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UNITED STATES DISTRICT COURT

DISTRICT OF OREGON

EUGENE DIVISION

NATIONAL ASSOCIATION OF INDUSTRIAL BANKERS, ONLINE LENDERS ALLIANCE, and AMERICAN FINANCIAL SERVICES ASSOCIATION, Plaintiffs, v. SEAN O'DAY, in his official capacity as Director of Oregon Department of Consumer and Business Services, Defendant.	Case No. 6:26-cv-01201-AA STATE OF UTAH AND 14 OTHER STATES' MOTION FOR LEAVE TO APPEAR AS AMICI CURIAE TO SUBMIT A MEMORANDUM IN SUPPORT OF PLAINTIFFS' MOTION FOR PRELIMINARY INJUNCTION

Certification of Conferral

On July 27, 2026, counsel for the State of Utah conferred about this motion with counsel for the parties by email. Counsel for the State offered to discuss the matter if needed. L.R. 7-1(a)(1). Plaintiffs' counsel does not oppose the motion. Defendant's counsel takes no position on the motion.

Motion

The States of Utah, Alabama, Arkansas, Florida, Georgia, Iowa, Louisiana, Mississippi, Montana, Nebraska, Oklahoma, South Carolina, South Dakota, West Virginia, and Texas respectfully move for leave to appear as amici curiae in this case to file a memorandum in support of Plaintiffs' Motion for Preliminary Injunction. The proposed memorandum is filed with this motion.

This motion and proposed amicus memorandum are timely filed under the Court's July 14, 2026, scheduling order allowing amicus briefs supporting Plaintiffs' motion to be filed by July 28, 2026.

Moving States' Interest and Grounds to Grant the Motion

This case raises important issues affecting the Nation's dual banking system, federal laws meant to preserve the competitive balance between state-chartered and federally-chartered banks, and the states' sovereign authority to regulate their own chartered banks according to their own laws.

The moving States have a significant interest in these issues. For example, Utah law provides it is in the public's interest to (1) "preserve the competitive equality" of state- and federally-chartered institutions; (2) "preserve the advantages of the dual banking system"; and (3) "protect the interests of shareholders, members, depositors, and other customers in financial institutions operating in" Utah. Utah Code § 7-1-102(1). Other states have similar provisions. *See* Ala. Code § 5-5A-18.1; Ga. Code §§ 7-1-3(a)(6), -1-628(c)(2); La. Stat. §§ 6:5, 6:121.B(1); Neb. Rev. Stat. § 8-1,140; Ohio Rev. Code § 1101.02; Wyo. Stat. §13-1-603(c)(vi).

These interests in maintaining a dual banking system are not mere abstractions. Nationally, the financial services industry employs over two million people and handles $25 trillion in assets.[1] This industry plays a significant part of the moving States' economies. In Utah alone, for example, over 100,000 residents work in the financial sector.[2] Yet, for such an important part of the state's economy, almost two-thirds of Utah's financial institution assets are already federally-regulated, not state-regulated. 2025 Report of the Commissioner of Financial Institutions, State of Utah, (UDFI Annual Report) at 21 (table showing division of total assets between state and national institutions).[3]

Amici States are alarmed by and interested in any laws that would undermine state-chartered financial institutions and incentivize them to convert to federally-chartered institutions. Oregon's new law, House Bill 4116 (2026), will do

[1] https://state-tables.fdic.gov/

[2] https://www.bls.gov/eag/eag.ut.htm

[3] https://dfi.utah.gov/wp-content/uploads/sites/29/2025/10/Annual.pdf

that by purporting to impose lending regulations on banks chartered by other states that do not apply to federally-chartered banks.

The moving States therefore request leave to appear as amici curiae to file a memorandum explaining (1) the history and importance of the dual banking system, (2) how House Bill 4116 (2006) violates federal law meant to maintain the dual banking system's competitive balance, and (3) intrudes on other states' sovereign authority to regulate their own state-chartered banks.

Conclusion

The moving States respectfully request that the Court grant the foregoing motion for leave to file the attached amicus memorandum in support of Plaintiffs' motion for preliminary injunction.

DATED July 28, 2026

Respectfully submitted,

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Certificate of Compliance

This motion and memorandum in support comply with applicable word-count limitations under LR 7-2(b), 26-3(b), 54-1(c), or 54-3(e) because it contains 529 words, including headings, footnotes, and quotations, but excluding the caption, table of contents, table of cases and authorities, signature block, exhibits, and any certificates of counsel.

/s/ Steve Geary
Steve Geary

Certificate of Service

I hereby certify that on 28 July 2026, a true and correct copy of the foregoing motion and memorandum was filed with the Court and served on the parties via the ECF filing system

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UNITED STATES DISTRICT COURT

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NATIONAL ASSOCIATION OF INDUSTRIAL BANKERS, ONLINE LENDERS ALLIANCE, and AMERICAN FINANCIAL SERVICES ASSOCIATION, Plaintiffs, v. SEAN O'DAY, in his official capacity as Director of Oregon Department of Consumer and Business Services, Defendant.	Case No. 6:26-cv-01201-AA MEMORANDUM OF AMICI CURIAE STATE OF UTAH AND 14 OTHER STATES IN SUPPORT OF PLAINTIFFS' MOTION FOR PRELIMINARY INJUNCTION

Table of Contents

Table of Authorities

Cases

Other Authorities

Amici Curiae States of Utah, Alabama, Arkansas, Florida, Georgia, Iowa, Louisiana, Mississippi, Montana, Nebraska, Oklahoma, South Carolina, South Dakota, Texas, and West Virginia (Amici States) file this memorandum in support of Plaintiffs' Motion for Preliminary Injunction (Doc. 15).

Introduction

This litigation involves the interpretation of the 1980 Depository Institutions Deregulation and Monetary Control Act (DIDMCA), Pub. L. No. 96-221, 94 Stat. 132.[1] Amici States agree with Plaintiffs' framing of the central issue in this litigation: Section 1, subsection 3 of House Bill 4116 (codified at Or. Rev. Stat. § 725.015(3)) is preempted by section 521 of DIDMCA (codified at 12 U.S.C. § 1831d). *See* Mot. at 1. Section 521 authorizes state-charted banks to make loans "at the rate allowed by the laws of the State . . . where the bank is located," and expressly pre-empts contrary state law. While Section 525 of DIDMCA allows states to opt out of this provision, the opt-out applies only to the state-chartered banks located in that state, not to banks located in and regulated by other states.

That means Oregon can opt out of DIDMCA for its own state-chartered institutions so that they may not export Oregon interest rates in loans made to out-

[1] Amici States cite to the public law because section 525, containing the state opt-out provision central to this litigation, appears only as a "note" in the United States Code. *See* 12 U.S.C. § 1831d (Historical Notes, Effective and Applicability Provision).

of-state borrowers. But House Bill 4116 goes much further than this by purporting to extend the reach of Oregon law into other states and to those states' chartered financial institutions that may have no knowledge nor any reasonable way of determining that Oregon law purports to apply. Neither DIDMCA's scope nor the historical context of its enactment supports Oregon's position. And it offends the co-equal sovereignty of sister states and their ability to regulate and ensure the financial health of their own state-chartered financial institutions.

Argument

I. The dual-banking system is a valued feature of the American banking regime.

The United States has a dual banking system with federally-chartered institutions regulated by federal agencies and state-chartered institutions regulated by their respective states. *See Cantero v. Bank of Am., N.A.*, 602 U.S. 205, 209-10 (2024). Historically, banks were exclusively state-chartered institutions and, outside the Midwest, most banks had only a single location, lacking even in-state branches. *See* Mark D. Rollinger, *Interstate Banking and Branching Under the Riegle-Neal Act of 1994*, 33 Harv. J. Legis. 183, 188-89 (Win. 1996). Although Congress chartered two national banks (from 1792 to 1811 and from 1816 to 1836, respectively), both charters expired without renewal. *Id.* at 188 n.19.

The current system of federally-chartered financial institutions began in 1864 with the passage of the National Bank Act (NBA). *Id.* at 189. Ironically, the NBA may have been intended to end state-chartering in favor of a national system.

See Kenneth E. Scott, *The Dual Banking System: a Model of Competition in Regulation*, 30 Stanford L. Rev. 1, 9 (Nov. 1977) ("When the national banking system was created during the Civil War, it was expected to replace the state bank system. Congress intended to assure this replacement by the passage in 1865 of a prohibitive 10 percent per annum tax on state bank notes." (footnotes omitted)). That did not happen. Instead, the two alternatives have grown in parallel. And for at least the past several decades, this dual system has been regarded as a feature, not a flaw, of the American banking system. *Id.* at 1 ("In banking circles, the 'dual system' of both national and state banks and national and state agencies regulating banking is an object of almost universal veneration.").

Several states, including Amici States, have codified their intention of preserving the advantages of this dual system. *See, e.g.,* Ala. Code § 5-5A-18.1; Ga. Code §§ 7-1-3(a)(6), -1-628(c)(2); La. Stat. §§ 6:5, 6:121.B(1); Neb. Rev. Stat. § 8-1,140; Ohio Rev. Code § 1101.02; Utah Code § 7-1-102(1)(e); Wyo. Stat. §13-1-603(c)(vi).

Likewise, scholars and industry experts have noted the advantage of these parallel regulatory regimes in allowing "an escape valve from arbitrary or discriminatory chartering and regulatory policies at either the state or Federal level." Scott, *supra*, at 12 (quoting a study by the American Bankers Association). So it is cause for alarm when changes—legal, policy, or economic—cause a persistent flow of chartering in only one direction. *Id.* at 30 (noting industry and congressional alarm over the high rate of conversion to federal charters in the 1960s due to Comptroller policies at the time).

In sum, the dual banking system has a recognized value both in practice and in statute. And even though the balance between state and federal chartering is somewhat self-correcting, *see id.*, Amici States have legitimate interests in preserving the viability of state chartering through DIDMCA's proper interpretation and application.

II. DIDMCA's scope and enactment history show that section 525 does not allow one state to regulate banks chartered by and located in another state.

Congress passed DIDMCA specifically to protect this dual system by protecting the viability of state chartering. After the Supreme Court held that federal institutions could export their home-state interest rates, *Marquette Nat'l Bank of Minneapolis v. First of Omaha Serv. Corp.*, 439 U.S. 299, 310-13 (1978), Congress enacted DIDMCA to extend the same opportunity to state-chartered institutions. *See* Pub. L. No. 96-221 § 521. The statute was expressly meant "to prevent discrimination against State-chartered insured banks." *Id.* Since then, state and federal financial institutions have enjoyed an equal playing field, both being able to lend nationally at the rates determined by federal law and the state in which the institution is located.

DIDMCA includes a provision for states to opt out of this arrangement for "loans made in such State" by adopting a law expressly opting out. Pub. L. No. 96-221 § 525. Scope and context matter in understanding this provision. By scope, DIDMCA is expressly focused on banking regulation with the intent "to facilitate the implementation of monetary policy, to provide for the gradual elimination of all limitations on the rates of interest which are payable on deposits and accounts, and to authorize interest-bearing transaction accounts, and for other purposes." *Id.* preamble.

In multiple sections, DIDMCA expressly overrides any state law that would limit interest on various types of loans from various types of financial institutions, and each time this is accompanied by a provision that a state may opt out for loans "made in such State." *See, e.g., id.* § 501 (mortgages for manufactured homes), § 512 (opt-out provision for section 511, business and agricultural loans), § 521 (loans by state-chartered banks), § 522 (loans by savings and loan associations), § 523 (loans by credit unions), § 524 (loans by small business investment companies to small businesses), § 525 (opt-out provision for sections 521 to 523).

DIDMCA made this provision in the context where existing case law had already held that a loan is "made" at the site of the lending institution, not where the borrower happens to live. This was implicit in *Marquette*, the decision that led Congress to enact DIDMCA. *Marquette* concerned a Nebraska bank issuing credit cards to consumers in Minnesota. *Marquette*, 439 U.S. at 301-02. There was "no question" that the bank was located in Nebraska, not Minnesota or any other state. *Id.* at 309. And the Supreme Court expressly rejected the suggestion that the Nebraska bank was making loans wherever its credit cards were used: "If the location of the bank were to depend on the whereabouts of each credit-card transaction, the meaning of the term 'located' [in Section 85 of the National Banking Act] would be so stretched as to throw into confusion the complex system of modern interstate banking." *Id.* at 312. And the conclusion that a loan is made at the lender's location stretches back to the nineteenth century. *See, e.g., Hieronymus v. New York Nat'l Bldg. & Loan Ass'n*, 101 F. 12, 14 (C.C.S.D. Ala. 1899) (holding that a mortgage extended by a New York institution to an Alabama resident for property in Alabama was "made" in New York and New York law governed over Alabama usury laws: "Parties to a loan by a foreign corporation to a resident of another state, to be paid to the borrower in his own state, and to be secured by a trust deed upon property in his state, will be presumed to have contracted with reference to the laws of the state of the lender, where repayment of the loan is to be made there."), *aff'd*, 107 F. 1005 (5th Cir. 1901).[2]

And DIDMCA was passed in the context of states that exclusively regulated their own chartered institutions. Banks generally did not have branches even within their chartering state until the early twentieth century. Rollinger, *supra*, at 190. And branching across state lines was uniformly prohibited. *Id.* at 191-92. When banks sought to circumvent these restrictions using bank holding companies, Congress closed that loophole in the 1956 Bank Holding Company Act (BHCA). *Id.*

[2] Citing *Nickels v. People's Bldg., Loan & Sav. Ass'n,* 25 S.E. 8 (Va. 1896); *Bldg. & Loan Ass'n of Dakota v. Logan*, 66 F. 827 (5th Cir. 1895); *Coghlan v. S.C.R.R. Co.*, 142 U.S. 109 (1891).

at 193; *Northeast Bancorp Inc. v. Bd. of Governors of Fed. Rsrv. Sys.*, 472 U.S. 159, 162-63 (1985) (describing passage and effect of the BHCA).

The BHCA provided that states could lift this ban on interstate banking at their discretion, but the state response was tepid for almost twenty years. Most states did not act until 1972, when some passed laws allowing acquisitions in limited circumstances (such as insolvency) or a specialized purpose (such as grandfathering an existing institution). *Northeast Bancorp*, 472 U.S. at 163-64. This state of affairs was noted by the Supreme Court in *Marquette*, which observed the Nebraska bank had no branches in Minnesota "nor apparently could it under federal law." *Marquette*, 439 U.S. at 309. State statutes lifting the ban more generally did not begin until 1982. *Northeast Bancorp*, 472 U.S. at 164.

Utah passed its own such statute in 1986. *See* 1986 Utah Laws 1 (H.B. no. 189 Banking Reform Act of 1986). Even where interstate bank branches are permitted, serious conflict of laws issues may arise between competing regulations. Thus, Utah banking law expressly provides that, while a branch bank must comply with both its home state laws and Utah law, when there is a conflict, Utah may declare Utah law paramount. Utah Code § 7-1-702(8)(c) (providing that, for Utah branches of out-of-state institutions, Utah law may prevail over the home state law). Such a provision is only necessary because sometimes sister state regulations *do* conflict, and it is not possible for an institution to comply with both. This is for situations where a bank has a physical presence—a branch—in another state. To extend the reach of state law to any bank making a loan to consumers in that state would, as the Court said in *Marquette*, "throw into confusion the complex system of modern interstate banking." *Marquette*, 439 U.S. at 312.

All of this is to say that when Congress passed DIDMCA, the proposition that one state might regulate an institution chartered in another state was virtually non-existent.[3] So Congress could not have contemplated, much less intended, that section 525's opt out provision could be used by a state like Oregon to regulate an out-of-state bank with no branch in Oregon based solely on the fact that an Oregon state resident (or even a person merely owning an Oregon domicile) borrowed from that out-of-state bank and made a loan payment from a state bank. Such purported regulation is literally unprecedented. The chartering state regulates its chartered financial institutions located within its borders. One state regulating another state's chartered institutions only happens when that institution has a physical presence inside the regulating state. And even then the situation is still fraught.

III. Reading section 525's "loans made in such State" to include the borrower's state will interfere with chartering states' ability to regulate and examine their chartered institutions.

Regulation of another state's chartered institutions is fraught because of the extent and scope of state banking regulation. "Banking is one of the longest

[3] Rollinger describes the history of interstate banking slightly differently from *Northeast Bancorp* but still recognizes it was very limited prior to the 1980s. Rollinger, *supra*, at 193 (identifying Maine as the first state to adopt legislation permitting out-of-state banks in 1975, with other states not following until the 1980s). The salient point remains the same: any situation in which a state might have the opportunity to regulate another state's chartered institution was exceedingly rare.

regulated and most closely supervised of public callings." *Fahey v. Mallonee*, 332 U.S. 245, 250 (1947).[4] This regulation is extensive and tends to be exclusive. Federally-chartered financial institutions are regulated by the Office of the Comptroller of the Currency (OCC) and are not subject to regulation by state entities. *See* 12 U.S.C. §§ 481, 484. State-chartered banks are regulated by the respective states. In Utah, for example, state-chartered institutions are regulated by the Utah Department of Financial Institutions (UDFI). *See* Utah Code § 7-1-201.

Both the FDIC and the relevant state authority (UDFI in Utah) regularly review the financial well-being of all state-chartered and FDIC-insured institutions. 12 U.S.C. § 1817(a)(3); Utah Code § 7-1-314; *see, e.g., FDIC ex rel. Co-op. Bank v. Rippy*, 799 F.3d 301, 307-08 (4th Cir. 2015) (discussing annual examinations). Most of UDFI's staff consists of examiners and senior examiners, who conduct these reviews. *See* 2025 Report of the Commissioner of Financial Institutions, State of Utah, (UDFI Annual Report) at 15. [5]

These examinations include a review of the loan portfolios. Financial institutions are required by both regulation and good banking practice to maintain

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[4] Though off-topic, one illustration of the extent of banking regulation is that no regulatory takings claim is available when a bank is placed in receivership. A takings claim is unavailable because the institution "voluntarily subjected itself to an expansive statutory regulatory system when it obtained federal deposit insurance" and knew that a receiver would be appointed if the bank's assets were dissipated. *California Housing Securities, Inc. v. United States*, 959 F.2d 955, 958 (Fed. Cir. 1992).

[5] Available at https://dfi.utah.gov/wp-content/uploads/sites/29/2025/10/Annual.pdf

an allowance for losses in their loan portfolios. *See, e.g.,* Utah Code §§ 7-3-25, -8-15, -9-29; UDFI Annual Report at 33-41 (noting "Allowance for Losses" on "Loan and Lease Financing Receivables" for state-chartered banks and nationally-chartered banks headquartered in Utah). Understatement of potential loan losses can result in a capital crisis for the institution, leading to insolvency and receivership in a worst-case scenario. *See* 12 U.S.C. § 1831o(h)(3).[6]

Normally, small consumer loans are assessed collectively, because the same state laws and regulations apply to all loans, and individual variations in the borrowers may be ignored, as these are smoothed out when examined as a whole. But when one state purports to "opt out" of section 521 by declaring that any loans to state residents are "made" in that state, this is no longer true. Now a pool of consumer loans may be subject to multiple different states' laws and limitations. So Amici States' ability to regulate their own financial institutions under their own regulations and ensure their viability is impaired. This endangers the shareholders, members, depositors, and customers of these institutions and increases uncertainty in the financial market.

[6] Troubled institutions often seek to conceal their condition by understating their expected loan loss allowance. A study of the Great Recession of 2007-2009 found that understating these allowances was the most common accounting ploy banks used to disguise financial problems and to falsely meet regulatory requirements. *See* Gillian G.H. Garcia, *Failing Prompt Corrective Action*, 11 J. Banking Regul. 171, 180 (2010).

IV. House Bill 4116 takes this problem to an unprecedented extreme and violates sister-states' sovereignty

The individual states are co-equal sovereigns, and one state cannot regulate transactions in other states under our constitutional framework. The Supreme Court has "long recognized that the Constitution restricts a State's power to reach out and regulate conduct that has little if any connection with the State's legitimate interests" and "[t]his principle"—"an 'obviou[s]' and 'necessary result' of our constitutional order, is not confined to any one clause or section, but is expressed in the very nature of the federal system that the Constitution created and in numerous provisions that bear on States' interactions with one another." *Mallory v. Norfolk S. Ry. Co.*, 600 U.S. 122, 154 & n.2 (2023) (Alito, J. concurring in part and concurring in the judgment) (quoting *New York Life Ins. Co. v. Head*, 234 U.S. 149, 161 (1914)) (citing cases). For example, the Commerce Clause serves to "mediate [the States'] competing claims of sovereign authority" to enact regulations that affect commerce among the States. *National Pork Producers Council v. Ross*, 598 U.S. 356, 376 (2023). The doctrine recognizes that "one State's power" to burden interstate commerce is "constrained by the need to respect the interests of other States." *BMW of North America, Inc. v. Gore*, 517 U.S. 559, 571 (1996) (citing *Gibbons v. Ogden*, 22 U.S. 1 (9 Wheat. 1), 194-96 (1824)); *see also Healy v. Beer Inst., Inc.* 491 U.S. 324, 336 (1989) ("the 'Commerce Clause . . . precludes the application of a state statute to commerce that takes place wholly outside of the State's borders, whether or not the commerce has effects within the State.'" (quoting *Edgar v. MITE Corp*., 457 U.S. 624, 642-43 (1982) (plurality op.)). House Bill 4116 violates that protection.

Amici States have previously opposed "opt outs" that extend beyond the plain scope of section 525. Plaintiffs' Motion details the proceedings in *National Association of Industrial Bankers v. Weiser*, 737 F. Supp. 3d 1113 (D. Colo. 2024), currently pending rehearing *en banc*. 171 F.4th 1203 (10th Cir. 2026) (en banc) (per curiam) (granting rehearing *en banc* and vacating panel judgment). The Colorado law at issue there purported to extend Colorado law to consumer loans made to Colorado residents by out-of-state banks. Oregon's House Bill 4116 reaches much further.

House Bill 4116 purports to extend Oregon law to any consumer who is a resident *or maintains a domicile in* Oregon and makes a payment (on a loan of $50,000 or less) by debit or check drawn from an Oregon bank. Or. Rev. Stat. § 725.015(3) (2026); *id.* § 706.008(9), (10). So a Utah resident in Utah receiving a consumer loan from a Utah bank in Utah suddenly subjects that lender to Oregon law if that consumer (1) owns or acquires a domicile in Oregon, and (2) makes a debit or check payment on the loan from an account in an Oregon bank. This puts non-Oregon lenders in untenable situations. When an institution receives a payment by debit, *it has no knowledge of the originating source for those funds*: the lending bank initiating the debit charge may have no more than the debit card number and pin, which are then processed through an intermediary payment network (such as Visa or Mastercard), which communicates with the issuing

(Oregon) bank to confirm available funds; but all the lending bank learns is whether the funds are transmitted or not; it does not know from whom. *See* M. Pierce Sandwith, *Debit Card Interchange Fees and the Durbin Amendment's Small Bank Exemption*, 16 N. Car. Bank. Inst. 223, 227-28 (2012).

So if House Bill 4116 is applied as written, neither out-of-state banks nor their regulators would know when they are purportedly dealing with Oregon law rather than their own state law. They must continuously vet their borrowers' residence, real estate holdings, and financial institutions. This is unworkable as a practical matter. And it directly intrudes upon and interferes with the operation of other states' banking regulations and management of those states' financial institutions.

As detailed above, when a borrower, whether in Oregon or elsewhere, receives a consumer loan from a bank, that loan is "made" at the bank's location. Oregon lacks the power to redefine that act even if the transaction has some de minimus connection to Oregon due to the borrower's domicile there. Constitutional principles protect Amici States' sovereignty from having Oregon's lending laws apply to loans made in Amici States by their own state-chartered banks.

V. House Bill 4116 also impairs the competitive equality of state- and federally-chartered institutions and the preservation of the dual banking system contrary to DIDMCA's express purpose.

House Bill 4116 upsets the balance Congress expressly sought to protect by passing DIDMCA. Federally-chartered financial institutions are unaffected by this state law. *See* 12 U.S.C. § 484; *Marquette*, 439 U.S. at 301. So federal lenders continue to lend to Oregon consumers at whatever rate is permitted by the lender's home state and federal law, without regard to Oregon law. But state-chartered institutions in every state must now regulate their conduct according to federal law, the law of the state in which they are located, and Oregon law. This discriminatory impact violates the purpose of DIDMCA, "to prevent discrimination against State-chartered insured banks." Pub. L. No. 96-221 § 521.

That purpose should resolve any possible ambiguity about the meaning of "loans made in such State" in section 525 in favor of the Motion. *See, e.g., Nat'l Credit Union Admin. Bd. v. Nomura Home Equity Loan, Inc.*, 764 F.3d 1199, 1214 (10th Cir. 2014) (considering the statute's "stated purpose to resolve any lingering ambiguity" (citation modified)); Antonin Scalia & Bryan A. Garner, *Reading Law: The Interpretation of Legal Texts* 56 (2012) ("[T]he resolution of an ambiguity or vagueness that achieves a statute's purpose should be favored over the resolution that frustrates its purpose.").

This discrimination against state-chartered institutions also adversely affects the Amici States (and all states) by creating pressure on state-chartered institutions to convert to a federal charter to continue to compete in the Oregon market for Oregon borrowers. Conversion is relatively easy, with no structural barriers for a healthy institution, requiring little more than a shareholder vote and OCC approval. *See* 12 U.S.C. § 35; Scott, *supra*, at 11-12 (discussing evolution of the current regime to facilitate conversion). And once an institution is federally-chartered, it is no longer subject to state regulation. 12 U.S.C. § 484.

Conclusion

House Bill 4116 should be enjoined. It purports to act beyond the scope allowed by DIDMCA section 525, undermines DIDMCA's overall purpose, and violates sister-state sovereignty and the Dormant Commerce Clause.

DATED July 28, 2026

Respectfully submitted,

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Certificate of Compliance

This brief complies with applicable word-count limitations because it contains 3,729 words, including headings, footnotes, and quotations, but excluding the caption, table of contents, table of cases and authorities, signature block, exhibits, and any certificates of counsel, which is less than half of the words allowable under this Court's local rules for non-discovery motions. L.R. 7-2 (b); *see also* Fed. R. App. P. 29 ("Except by the court's permission, an amicus brief may be no more than one-half the maximum length authorized by these rules for a party's principal brief.").

/s/ Steve Geary
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Certificate of Service

I hereby certify that on 28 July 2026, a true and correct copy of the foregoing Brief of Amici Curiae was filed with the Court and served on the parties via the ECF filing system

/s/ Steve Geary
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