



CBAI Again Urges Closing the Industrial Loan Company Loophole

In a comment letter to the Federal Deposit Insurance Company (FDIC) dated October 8, 2024, CBAI highlighted its long-standing opposition to the mixing of banking and commerce, which Industrial Loan Companies (ILCs) represent, because of the risks they pose to the financial system, our economy and American taxpayers.

CBAI stated its belief that there is ample justification for the FDIC to deny applications by ILCs for deposit insurance because it is not in the public interest to do. However, given ILCs permitted existence by Congress, completely closing the loophole is not within the purview of the FDIC. As an alternative, CBAI supports a multi-year moratorium on ILC applications for deposit insurance until Congress has the opportunity to address this issue. Regarding the FDIC's current proposal, CBAI is supportive it because it would somewhat enhance the Agency's ability to more effectively supervise and regulate ILCs and their holding companies.

[Read CBAI Comment Letter »](#)