

**From:** Pat Cady [mailto:pcady@cbtwaco.com]  
**Sent:** Tuesday, September 19, 2006 11:54 AM  
**To:** Comments  
**Subject:** ILC (Industrial Loan Companies)

Re: Comments on Industrial Loan Companies and Industrial Banks

To Whom It May Concern:

On July 28th, The Federal Deposit Insurance Corp. imposed a six-month moratorium on approving applications by companies seeking deposit insurance for their industrial loan Companies. ILCs are not considered " Banks" under the Bank Holding Company Act, so commercial companies may hold ILC charters, thus mixing banking and commerce. The ILC is clearly the last remaining loophole in the separation of banking and commerce.

The large commercial entities, such as Wal-Mart and Home Depot to engage in traditional banking and services is a danger to the current sound banking system. The representatives claim they will only need the charter to process checks/ debit and credit cards; however, other actions by the company indicate that it plans to get into banking in a big way.

One way to halt Wal-Mart's foray into banking would be to pass a federal law banning commercial companies from owning ILC's. Such a bill,H.R. 5746 has been introduced by Reps. Paul Gilmore and Barney Frank.

This six-month moratorium will expire on January 31,2007.....Please sponsor the bill bill H.R. 5746 and stop the competitive threat to Texas banks.

Sincerely,

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