

OFFICE OF LEGISLATIVE RESEARCH  
PUBLIC ACT SUMMARY



PA 11-119—HB 6350

*Banks Committee*

*Judiciary Committee*

**AN ACT CONCERNING THE ATTORNEY GENERAL'S AUTHORITY  
TO ENFORCE PROVISIONS OF THE DODD-FRANK WALL STREET  
REFORM AND CONSUMER PROTECTION ACT**

**SUMMARY:** This act explicitly authorizes the attorney general to bring a civil action in a court of competent jurisdiction to enforce the provisions of the federal Dodd-Frank Wall Street Reform and Consumer Protection Act (Dodd-Frank Act) that state attorneys general are authorized to enforce. It also allows the attorney general to seek any relief that the Dodd-Frank Act authorizes state attorneys general to seek.

EFFECTIVE DATE: July 1, 2011

**ATTORNEY GENERAL RESPONSIBILITIES**

Under the act, the state attorney general is responsible for duties included in the Dodd-Frank Act (the 2010 federal financial services law). Specifically, the federal act authorizes a state attorney general to bring civil actions to enforce its consumer protection provisions or implementing regulations. Concerning suits against national banks or federal savings associations, the Dodd-Frank Act permits the attorney general to sue to enforce regulations prescribed by the Bureau of Consumer Financial Protection under the federal act's consumer protection provisions, but not to enforce that act's provisions themselves. The federal act also limits the states' ability to enforce its consumer protection provisions against merchants, retailers, or sellers of nonfinancial goods or services. The federal act permits a wide range of relief in proceedings under federal consumer financial law, but does not allow punitive damages.

The Dodd-Frank Act requires states, before bringing suit to enforce its consumer protection provisions or attendant regulations, to notify the bureau and the applicable federal regulator. If prior notice is not practicable, the state must notify them immediately after bringing the action. It authorizes the bureau to intervene.

In addition, the Dodd-Frank Act:

1. provides that the National Bank Act's provisions on a government's right to oversee corporate affairs of a national bank do not restrict the state's authority to bring an action against a national bank to enforce an applicable law;
2. extends the state's authority to bring suit concerning violations of rules on unfair or deceptive acts or practices regarding mortgage loans to rules that the bureau promulgates (federal law already allowed these suits to enforce

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- rules that the Federal Trade Commission promulgates);
3. makes the bureau the primary authority to enforce provisions of the Real Estate Settlement Procedures Act related to kickbacks and unearned fees, while retaining the state's authority to enforce these provisions;
  4. expands the state's authority to bring actions to enforce the federal Truth in Lending Act, including several provisions concerning residential mortgage loans; and
  5. specifies that the attorney general (in addition to certain federal entities) may enforce federal regulations pertaining to quality control standards for automated valuation models used to estimate collateral value for mortgage lending purposes (but state enforcement authority does not extend to federally regulated financial institutions or subsidiaries).

### BACKGROUND

#### *Dodd-Frank Act*

The Dodd-Frank Act (P.L. 111-203, 124 Stat. 1376 (2010)) was signed into law on July 21, 2010. Among other things, it creates the Bureau of Consumer Financial Protection as a watchdog agency to oversee financial institutions and enforce compliance with consumer financial laws. It also establishes and strengthens consumer protection laws. The act includes several provisions authorizing enforcement by state attorneys general.

OLR Tracking: JO:CR:JL:ro/ts