



# PRESS RELEASE

Federal Deposit Insurance Corporation

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## FDIC Seeks Public Comment on Wide-Ranging Issues Involving Industrial Loan Company Charters

The Board of Directors of the Federal Deposit Insurance Corporation (FDIC) voted to seek public comment on a variety of issues relating to Industrial Loan Companies (ILCs). On July 28, 2006, the FDIC imposed a six-month moratorium on ILC deposit insurance applications and change in control notices. In order to expedite public input during the moratorium, the FDIC Board decided by a notational vote to publish the request for comment.

"The public comment process is meant to go beyond issues associated with individual ILC applications," said FDIC Chairman Sheila Bair. "We wanted to cover a broad range of topics as fairly as possible, and I believe the questions achieve that goal. Of course, as we state in our request, we also welcome comments on areas not specifically addressed in the notice."

The request for comment includes 12 specific questions on ILCs that cover a variety of topics, including the current legal and business framework of ILCs and the possible benefits, risks, and supervisory issues associated with ILCs. The FDIC believes that public participation will provide valuable insight into the issues presented by recent trends and changes in the ILC industry, and will assist the FDIC in deciding how to respond to those issues.

Comments will be received for a 45-day period after the request has been published in the *Federal Register*. This will provide the agency ample time to consider the submissions during the moratorium, which is set to expire on January 31, 2007. The moratorium covers pending and future ILC applications for deposit insurance and change in control notices.

The draft *Federal Register* notice is attached.

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### Attachment:

[Federal Register Notice](#)



Congress created the Federal Deposit Insurance Corporation in 1933 to restore public confidence in the nation's banking system. It promotes the safety and soundness of these institutions by identifying, monitoring and addressing risks to which they are exposed. The FDIC receives no federal tax dollars — insured financial institutions fund its operations.

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