

October 10, 2006

[By E-Mail to Comments@FDIC.gov](mailto:Comments@FDIC.gov)

Mr. Robert E. Feldman  
Executive Secretary  
Attn: Comments  
Federal Deposit Insurance Corporation  
550 17<sup>th</sup> Street NW  
Washington D.C. 20429

**RE: Response to Request for Comment on Industrial Banks**

I am an independent director of Target Bank, a Utah industrial bank. I appreciate the opportunity to respond to the FDIC's Notice and Request for Comment regarding the ownership and regulation of industrial loan companies and industrial banks.

I have been a director of a number of federally insured and public companies and have been in the financial services industry for over thirty years.

Target Bank, which was chartered in 2004, is a subsidiary of Target Corporation ("Target"). Target Bank was formed in order to expand a small business credit program previously offered by Target Stores into a national product with consistent terms and greater utility. Target Business Card customers include schools and not-for-profits looking for a convenient way to purchase supplies and incidentals, social service agencies that provide clothing and household items to low-income people and the victims of fire or natural disaster, and small business owners who desire a limited purpose credit card to establish a business credit rating and allow controlled purchase power for their employees at Target Stores. This is a valuable service to these customers which was not available through any other financial institution and would not be available if Target did not own an industrial bank.

Consistent with their authority to regulate both the bank itself and the activities of the bank's parent which impact the bank, the FDIC and the State of Utah in approving the Target Bank charter imposed a number of conditions and requirements to protect the safety and soundness of the bank and to ensure independence from inappropriate parental influence.

Like all insured institutions, Target Bank is subject to regular Compliance, Safety and Soundness, and Community Reinvestment Act examinations. Along with the investigation of the Bank's financial condition, a significant component of the safety and soundness examination is an in-depth review of all transactions between Target Bank and its affiliates. In addition, because Target provides information systems for the Bank, the FDIC and the State of Utah perform a Bank Information Systems examination of Target itself. In sum, the regulators have all the authority they could need and the

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system as currently structured is wholly adequate to guard against risk as effectively for industrial banks as it does for any other financial institution.

Target has submitted comprehensive comments on this issue. In addition to the comments set forth in this letter, I wholly support the views expressed by Target. Commercial ownership of industrial banks does not present an increased risk to the bank, the system or the insurance fund, and promotes rather than impairs fair competition.

Sincerely,

*/s/ Christopher J. Sumner*

Christopher J. Sumner  
Director, Target Bank