

[DISCUSSION DRAFT]

116TH CONGRESS
1ST 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.

IN THE HOUSE OF REPRESENTATIVES

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

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.