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October 5, 2006

Robert E. Feldman
Executive Secretary
ATTN: Comments, FDIC
550 17th Street, NW
Washington, DC 20429
Via email: comments@FDIC.gov

ILCs and Wal Mart Can Pose Safety and Soundness Issues for the FDIC

Dear Mr. Feldman,

The Greenlining Institute¹ and its members believe that there is a need for more responsible competition in the banking industry. If carefully scrutinized, industrial loan corporations (ILCs) can provide relief from overpriced bank services and fees for the 70% of Americans that live from paycheck to paycheck.

Although The Greenlining Institute is not opposed to ILCs, we believe that specific applications, in particular, Wal-Mart, could have a negative competitive impact on the financial sector as a whole and compromise the safety and soundness of the FDIC, unless they develop a specific nationwide "Banking the Unbanked" plan.

There is no doubt that Wal-Mart lowers the price of goods and services for the average American consumer. However, these low prices involve high collateral damage in terms of extremely low wages, and non existent health care for its employees. These are lowered business standards that are not allowed in the banking industry and significantly increase risk to the Deposit Insurance Fund. Furthermore, corporations that are willing to operate on lowered business standards are less likely to engage in banking industry standards such as CRA, philanthropy and fair lending.

Greenlining believes that there is need for more competition in the banking industry, particularly from institutions that effectively serve the 70% of Americans who live from paycheck to paycheck and the 73 million Americans who are underbanked or unbanked. Such competition could substantially lower the cost of services, raise the quality of services and make such services far more convenient. Therefore, Greenlining urges that rather than automatically prohibit any ILCs, that the FDIC request, preferably with input from consumer groups, that any ILCs in their application set forth in detail a specific plan to raise the

¹ The Greenlining Institute is a coalition of thirty-nine multi-ethnic church, community, civil rights and small business groups. Through its CRA agreements with companies such as Bank of America, and Citigroup, Greenlining has achieved over \$2 trillion in CRA agreements relating to inner city economic development, asset building, supplier diversity, philanthropy to underserved communities and diversity at top management.

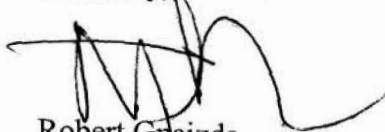
quality of services, reduce the cost of services and increase the availability of services generally unavailable or at prohibitive costs to the 70% of Americans who live from paycheck to paycheck or the 73 million Americans who are underbanked or unbanked. However, it is also crucial that such ILCs not undercut by their lack of integrity or commitment to the relatively high standards many banks have in the areas of community reinvestment, wages and healthcare.

In order to preserve high banking industry standards, Greenlining recommends that for all ILC approvals, the FDIC should:

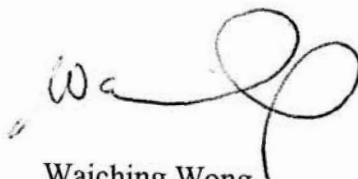
1. Require that all ILCs meet or exceed industry standards in CRA, philanthropy and fair lending.
2. Extensively examine ILC parent companies and affiliates for sub-standard business practices.
3. ILCs should develop strategies with consumer groups, community reinvestment groups, etc to meet the banking needs of all Americans fairly and equally.

The Greenlining Institute believes that ILCs can impact low income and minority communities positively if these three suggestions for scrutiny are applied. We applaud the FDIC for engaging the public in this debate.

Sincerely,



Robert Graizda
Policy Director



Waiching Wong
Program Manager



Ricardo Valencia
Banking Fellow