
Capital One's bid for ING Direct could be approved this week—or not

By Editor Test Tue, Feb 7, 2012

Capital One said it would remain a "traditional bank" and hold just 1.5% of total U.S. deposits if the deal goes through.

The Federal Reserve's Governors are expected to decide at a closed meeting on Wednesday whether or not to approve Capital One's \$9 billion bid to buy ING Direct USA, according to *Bloomberg News*.

Consumer groups such as the National Community Reinvestment Coalition have opposed the acquisition, claiming that it "would make Capital One so risky it could put the U.S. financial system in danger.

Since August, the Fed has held public meetings on the matter in Washington, D.C., Chicago and San Francisco.

Capital One said it would remain a "traditional bank" and hold just 1.5% of total U.S. deposits after the deal is made. It also has argued that the plan would give ING Bank USA customers access to more services, including fixed-rate home mortgage loans and a broad network of ATM machines. Capital One also said it would continue to offer ING Bank's savings accounts with no minimum balance and no monthly fees-features.

Capital One has promised to invest \$180 billion over 10 years in low-and moderate-income communities if the ING deal is approved, and to hire people in Delaware, where ING Direct USA is based, and in Sioux Falls, S.D., where HSBC has a domestic card facility.

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