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**NCOIL REAFFIRMS NEED FOR BRIGHT LINES OF
REGULATORY RESPONSIBILITY, SEEKS CLARITY FROM CFPB**

Troy, New York, November 28, 2014 — Acting on concerns that the Consumer Financial Protection Bureau (CFPB) may be overstepping its authority with regard to state insurance regulation, NCOIL at its Annual Meeting voted to send a letter to the CFPB that seeks to open a formal dialogue with the Bureau and asks for clarity on its rationale for certain enforcement decisions. The letter, endorsed by the NCOIL Executive Committee on November 23, is part of NCOIL's heightened effort over the last year to ensure the integrity of state regulation in light of federal and international challenges.

Brought forward by NCOIL Treasurer Sen. Jason Rapert (AR), who chairs the Coordination & Transparency Working Group of the NCOIL International Issues Task Force, the letter asserts that while state legislators and the CFPB have a mutual goal of protecting consumers from abuses and potentially harmful practices, there should be bright lines of regulatory responsibility in order to best achieve those protections. "We write today," the letter says, "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."

The letter expresses specific interest in discussing with the CFPB its efforts regarding mortgage guaranty insurers and captive reinsurance transactions, title insurance, and non-bank auto lending. Noting that insurance and financial services are increasingly intertwined, the letter also asks for clarity regarding CFPB efforts to resolve alleged problems at smaller banks and financial institutions.

The letter is being signed by NCOIL President Sen. Neil Breslin (NY) and, in addition to CFPB Director Richard Cordray, is being distributed to the Senate Committee on Banking, Housing & Urban Affairs; the House Committee on Financial Services; and other entities.

The NCOIL Financial Services & Investment Products Committee on November 22 unanimously voted in favor of sending the letter. The NCOIL Annual Meeting took place from November 19 to 23 in San Francisco.

NCOIL is an organization of state legislators whose main area of public policy interest is insurance legislation and regulation. Most legislators active in NCOIL either chair or are members of the committees responsible for insurance legislation in their respective state houses across the country. More information is available at www.ncoil.org.

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