

**[DISCUSSION DRAFT]**

116<sup>TH</sup> CONGRESS  
1<sup>ST</sup> SESSION

**H. R.** \_\_\_\_\_

To amend the Bank Holding Company Act of 1956 to remove the exemption for industrial loan companies from the definition of a bank.

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IN THE HOUSE OF REPRESENTATIVES

Mr. GARCIA of Illinois introduced the following bill; which was referred to the Committee on \_\_\_\_\_

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**A BILL**

To amend the Bank Holding Company Act of 1956 to remove the exemption for industrial loan companies from the definition of a bank.

1       *Be it enacted by the Senate and House of Representa-*  
2       *tives of the United States of America in Congress assembled,*

3       **SECTION 1. SHORT TITLE.**

4       This Act may be cited as the “Close the ILC Loop-  
5       hole Act”.

1 **SEC. 2. REMOVAL OF EXEMPTION FOR INDUSTRIAL LOAN**  
2 **COMPANIES FROM THE DEFINITION OF A**  
3 **BANK.**

4 (a) IN GENERAL.—Section 2(c)(2) of the Bank Hold-  
5 ing Company Act of 1956 (12 U.S.C. 1841(c)(2)) is  
6 amended by striking subparagraph (H).

7 (b) EFFECTIVE DATE.—Subsection (a) shall take ef-  
8 fect after the end of the 1-year period beginning on the  
9 date of enactment of this Act.

10 (c) TRANSITION PERIOD AUTHORITY.—With respect  
11 to a company that has control over an industrial loan com-  
12 pany, during the 1-year period beginning on the date of  
13 enactment of this Act, the primary financial regulatory  
14 agency of such company may impose any conditions or re-  
15 strictions on the company or any subsidiary of the com-  
16 pany (other than a bank), including restricting or prohib-  
17 iting transactions between the company or subsidiary and  
18 any depository institution subsidiary of the company, as  
19 are appropriate under the circumstances.

20 (d) DEFINITIONS.—In this section:

21 (1) INDUSTRIAL LOAN COMPANY.—The term  
22 “industrial loan company” means an industrial loan  
23 company, industrial bank, or other similar institu-  
24 tion described under section 2(c)(2)(H) of the Bank  
25 Holding Company Act of 1956 on the day before the  
26 date of enactment of this Act.

1           (2) PRIMARY FINANCIAL REGULATORY AGEN-  
2           CY.—With respect to a company, the term “primary  
3           financial regulatory agency”—

4                   (A) has the meaning given that term under  
5           section 2 of the Dodd-Frank Wall Street Re-  
6           form and Consumer Protection Act; and

7                   (B) with respect to a company that does  
8           not have a primary financial regulatory agency  
9           under subparagraph (A), the Board of Gov-  
10          ernors of the Federal Reserve System.

11          (3) OTHER DEFINITIONS.—The terms “bank”  
12          and “depository institution” have the meaning given  
13          those terms, respectively, under section 2 of the  
14          Bank Holding Company Act of 1956.