



## **CBAI Endorses the Bipartisan Senate Bill to Close the ILC Loophole**

CBAI joined with the ICBA and other state affiliates in supporting the U.S. Senate legislation to permanently close the Industrial Loan Company (ILC) Loophole. The bipartisan Close the Shadow Banking Loophole Act (S. 3538) was introduced by the Senate Banking Committee Chairman Sherrod Brown (D-Ohio) and Senate Banking Committee member John Kennedy (R-Louisiana). This legislation would prevent large commercial firms from exploiting this loophole to gain access to the federal deposit insurance safety net by requiring companies that acquire an ILC to be subject to the same consolidated supervision by the Federal Reserve as any other bank holding company.

CBAI has consistently supported closing the ILC loophole including supporting a moratorium on ILC's which was included more than a decade ago in the Dodd-Frank Act. In the previous congressional session (2021-2023) CBAI worked closely with the ICBA to advance similar bipartisan legislation out of the House Financial Services Committee. CBAI welcomes this renewed attempt to address this important legislation that will help protect the safety and soundness of the banking system and the FDIC's Deposit Insurance Fund.

[Read Joint Letter »](#)

**Community Bankers Association of Illinois (CBAI)**

901 Community Drive | Springfield, Illinois 62703 ● [www.cbai.com](http://www.cbai.com) ● P: 217.529.2265 | F: 217.529.9484