



Community Bankers Association of Illinois

One Mission. Community Banks.®

CBAI Supports Regulation and Legislation to Close the ILC Loophole

Ahead of the FDIC Board meeting on March 17, 2020, CBAI joined the Independent Community Bankers of America and House Financial Services Committee Chairman, Congresswoman Maxine Waters, in calling for action to address the supervisory and regulatory concerns with industrial loan company ("ILC") charters.

CBAI has consistently opposed the mixing of banking and commerce, which ILCs represent, because of the risks they pose to the financial system, our economy and American taxpayers. Our concerns are magnified by the lack of joint comprehensive supervision and regulation (i.e., the "loophole") by the banking regulators of these financial institutions and their parent holding companies.

CBAI supports recommendations for the FDIC to refrain from approving any applications submitted for deposit insurance by ILCs until the proposed rulemaking is finalized, and hold public hearings for each of the pending ILC deposit insurance applications. CBAI also supports bipartisan Congressional legislation to close the ILC "loophole".

[Read CBAI Letter to FDIC »](#)

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