

Congress of the United States
Washington, DC 20515

December 7, 2006

The Honorable Sheila Bair
Chairman
Federal Deposit Insurance Corporation
550 17th Street, NW
Washington, DC 20429

Dear Chairman Bair:

We urge you to extend for at least an additional six months, the moratorium on deposit insurance applications for new industrial loan companies (ILCs) and on changes in control of ILCs by commercial firms, which is scheduled to expire on January 31, 2007. This extension is necessary to allow the 110th Congress, which will take office on January 3, 2007, an opportunity to act on this important public policy issue.

An extension of the moratorium on applications by commercial firms will allow Congress to provide the FDIC with direction on the extent to which commercial firms should be allowed to enter the banking business through ownership of ILCs. Since it is applications for deposit insurance by commercial firms that raise the issue of the mixing of banking and commerce we urge that the moratorium be extended for those pending and future applications. Applications that involve ownership by financial firms do not raise these issues and we do not object to lifting the moratorium on those applications.

As you know, Rep. Gillmor and Rep. Frank have introduced legislation this Congress, H.R. 5746, to address the issues raised by the rapid expansion of the ILC charter. We expect that similar legislation will be introduced early in the next Congress, and that it may be considered early in the session, but clearly there will not be time for the Congress to act before the current FDIC moratorium expires.

Sincerely,



BARNEY FRANK



PAUL GILLMOR


TIM JOHNSON


WILLIAM PASCRELL


RUBEN HINOJOSA


STEVEN LaTOURETTE


SANFORD BISHOP


TOM LANTOS


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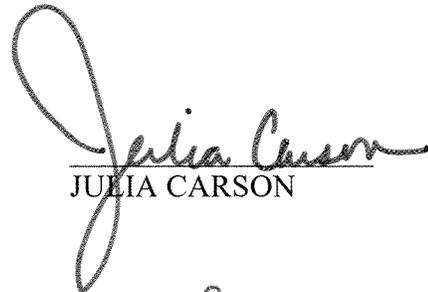

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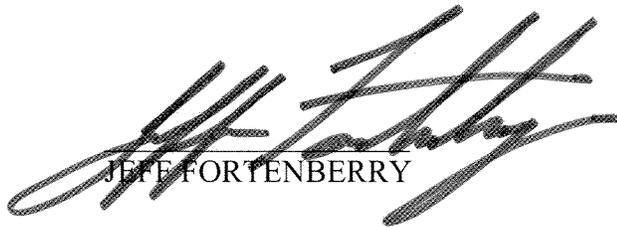

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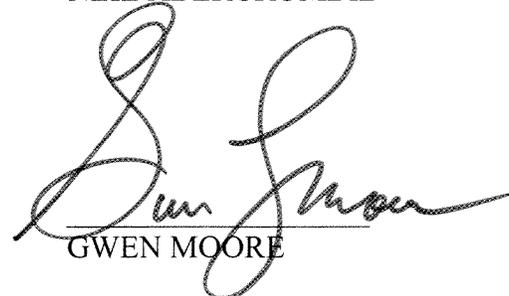

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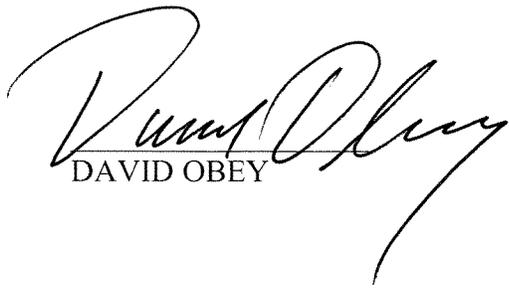

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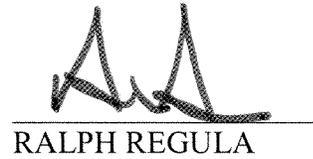

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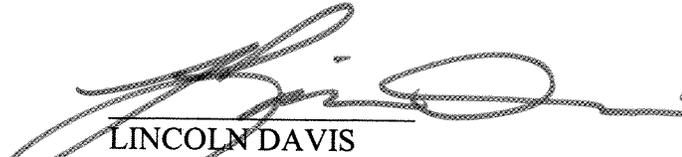

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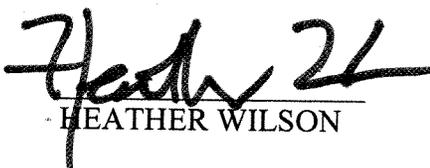

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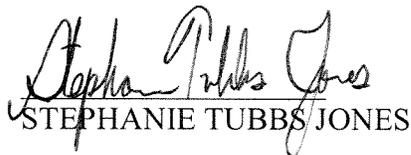

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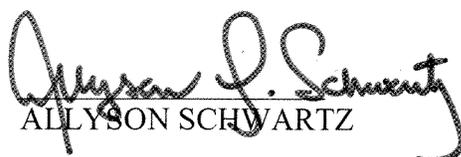

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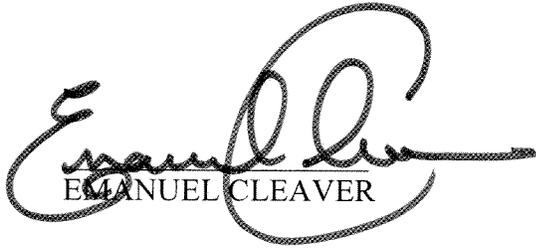

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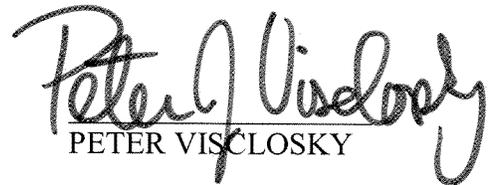

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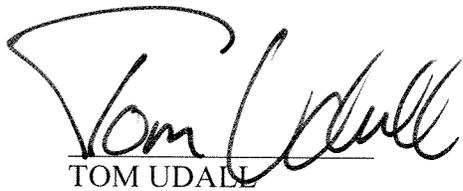

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