



California Corporate & Securities Law

The Impact Of The Dodd-Frank Act On California Financial Institutions

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[Bill Haraf](#), Commissioner of Financial Institutions, was one of the many witnesses who testified last week at the California legislature's joint informational hearing entitled "The Dodd-Frank Wall Street Reform and Consumer Protection Act: Initial Reactions, Initial Steps and Likely Impacts". The California Department of Financial Institutions regulates state chartered banks and credit unions (When I served as Commissioner of Corporations, credit unions were regulated by the Department of Corporations).

Commissioner Haraf's [testimony](#) touched upon some of the many impacts of the Dodd-Frank Act on state regulation of financial institutions. One very big change is the roll-back of the [Comptroller of the Currency's](#) power to preempt the application of state laws to national banks, a point echoed by [Preston DuFauchard](#), the Commissioner of Corporations. This certainly portends greater national bank interest in California financial services legislation and regulation. I also expect to see some court battles over preemption.

Commissioner Haraf also spoke about the [Financial Stability Oversight Council](#). As reported in this [post](#) last October, Commissioner Haraf was selected as one of the five non-voting members of the FSOC.

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