

November 12, 2025

The Honorable Travis Hill  
Acting Chairman  
Federal Deposit Insurance Corporation  
550 17<sup>th</sup> Street NW  
Washington, D.C. 20429

**RE: ICBA White Paper: Closing the Industrial Loan Company Loophole - An Urgent Priority to Prevent Systemic Risk and Consumer Harm**

Dear Acting Chairman Hill:

On behalf of community banks across the country, with nearly 45,000 locations, I am sharing the Independent Community Bankers of America's ("ICBA")<sup>1</sup> new white paper, "Closing the Industrial Loan Company Loophole: An Urgent Priority to Prevent Systemic Risk and Consumer Harm."

Our white paper provides detailed background on:

- How the Industrial Loan Company ("ILC"), originally intended to be a small-scale, limited-power charter, expanded unchecked over the course of decades into a full-service bank charter operating on a national scale.
- Why the separation of banking and commerce has been fundamental to American prosperity.
- The loophole in the Bank Holding Company Act that allows ILCs, unlike all other financial institutions, to be owned by nonfinancial firms, breaching the separation of banking and commerce.
- The threat to safety and soundness, to the Deposit Insurance Fund, and to American consumers created by the ILC loophole.
- The amplification of this threat in an era dominated by Big Tech, AI, and fintech.

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<sup>1</sup> The Independent Community Bankers of America® has one mission: to create and promote an environment where community banks flourish. We power the potential of the nation's community banks through effective advocacy, education, and innovation. As local and trusted sources of credit, America's community banks leverage their relationship-based business model and innovative offerings to channel deposits into the neighborhoods they serve, creating jobs, fostering economic prosperity, and fueling their customers' financial goals and dreams. For more information, visit ICBA's website at [icba.org](https://icba.org).

As the FDIC considers comments in response to the recently issued Request for Information (“RFI”)<sup>2</sup> on this topic, ICBA urges the FDIC to incorporate stakeholder feedback from the RFI into its existing regulations before making any final decisions on the currently pending ILC deposit insurance applications.

With a troubling number of new ILC applications for deposit insurance pending before the FDIC, and the prospect of numerous additional applications, we appreciate your attention to the policy recommendations described in the linked white paper.

Thank you for your consideration, and for your unwavering support for community banks and the small businesses and local communities that they serve.

Sincerely,

/s/

Rebeca Romero Rainey  
President and CEO

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<sup>2</sup> 90 Fed. Reg. 34271 (Jul. 21, 2025).