

**Statement by Martin J. Gruenberg, Member, FDIC Board of Directors on the Notice of Proposed Rulemaking: Parent Companies of Industrial Banks and Industrial Loan Companies**

Last Updated: March 17, 2020

The preamble to the Notice of Proposed Rulemaking before the FDIC Board today states,

"The purpose of the proposed rule is to codify existing practices utilized by the FDIC to supervise industrial banks and their parent companies, to mitigate undue risk to the DIF [Deposit Insurance Fund] that may otherwise be presented in the absence of Federal consolidated supervision of an industrial bank and its parent company, and to ensure that the parent company that owns or controls an industrial bank serves as a source of strength for the industrial bank, consistent with Section 38A of the FDI [Federal Deposit Insurance] Act."<sup>1</sup>

The content of the proposed rule appears to be consistent with that statement. For that reason, I am prepared to support this Notice of Proposed Rulemaking.

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<sup>1</sup>Preamble to the Notice of Proposed Rulemaking: Parent Companies of Industrial Banks and Industrial Loan Companies at 4 (footnotes omitted).