

MEMO# 5158

September 15, 1993

REMARKS OF COMPTROLLER OF THE CURRENCY CONCERNING EXTENSION OF CRA TO NONBANKS AND EXPANDED BANK POWERS

September 15, 1993 TO: BOARD OF GOVERNORS NO. 80-93 RE: REMARKS OF
COMPTROLLER OF THE CURRENCY CONCERNING EXTENSION OF CRA TO NONBANKS AND
EXPANDED BANK POWERS _____ The
Comptroller of the Currency, Eugene Ludwig, recently predicted that some types of so-
called "fairness regulation," such as the Community Reinvestment Act, could be extended
to non-bank financial service providers. In a recent address, the Comptroller stated: I
believe we are likely to see continuing extensions to non-bank financial services providers
of at least some of the social obligations that have been imposed on banks. Hopefully, the
political system will design any new obligations in a manner that minimizes government
intervention In the same address, the Comptroller stated that the policy discussion of
expanded bank powers should focus on how current restrictions affect consumers and the
economy, rather than banks. He stated that new bank products and services should be
presumed permissible if they would not cause "material safety and soundness problems"
and if they would "benefit consumers of financial services." A copy of the Comptroller's
speech is attached. Matthew P. Fink President Attachment