

FDIC Issues Final Rule on Supervision of ILC Holding Companies

December 23, 2020 | Client Update

The FDIC has issued a final rule to formalize longstanding expectations it has had for the parent company of a new industrial loan company (ILC). The FDIC adopted the proposed rule issued in March 2020 with few changes. The final rule requires a new ILC to enter into a written agreement with the ILC parent and the FDIC, and requires prior FDIC approval for certain changes at the ILC level. Fintechs and other nontraditional firms seeking to enter the banking sector without becoming a bank holding company may be especially interested in the final rule. The final rule has attracted criticism and calls for Congress to eliminate ILCs.

If you have any questions regarding the matters covered in this publication, please reach out to any of the lawyers listed below or your usual Davis Polk contact.

John Banes

+1 212 450 4116
john.banes@davispolk.com

Dana Seesel Bayersdorfer

+1 212 450 3423
dana.bayersdorfer@davispolk.com

Luigi L. De Ghenghi

+1 212 450 4296
luigi.deghenghi@davispolk.com

Daniel E. Newman

+1 212 450 4992
daniel.newman@davispolk.com

Margaret E. Tahyar

+1 212 450 4379
margaret.tahyar@davispolk.com

This communication, which we believe may be of interest to our clients and friends of the firm, is for general information only. It is not a full analysis of the matters presented and should not be relied upon as legal advice. This may be considered attorney advertising in some jurisdictions. Please refer to the firm's privacy notice for further details.

Related materials

[Read the full update](#)