



Georgia Bankers Association

Resources for Better Performance

October 10, 2006

Robert E. Feldman, Executive Secretary
Attention: Comments
Federal Deposit Insurance Corporation
550 17th Street, NW.
Washington, DC 20429
Comments@FDIC.gov

Re: Notice and Request for Comment on Industrial Loan Companies and Industrial Banks
71 Federal Register 49456, August 23, 2006

Dear Mr. Feldman:

On behalf of the Georgia Bankers Association (GBA), thank you for allowing us to respond to the FDIC's notice and request for comment with respect to the issues related to Industrial Loan Companies (ILCs). The GBA represents over 360 commercial banks and thrifts throughout Georgia, many of whom have expressed serious concerns over the pending ILC applications submitted by Wal-Mart, Inc. and Home Depot specifically.

The GBA appreciates the moratorium issued by the FDIC on ILC applications for the current six-month period. The prospect of having large, commercial companies enter into an ILC charter could, in our opinion, bring about serious safety and soundness issues that may impact the overall health of the Deposit Insurance Fund (DIF). Recent trends and changes in the ILC industry are worrisome also with regard to the oversight and regulatory supervision in addition to the possible effect on the community reinvestment that commercial banks are required to provide.

While the GBA recognizes that the questions posed in the FDIC's request for comment were extensive, our membership believes that Congress should resolve the questions regarding the future of ILCs in a permanent fashion. Should the FDIC move forward with the approval of these pending applications, whether that would include certain limitations of authority (i.e. limiting the approved authority to payment system processes only), the opportunity would be lost to allow Congress their input.

Thank you again for this important opportunity to share the thoughts of the membership of the Georgia Bankers Association.

Sincerely,

A handwritten signature in black ink, appearing to read "Joe Brannen", written over a light-colored background.

Joe Brannen
President