

**From:** Su Chon [mailto:sjchon@gmail.com]  
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**To:** Comments  
**Subject:** Comment - Industrial Loan Companies and Industrial Banks

I am writing in response to the FDIC's request for information regarding industrial loan companies (ILC) or industrial banks (IB) as they are called in Utah.

There have been several untrue or false statements disseminated by persons who are against IBs. Clearly, some of those comments are made from a visceral and emotional reaction to the entity seeking the charter (for example, Wal-Mart and Home Depot). The following are my personal comments in this debate.

1. IBs will not make risky loans to an underserved population. IBs are governed under the same laws and regulations governing banks, and are required to comply with lending laws and limited credit risk. There is limited risk that an IB will cause greater risk than a national or state chartered bank. The state and FDIC regulators in Utah would not permit it.
2. Commerce and banking. In recent years, we have seen the expansion of commercial entities providing services that were formerly appointed to banks, such as lending, and check cashing, among other things. The commercial entities that provide these services are identifying opportunities in the market and in some ways, providing a better marketplace for consumers. The industry should be open to competition which will benefit the consumers in the end by providing competitive banking services, offering innovation to customers, and meeting needs that are not and will not be met by banks. IBs meet some of those needs.
3. IBs are good community citizens. As a former executive director of a non-profit legal services provider, the MultiCultural Legal Center ("MLC"), I have witnessed the generosity of IBs in Utah toward my non-profit and others in our community. For example, American Express and Morgan Stanley were grantors of funds to aid in the support of Utah non-profits. I took the helm of MLC in June 2003, and after 9/11 all charitable donations took a huge plunge. Without the financial support of several IBs of MLC, we would have had to shut our doors and stop providing legal services to immigrant domestic violence victims. I have been grateful for their continued support of the non-profit community.

The IB industry is a well regulated industry in the State of Utah, and there is no need to change the laws and regulations as they currently exist.

Sincerely,

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