

July 26, 2007

The Honorable Chris Dodd
Chairman, Committee on Banking, Housing,
and Urban Affairs
United States Senate
534 Dirksen Senate Office Building
Washington, DC 20510

The Honorable Richard Shelby
Ranking Member, Committee on Banking, Housing,
and Urban Affairs
United States Senate
534 Dirksen Senate Office Building
Washington, DC 20510

Dear Chairman Dodd and Ranking Member Shelby:

The undersigned organizations, representing a diverse cross-section of the nation, strongly support the *Industrial Bank Holding Company Act of 2007* (S. 1356). We urge the Senate Banking Committee to quickly consider this vital legislation. This bill was introduced by Senators Johnson, Brown, and Allard and referred to the Banking Committee on May 10, 2007. Your leadership is critical to help preserve the historic separation between banking and commerce by advancing S. 1356.

Despite federal law and long-standing policy that prohibits the mixing of banking and commerce, commercial firms are increasingly working to exploit a loophole and operate FDIC-insured banks. The *Industrial Bank Holding Company Act* is urgently needed to maintain the integrity, diversity and safety and soundness of the nation's financial system. Without this bill, commercial companies will use the ILC loophole to take retail deposits; exert control over the nation's payments system and expose it to unnecessary risk; and leverage conflicts of interest to the detriment of consumers and small businesses. Failure to move forward to enact this legislation will also undermine our system of holding company supervision, threatening financial stability.

Time is of the essence. The FDIC's moratorium on ILC applications by commercial firms expires on January 31, 2008. The clock is rapidly winding down on Congress's opportunity to act on this issue.

The nation's banks, joined by consumer advocacy, labor and other organizations, stand united and strongly support S. 1356. We appreciate your leadership on this important issue.

Respectfully,

Independent Community Bankers of America
National Association of Convenience Stores
National Association of Realtors
National Grocers Association
Petroleum Marketers Association of America

AFL-CIO
United Food and Commercial Workers International Union

American Independent Business Alliance
American Rights at Work
Americans for Democratic Action
Delaware Community Reinvestment Action Council, Inc.
Fair Finance Watch
Jobs with Justice
National Community Reinvestment Coalition

Illinois Food Retailers Association
Missouri Grocers Association
Nebraska Grocery Industry Association
North Dakota Grocers Association
Ohio Grocers Association
Tennessee Grocers & Convenience Store Association
Texas Grocery & Convenience Association

Independent Connecticut Petroleum Association
Florida Petroleum Marketers and Convenience Store Association
Petroleum Marketers and Convenience Stores of Iowa
Michigan Petroleum Association/Michigan Association of Convenience Stores
Mid-Atlantic Petroleum Distributors Association
Missouri Petroleum Marketers and Convenience Store Association
Nebraska Petroleum Marketers and Convenience Store Association
New England Fuel Institute
Fuel Merchants Association of New Jersey
North Carolina Petroleum Marketers Association
North Dakota Petroleum Association
Ohio Petroleum and Convenience Store Association
Tennessee Oil Marketers Association
Virginia Petroleum, Convenience and Grocery Association
Washington Oil Marketers Association

Community Bankers Association of Alabama
Arkansas Community Bankers
Arizona Bankers Association
California Independent Bankers
Independent Bankers of Colorado
Florida Bankers Association
Community Bankers Association of Georgia
Iowa Independent Bankers
Community Bankers Association of Illinois
Indiana Bankers Association
Community Bankers Association of Kansas
Heartland Community Bankers Association
Bluegrass Bankers Association in Kentucky
Louisiana Bankers Association
Massachusetts Bankers Association, Inc.
Maine Association of Community Bankers

Michigan Association of Community Bankers
Bank Holding Company Association
Independent Community Bankers of Minnesota
Missouri Independent Bankers Association
Montana Independent Bankers
North Carolina Bankers Association
Independent Community Banks of North Dakota
Nebraska Independent Community Bankers
Independent Community Bankers Association of New Mexico
Community Bankers Association of Ohio
Community Bankers Association of Oklahoma
Pennsylvania Association of Community Bankers
Independent Banks of South Carolina
Independent Community Bankers of South Dakota
Tennessee Bankers Association
Independent Bankers Association of Texas
Virginia Association of Community Banks
Washington Independent Community Bankers Association
West Virginia Association of Community Bankers
Community Bankers of Wisconsin

cc: Members, Senate Banking Committee