

# J.C. Penney seeks charter for new bank

## Retailer to centralize \$8B credit business

By SCOTT WILLIAMS

J.C. Penney Co. Inc., whose credit card already is used by consumers more frequently than cash, is seeking a federal charter to open a bank on the East Coast for centralizing and diversifying its \$8 billion-a-year credit card business.

Tentatively named "J.C. Penney Card Bank," the bank would be located in a small town in Delaware and would be operated as a wholly owned subsidiary of the Dallas-based retail giant.

The new bank would be primed with \$12 million in capital by J.C. Penney so that it could immediately take over the company's credit card accounts in five states: Arkansas, Delaware, Hawaii, West Virginia and North Dakota.

But according to the bank charter application — obtained this week by the *Dallas Business Journal* — J.C. Penney ultimately would consider transferring its entire credit card operation into the bank.

"Establishment of the new bank," the application states, "will provide greater opportunity to provide uniform credit terms on a nationwide basis, and will make administration of accounts easier."

The credit card operation currently includes 30 million consumers. Last year it generated \$8.4

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