affairs  
House Committee on Financial Services  
CFPB Assistant Director for Legislative Affairs