From:	Robert Rutkowski
To:	Public Information; Comments
Subject:	[EXTERNAL MESSAGE] ILC Corporate Banks Are Unfair Competition and Endanger All Americans
Date:	Monday, July 28, 2025 7:43:25 PM

[redacted]

Travis Hill
Chair (Acting)
Federal Deposit Insurance Corporation
Public Information Center
3501 North Fairfax Drive
Room E-1021
Arlington, VA 22226
publicinfo@fdic.gov, comments@fdic.gov

Re: ILC Corporate Banks Are Unfair Competition and Endanger All Americans

Dear Chair:

A new **Better Markets** fact sheet released today details how the proliferation of corporate banks harms both the financial system and Americans at large. The rapid increase in corporate bank size and complexity far transcends their beginnings as small, state-chartered loan companies designed to serve factory workers and people with low incomes. Moreover, unlike traditional banks, which are accountable for serving their local communities, corporate banks' activities primarily accrue benefits to their corporate parent companies—usually large retailers—rather than the public.

Corporate banks today serve narrow, niche purposes, such as making loans to consumers who are purchasing products from specific retailers. Moreover, the parent companies of corporate banks are not subject to regulation, unlike the parent companies of traditional banks, which are regulated by the Federal Reserve. This insufficient oversight or regulation, drives up failure risk and cost.

The FDIC must prioritize the protection of the financial system and Main Street Americans from the risks, instability, and cost of corporate banks. The FDIC should reconsider the current steps it is taking to backtrack on robust control and oversight over corporate banks. This includes strengthening the regulations that apply to corporate banks, rather than withdrawing pending rules, as the FDIC did earlier this month.

The FDIC has rightly identified the challenges that corporate banks inherently face in meeting the convenience and needs of the broader community, the risks that come with being closely connected to the viability of a corporate parent company, and the disruptive and expensive methods that are required if a corporate bank fails. These are serious concerns that should be acted on, not ignored.

Additional highlights from the report include:

A history of corporate banks and a recounting of the recent expansion of corporate bank applications.
- The risks associated with corporate banks, including supervisory concerns, convenience and needs concerns, and failure concerns.
- The FDIC's own extensive documentation of the risks associated with corporate banks.

Yours sincerely,
Robert E. Rutkowski

[redacted]