



May 13, 2010

The Honorable Patty Murray
The Honorable Susan Collins
United State Senate
Washington DC 20510

Dear Senators Murray and Collins:

The Conference of State Bank Supervisors (CSBS), the National Association of Insurance Commissioners (NAIC) and the North American Securities Administrators Association (NASAA) are writing in support of your amendments providing for non-voting membership for state banking, insurance and securities regulators on the Financial Stability Oversight Council (FSOC).

Including state regulators on the FSOC is both necessary and appropriate. State banking, insurance, and securities regulators are on the front lines of financial regulation and bring information and perspectives that are necessary components of an effective regulatory structure. In all financial sectors, state regulators gather and act upon large amounts of information from industry participants and from investors. State regulators would bring to the FSOC the insights of a team of "first responders" who see trends developing at the state level, which have the potential to impact the larger financial system. Consequently, they serve as an early warning system identifying practices and risk-related trends that are substantial contributing factors to systemic risk.

Matters of financial stability and systemic risk have far-reaching implications and benefit from a diversity of regulatory perspectives. By including state regulators in the FSOC, your amendments create a more comprehensive and efficient approach that will benefit from access to all relevant information regarding the accumulation of risk in our financial system.

Thank you for your efforts and we look forward to working with you to secure passage of your amendments.

Sincerely,

Joseph A. Smith, Jr.
Commissioner of Banks,
North Carolina
Chairman, Conference of State
Bank Supervisors

Denise Voigt Crawford
Texas Securities Commissioner
NASAA President

Jane Cline
West Virginia Insurance
Commissioner
NAIC President