

From: Robert Vinton [mailto:rvinton@fwlaw.com]
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To: Comments@FDIC.gov.
Subject: ILC/ Financial Entity Ownership

This is in reference to FDIC request for comments on ILC charters, specifically question "2" and related areas addressing ownership issues. As a bank regulatory law specialist for these past forty years (OCC and private practice) I would suggest that there are regulatory advantages to restricting ownership to "financial entities". Certain state laws, including my home state of Colorado, recognize this distinction in existing statutes which prohibit ILC ownership by commercial entities. Much has changed in the commercial arena since Congress originally enacted the ILC loophole. When and if FDIC lifts the ILC moratorium, I would hope careful consideration will be given to those areas that work to limit risk. Appropriate regulation of qualified financial entities, particularly where they may serve other public interests (low income housing, other government assistance programs) would be a far preferable alternative to a blanket exclusion from ILC ownership.