

SOUTH BROOKLYN LEGAL SERVICES

FORECLOSURE PREVENTION PROJECT

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BY EMAIL: comments@FDIC.gov

May 16, 2005

Robert E. Feldman
Executive Secretary
Attention: Comments/Legal ESS, Room 3060
Federal Deposit Insurance Corporation (FDIC)
550 17th Street, NW
Washington, DC 20429

Dear Mr. Feldman:

South Brooklyn Legal Services (SBLs) is eager to offer testimony on the Petition for Rulemaking to Preempt Certain State Laws, submitted by the Financial Services Roundtable in a letter dated March 4, 2005. The Foreclosure Prevention Project, at SBLs, is a New York City-wide project which helps lower income homeowners avoid foreclosure when they have been targeted for predatory loans. We are unable to testify at the Washington, DC hearing on May 24, 2005.

The stated purpose of the requested rulemaking is to establish “parity” between state-chartered banks and national banks in interstate activities and operations. The Financial Services Roundtable has made an audacious request – one that demands public input beyond the one scheduled hearing in Washington DC. The issues are complex, and it would be contrary to the public interest for the FDIC to grant the Roundtable’s requested rules.

It is clear that state non-member banks’ interest in “parity” with national banks arises largely from recent overreaching by the U.S. Office of the Comptroller of the Currency (OCC). The OCC’s actions seem to have prompted an attempted “race to the bottom” as now state non-member banks also seek to circumvent state consumer protection and other vital laws.

We urge the FDIC, given the magnitude of the requested rulemaking, to hold public hearings at each of the FDIC’s regional offices, to afford organizations like ours in New York City and across the country opportunity to comment meaningfully. Respectfully,
Josh Zinner, Director
Foreclosure Prevention Project
South Brooklyn Legal Services

Towards justice and dignity for all · Por justicia y dignidad para todos