



## 101ST GENERAL ASSEMBLY

### State of Illinois

2019 and 2020

HB2980

by Rep. Kelly M. Cassidy

#### SYNOPSIS AS INTRODUCED:

205 ILCS 5/48	
205 ILCS 5/48.3	from Ch. 17, par. 360.2
205 ILCS 305/8	from Ch. 17, par. 4409
205 ILCS 305/9.1	

Amends the Illinois Banking Act and the Illinois Credit Union Act. Provides that the Secretary of Financial and Professional Regulation shall not: issue an order against a financial institution for unsafe or unsound banking practices solely because the entity provides financial services to a cannabis-related legitimate business; prohibit, penalize, or otherwise discourage a financial institution from providing financial services to a cannabis-related legitimate business solely because the entity provides financial services to a cannabis-related legitimate business; recommend, incentivize, or encourage a financial institution not to offer financial services to an account holder or to downgrade or cancel the financial services offered to an account holder solely because the account holder is a manufacturer or producer or is the owner, operator, or employee of a cannabis-related legitimate business, the account holder later becomes an owner or operator of a cannabis-related legitimate business, or the financial institution was not aware that the account holder is the owner or operator of a cannabis-related legitimate business; and take any adverse or corrective supervisory action on a loan made to an owner or operator of a cannabis-related legitimate business solely because the owner or operator owns or operates a cannabis-related legitimate business or an owner or operator of real estate or equipment that is leased to a cannabis-related legitimate business solely because the owner or operator of the real estate or equipment leased the equipment or real estate to a cannabis-related legitimate business. Authorizes the Secretary to furnish confidential supervisory information relating to a financial institution providing financial services to cannabis-related businesses, limited to the name, contact information, and such other information as the Secretary determines is prudent, to the Illinois State Treasurer. Effective immediately.

LRB101 09589 JRG 54687 b

1 AN ACT concerning regulation.

2 **Be it enacted by the People of the State of Illinois,**  
3 **represented in the General Assembly:**

4 Section 5. The Illinois Banking Act is amended by changing  
5 Sections 48 and 48.3 as follows:

6 (205 ILCS 5/48)

7 Sec. 48. Secretary's powers; duties. The Secretary shall  
8 have the powers and authority, and is charged with the duties  
9 and responsibilities designated in this Act, and a State bank  
10 shall not be subject to any other visitorial power other than  
11 as authorized by this Act, except those vested in the courts,  
12 or upon prior consultation with the Secretary, a foreign bank  
13 regulator with an appropriate supervisory interest in the  
14 parent or affiliate of a state bank. In the performance of the  
15 Secretary's duties:

16 (1) The Commissioner shall call for statements from all  
17 State banks as provided in Section 47 at least one time  
18 during each calendar quarter.

19 (2) (a) The Commissioner, as often as the Commissioner  
20 shall deem necessary or proper, and no less frequently than  
21 18 months following the preceding examination, shall  
22 appoint a suitable person or persons to make an examination  
23 of the affairs of every State bank, except that for every

1 eligible State bank, as defined by regulation, the  
2 Commissioner in lieu of the examination may accept on an  
3 alternating basis the examination made by the eligible  
4 State bank's appropriate federal banking agency pursuant  
5 to Section 111 of the Federal Deposit Insurance Corporation  
6 Improvement Act of 1991, provided the appropriate federal  
7 banking agency has made such an examination. A person so  
8 appointed shall not be a stockholder or officer or employee  
9 of any bank which that person may be directed to examine,  
10 and shall have powers to make a thorough examination into  
11 all the affairs of the bank and in so doing to examine any  
12 of the officers or agents or employees thereof on oath and  
13 shall make a full and detailed report of the condition of  
14 the bank to the Commissioner. In making the examination the  
15 examiners shall include an examination of the affairs of  
16 all the affiliates of the bank, as defined in subsection  
17 (b) of Section 35.2 of this Act, or subsidiaries of the  
18 bank as shall be necessary to disclose fully the conditions  
19 of the subsidiaries or affiliates, the relations between  
20 the bank and the subsidiaries or affiliates and the effect  
21 of those relations upon the affairs of the bank, and in  
22 connection therewith shall have power to examine any of the  
23 officers, directors, agents, or employees of the  
24 subsidiaries or affiliates on oath. After May 31, 1997, the  
25 Commissioner may enter into cooperative agreements with  
26 state regulatory authorities of other states to provide for

1 examination of State bank branches in those states, and the  
2 Commissioner may accept reports of examinations of State  
3 bank branches from those state regulatory authorities.  
4 These cooperative agreements may set forth the manner in  
5 which the other state regulatory authorities may be  
6 compensated for examinations prepared for and submitted to  
7 the Commissioner.

8 (b) After May 31, 1997, the Commissioner is authorized  
9 to examine, as often as the Commissioner shall deem  
10 necessary or proper, branches of out-of-state banks. The  
11 Commissioner may establish and may assess fees to be paid  
12 to the Commissioner for examinations under this subsection  
13 (b). The fees shall be borne by the out-of-state bank,  
14 unless the fees are borne by the state regulatory authority  
15 that chartered the out-of-state bank, as determined by a  
16 cooperative agreement between the Commissioner and the  
17 state regulatory authority that chartered the out-of-state  
18 bank.

19 (2.1) Pursuant to paragraph (a) of subsection (6) of  
20 this Section, the Secretary shall adopt rules that ensure  
21 consistency and due process in the examination process. The  
22 Secretary may also establish guidelines that (i) define the  
23 scope of the examination process and (ii) clarify  
24 examination items to be resolved. The rules, formal  
25 guidance, interpretive letters, or opinions furnished to  
26 State banks by the Secretary may be relied upon by the

1 State banks.

2 (2.5) Whenever any State bank, any subsidiary or  
3 affiliate of a State bank, or after May 31, 1997, any  
4 branch of an out-of-state bank causes to be performed, by  
5 contract or otherwise, any bank services for itself,  
6 whether on or off its premises:

7 (a) that performance shall be subject to  
8 examination by the Commissioner to the same extent as  
9 if services were being performed by the bank or, after  
10 May 31, 1997, branch of the out-of-state bank itself on  
11 its own premises; and

12 (b) the bank or, after May 31, 1997, branch of the  
13 out-of-state bank shall notify the Commissioner of the  
14 existence of a service relationship. The notification  
15 shall be submitted with the first statement of  
16 condition (as required by Section 47 of this Act) due  
17 after the making of the service contract or the  
18 performance of the service, whichever occurs first.  
19 The Commissioner shall be notified of each subsequent  
20 contract in the same manner.

21 For purposes of this subsection (2.5), the term "bank  
22 services" means services such as sorting and posting of  
23 checks and deposits, computation and posting of interest  
24 and other credits and charges, preparation and mailing of  
25 checks, statements, notices, and similar items, or any  
26 other clerical, bookkeeping, accounting, statistical, or

1 similar functions performed for a State bank, including but  
2 not limited to electronic data processing related to those  
3 bank services.

4 (3) The expense of administering this Act, including  
5 the expense of the examinations of State banks as provided  
6 in this Act, shall to the extent of the amounts resulting  
7 from the fees provided for in paragraphs (a), (a-2), and  
8 (b) of this subsection (3) be assessed against and borne by  
9 the State banks:

10 (a) Each bank shall pay to the Secretary a Call  
11 Report Fee which shall be paid in quarterly  
12 installments equal to one-fourth of the sum of the  
13 annual fixed fee of \$800, plus a variable fee based on  
14 the assets shown on the quarterly statement of  
15 condition delivered to the Secretary in accordance  
16 with Section 47 for the preceding quarter according to  
17 the following schedule: 16¢ per \$1,000 of the first  
18 \$5,000,000 of total assets, 15¢ per \$1,000 of the next  
19 \$20,000,000 of total assets, 13¢ per \$1,000 of the next  
20 \$75,000,000 of total assets, 9¢ per \$1,000 of the next  
21 \$400,000,000 of total assets, 7¢ per \$1,000 of the next  
22 \$500,000,000 of total assets, and 5¢ per \$1,000 of all  
23 assets in excess of \$1,000,000,000, of the State bank.  
24 The Call Report Fee shall be calculated by the  
25 Secretary and billed to the banks for remittance at the  
26 time of the quarterly statements of condition provided

1 for in Section 47. The Secretary may require payment of  
2 the fees provided in this Section by an electronic  
3 transfer of funds or an automatic debit of an account  
4 of each of the State banks. In case more than one  
5 examination of any bank is deemed by the Secretary to  
6 be necessary in any examination frequency cycle  
7 specified in subsection 2(a) of this Section, and is  
8 performed at his direction, the Secretary may assess a  
9 reasonable additional fee to recover the cost of the  
10 additional examination. In lieu of the method and  
11 amounts set forth in this paragraph (a) for the  
12 calculation of the Call Report Fee, the Secretary may  
13 specify by rule that the Call Report Fees provided by  
14 this Section may be assessed semiannually or some other  
15 period and may provide in the rule the formula to be  
16 used for calculating and assessing the periodic Call  
17 Report Fees to be paid by State banks.

18 (a-1) If in the opinion of the Commissioner an  
19 emergency exists or appears likely, the Commissioner  
20 may assign an examiner or examiners to monitor the  
21 affairs of a State bank with whatever frequency he  
22 deems appropriate, including but not limited to a daily  
23 basis. The reasonable and necessary expenses of the  
24 Commissioner during the period of the monitoring shall  
25 be borne by the subject bank. The Commissioner shall  
26 furnish the State bank a statement of time and expenses

1 if requested to do so within 30 days of the conclusion  
2 of the monitoring period.

3 (a-2) On and after January 1, 1990, the reasonable  
4 and necessary expenses of the Commissioner during  
5 examination of the performance of electronic data  
6 processing services under subsection (2.5) shall be  
7 borne by the banks for which the services are provided.  
8 An amount, based upon a fee structure prescribed by the  
9 Commissioner, shall be paid by the banks or, after May  
10 31, 1997, branches of out-of-state banks receiving the  
11 electronic data processing services along with the  
12 Call Report Fee assessed under paragraph (a) of this  
13 subsection (3).

14 (a-3) After May 31, 1997, the reasonable and  
15 necessary expenses of the Commissioner during  
16 examination of the performance of electronic data  
17 processing services under subsection (2.5) at or on  
18 behalf of branches of out-of-state banks shall be borne  
19 by the out-of-state banks, unless those expenses are  
20 borne by the state regulatory authorities that  
21 chartered the out-of-state banks, as determined by  
22 cooperative agreements between the Commissioner and  
23 the state regulatory authorities that chartered the  
24 out-of-state banks.

25 (b) "Fiscal year" for purposes of this Section 48  
26 is defined as a period beginning July 1 of any year and



1 ending June 30 of the next year. The Commissioner shall  
2 receive for each fiscal year, commencing with the  
3 fiscal year ending June 30, 1987, a contingent fee  
4 equal to the lesser of the aggregate of the fees paid  
5 by all State banks under paragraph (a) of subsection  
6 (3) for that year, or the amount, if any, whereby the  
7 aggregate of the administration expenses, as defined  
8 in paragraph (c), for that fiscal year exceeds the sum  
9 of the aggregate of the fees payable by all State banks  
10 for that year under paragraph (a) of subsection (3),  
11 plus any amounts transferred into the Bank and Trust  
12 Company Fund from the State Pensions Fund for that  
13 year, plus all other amounts collected by the  
14 Commissioner for that year under any other provision of  
15 this Act, plus the aggregate of all fees collected for  
16 that year by the Commissioner under the Corporate  
17 Fiduciary Act, excluding the receivership fees  
18 provided for in Section 5-10 of the Corporate Fiduciary  
19 Act, and the Foreign Banking Office Act. The aggregate  
20 amount of the contingent fee thus arrived at for any  
21 fiscal year shall be apportioned amongst, assessed  
22 upon, and paid by the State banks and foreign banking  
23 corporations, respectively, in the same proportion  
24 that the fee of each under paragraph (a) of subsection  
25 (3), respectively, for that year bears to the aggregate  
26 for that year of the fees collected under paragraph (a)

1 of subsection (3). The aggregate amount of the  
2 contingent fee, and the portion thereof to be assessed  
3 upon each State bank and foreign banking corporation,  
4 respectively, shall be determined by the Commissioner  
5 and shall be paid by each, respectively, within 120  
6 days of the close of the period for which the  
7 contingent fee is computed and is payable, and the  
8 Commissioner shall give 20 days' advance notice of the  
9 amount of the contingent fee payable by the State bank  
10 and of the date fixed by the Commissioner for payment  
11 of the fee.

12 (c) The "administration expenses" for any fiscal  
13 year shall mean the ordinary and contingent expenses  
14 for that year incident to making the examinations  
15 provided for by, and for otherwise administering, this  
16 Act, the Corporate Fiduciary Act, excluding the  
17 expenses paid from the Corporate Fiduciary  
18 Receivership account in the Bank and Trust Company  
19 Fund, the Foreign Banking Office Act, the Electronic  
20 Fund Transfer Act, and the Illinois Bank Examiners'  
21 Education Foundation Act, including all salaries and  
22 other compensation paid for personal services rendered  
23 for the State by officers or employees of the State,  
24 including the Commissioner and the Deputy  
25 Commissioners, communication equipment and services,  
26 office furnishings, surety bond premiums, and travel

1 expenses of those officers and employees, employees,  
2 expenditures or charges for the acquisition,  
3 enlargement or improvement of, or for the use of, any  
4 office space, building, or structure, or expenditures  
5 for the maintenance thereof or for furnishing heat,  
6 light, or power with respect thereto, all to the extent  
7 that those expenditures are directly incidental to  
8 such examinations or administration. The Commissioner  
9 shall not be required by paragraphs (c) or (d-1) of  
10 this subsection (3) to maintain in any fiscal year's  
11 budget appropriated reserves for accrued vacation and  
12 accrued sick leave that is required to be paid to  
13 employees of the Commissioner upon termination of  
14 their service with the Commissioner in an amount that  
15 is more than is reasonably anticipated to be necessary  
16 for any anticipated turnover in employees, whether due  
17 to normal attrition or due to layoffs, terminations, or  
18 resignations.

19 (d) The aggregate of all fees collected by the  
20 Secretary under this Act, the Corporate Fiduciary Act,  
21 or the Foreign Banking Office Act on and after July 1,  
22 1979, shall be paid promptly after receipt of the same,  
23 accompanied by a detailed statement thereof, into the  
24 State treasury and shall be set apart in a special fund  
25 to be known as the "Bank and Trust Company Fund",  
26 except as provided in paragraph (c) of subsection (11)

1 of this Section. All earnings received from  
2 investments of funds in the Bank and Trust Company Fund  
3 shall be deposited in the Bank and Trust Company Fund  
4 and may be used for the same purposes as fees deposited  
5 in that Fund. The amount from time to time deposited  
6 into the Bank and Trust Company Fund shall be used: (i)  
7 to offset the ordinary administrative expenses of the  
8 Secretary as defined in this Section or (ii) as a  
9 credit against fees under paragraph (d-1) of this  
10 subsection (3). Nothing in this amendatory Act of 1979  
11 shall prevent continuing the practice of paying  
12 expenses involving salaries, retirement, social  
13 security, and State-paid insurance premiums of State  
14 officers by appropriations from the General Revenue  
15 Fund. However, the General Revenue Fund shall be  
16 reimbursed for those payments made on and after July 1,  
17 1979, by an annual transfer of funds from the Bank and  
18 Trust Company Fund. Moneys in the Bank and Trust  
19 Company Fund may be transferred to the Professions  
20 Indirect Cost Fund, as authorized under Section  
21 2105-300 of the Department of Professional Regulation  
22 Law of the Civil Administrative Code of Illinois.

23 Notwithstanding provisions in the State Finance  
24 Act, as now or hereafter amended, or any other law to  
25 the contrary, the sum of \$18,788,847 shall be  
26 transferred from the Bank and Trust Company Fund to the

1 Financial Institutions Settlement of 2008 Fund on the  
2 effective date of this amendatory Act of the 95th  
3 General Assembly, or as soon thereafter as practical.

4 Notwithstanding provisions in the State Finance  
5 Act, as now or hereafter amended, or any other law to  
6 the contrary, the Governor may, during any fiscal year  
7 through January 10, 2011, from time to time direct the  
8 State Treasurer and Comptroller to transfer a  
9 specified sum not exceeding 10% of the revenues to be  
10 deposited into the Bank and Trust Company Fund during  
11 that fiscal year from that Fund to the General Revenue  
12 Fund in order to help defray the State's operating  
13 costs for the fiscal year. Notwithstanding provisions  
14 in the State Finance Act, as now or hereafter amended,  
15 or any other law to the contrary, the total sum  
16 transferred during any fiscal year through January 10,  
17 2011, from the Bank and Trust Company Fund to the  
18 General Revenue Fund pursuant to this provision shall  
19 not exceed during any fiscal year 10% of the revenues  
20 to be deposited into the Bank and Trust Company Fund  
21 during that fiscal year. The State Treasurer and  
22 Comptroller shall transfer the amounts designated  
23 under this Section as soon as may be practicable after  
24 receiving the direction to transfer from the Governor.

25 (d-1) Adequate funds shall be available in the Bank  
26 and Trust Company Fund to permit the timely payment of

1 administration expenses. In each fiscal year the total  
2 administration expenses shall be deducted from the  
3 total fees collected by the Commissioner and the  
4 remainder transferred into the Cash Flow Reserve  
5 Account, unless the balance of the Cash Flow Reserve  
6 Account prior to the transfer equals or exceeds  
7 one-fourth of the total initial appropriations from  
8 the Bank and Trust Company Fund for the subsequent  
9 year, in which case the remainder shall be credited to  
10 State banks and foreign banking corporations and  
11 applied against their fees for the subsequent year. The  
12 amount credited to each State bank and foreign banking  
13 corporation shall be in the same proportion as the Call  
14 Report Fees paid by each for the year bear to the total  
15 Call Report Fees collected for the year. If, after a  
16 transfer to the Cash Flow Reserve Account is made or if  
17 no remainder is available for transfer, the balance of  
18 the Cash Flow Reserve Account is less than one-fourth  
19 of the total initial appropriations for the subsequent  
20 year and the amount transferred is less than 5% of the  
21 total Call Report Fees for the year, additional amounts  
22 needed to make the transfer equal to 5% of the total  
23 Call Report Fees for the year shall be apportioned  
24 amongst, assessed upon, and paid by the State banks and  
25 foreign banking corporations in the same proportion  
26 that the Call Report Fees of each, respectively, for

1 the year bear to the total Call Report Fees collected  
2 for the year. The additional amounts assessed shall be  
3 transferred into the Cash Flow Reserve Account. For  
4 purposes of this paragraph (d-1), the calculation of  
5 the fees collected by the Commissioner shall exclude  
6 the receivership fees provided for in Section 5-10 of  
7 the Corporate Fiduciary Act.

8 (e) The Commissioner may upon request certify to  
9 any public record in his keeping and shall have  
10 authority to levy a reasonable charge for issuing  
11 certifications of any public record in his keeping.

12 (f) In addition to fees authorized elsewhere in  
13 this Act, the Commissioner may, in connection with a  
14 review, approval, or provision of a service, levy a  
15 reasonable charge to recover the cost of the review,  
16 approval, or service.

17 (4) Nothing contained in this Act shall be construed to  
18 limit the obligation relative to examinations and reports  
19 of any State bank, deposits in which are to any extent  
20 insured by the United States or any agency thereof, nor to  
21 limit in any way the powers of the Commissioner with  
22 reference to examinations and reports of that bank.

23 (5) The nature and condition of the assets in or  
24 investment of any bonus, pension, or profit sharing plan  
25 for officers or employees of every State bank or, after May  
26 31, 1997, branch of an out-of-state bank shall be deemed to

1 be included in the affairs of that State bank or branch of  
2 an out-of-state bank subject to examination by the  
3 Commissioner under the provisions of subsection (2) of this  
4 Section, and if the Commissioner shall find from an  
5 examination that the condition of or operation of the  
6 investments or assets of the plan is unlawful, fraudulent,  
7 or unsafe, or that any trustee has abused his trust, the  
8 Commissioner shall, if the situation so found by the  
9 Commissioner shall not be corrected to his satisfaction  
10 within 60 days after the Commissioner has given notice to  
11 the board of directors of the State bank or out-of-state  
12 bank of his findings, report the facts to the Attorney  
13 General who shall thereupon institute proceedings against  
14 the State bank or out-of-state bank, the board of directors  
15 thereof, or the trustees under such plan as the nature of  
16 the case may require.

17 (6) The Commissioner shall have the power:

18 (a) To promulgate reasonable rules for the purpose  
19 of administering the provisions of this Act.

20 (a-5) To impose conditions on any approval issued  
21 by the Commissioner if he determines that the  
22 conditions are necessary or appropriate. These  
23 conditions shall be imposed in writing and shall  
24 continue in effect for the period prescribed by the  
25 Commissioner.

26 (b) To issue orders against any person, if the



1 Commissioner has reasonable cause to believe that an  
2 unsafe or unsound banking practice has occurred, is  
3 occurring, or is about to occur, if any person has  
4 violated, is violating, or is about to violate any law,  
5 rule, or written agreement with the Commissioner, or  
6 for the purpose of administering the provisions of this  
7 Act and any rule promulgated in accordance with this  
8 Act.

9 (b-1) To enter into agreements with a bank  
10 establishing a program to correct the condition of the  
11 bank or its practices.

12 (c) To appoint hearing officers to execute any of  
13 the powers granted to the Commissioner under this  
14 Section for the purpose of administering this Act and  
15 any rule promulgated in accordance with this Act and  
16 otherwise to authorize, in writing, an officer or  
17 employee of the Office of Banks and Real Estate to  
18 exercise his powers under this Act.

19 (d) To subpoena witnesses, to compel their  
20 attendance, to administer an oath, to examine any  
21 person under oath, and to require the production of any  
22 relevant books, papers, accounts, and documents in the  
23 course of and pursuant to any investigation being  
24 conducted, or any action being taken, by the  
25 Commissioner in respect of any matter relating to the  
26 duties imposed upon, or the powers vested in, the

1 Commissioner under the provisions of this Act or any  
2 rule promulgated in accordance with this Act.

3 (e) To conduct hearings.

4 (7) Whenever, in the opinion of the Secretary, any  
5 director, officer, employee, or agent of a State bank or  
6 any subsidiary or bank holding company of the bank or,  
7 after May 31, 1997, of any branch of an out-of-state bank  
8 or any subsidiary or bank holding company of the bank shall  
9 have violated any law, rule, or order relating to that bank  
10 or any subsidiary or bank holding company of the bank,  
11 shall have obstructed or impeded any examination or  
12 investigation by the Secretary, shall have engaged in an  
13 unsafe or unsound practice in conducting the business of  
14 that bank or any subsidiary or bank holding company of the  
15 bank, or shall have violated any law or engaged or  
16 participated in any unsafe or unsound practice in  
17 connection with any financial institution or other  
18 business entity such that the character and fitness of the  
19 director, officer, employee, or agent does not assure  
20 reasonable promise of safe and sound operation of the State  
21 bank, the Secretary may issue an order of removal. If, in  
22 the opinion of the Secretary, any former director, officer,  
23 employee, or agent of a State bank or any subsidiary or  
24 bank holding company of the bank, prior to the termination  
25 of his or her service with that bank or any subsidiary or  
26 bank holding company of the bank, violated any law, rule,

1 or order relating to that State bank or any subsidiary or  
2 bank holding company of the bank, obstructed or impeded any  
3 examination or investigation by the Secretary, engaged in  
4 an unsafe or unsound practice in conducting the business of  
5 that bank or any subsidiary or bank holding company of the  
6 bank, or violated any law or engaged or participated in any  
7 unsafe or unsound practice in connection with any financial  
8 institution or other business entity such that the  
9 character and fitness of the director, officer, employee,  
10 or agent would not have assured reasonable promise of safe  
11 and sound operation of the State bank, the Secretary may  
12 issue an order prohibiting that person from further service  
13 with a bank or any subsidiary or bank holding company of  
14 the bank as a director, officer, employee, or agent. An  
15 order issued pursuant to this subsection shall be served  
16 upon the director, officer, employee, or agent. A copy of  
17 the order shall be sent to each director of the bank  
18 affected by registered mail. A copy of the order shall also  
19 be served upon the bank of which he is a director, officer,  
20 employee, or agent, whereupon he shall cease to be a  
21 director, officer, employee, or agent of that bank. The  
22 Secretary may institute a civil action against the  
23 director, officer, or agent of the State bank or, after May  
24 31, 1997, of the branch of the out-of-state bank against  
25 whom any order provided for by this subsection (7) of this  
26 Section 48 has been issued, and against the State bank or,

1 after May 31, 1997, out-of-state bank, to enforce  
2 compliance with or to enjoin any violation of the terms of  
3 the order. Any person who has been the subject of an order  
4 of removal or an order of prohibition issued by the  
5 Secretary under this subsection or Section 5-6 of the  
6 Corporate Fiduciary Act may not thereafter serve as  
7 director, officer, employee, or agent of any State bank or  
8 of any branch of any out-of-state bank, or of any corporate  
9 fiduciary, as defined in Section 1-5.05 of the Corporate  
10 Fiduciary Act, or of any other entity that is subject to  
11 licensure or regulation by the Division of Banking unless  
12 the Secretary has granted prior approval in writing.

13 For purposes of this paragraph (7), "bank holding  
14 company" has the meaning prescribed in Section 2 of the  
15 Illinois Bank Holding Company Act of 1957.

16 (7.5) Notwithstanding the provisions of this Section,  
17 the Secretary shall not:

18 (1) issue an order against a State bank or any  
19 subsidiary organized under this Act for unsafe or  
20 unsound banking practices solely because the entity  
21 provides or has provided financial services to a  
22 cannabis-related legitimate business;

23 (2) prohibit, penalize, or otherwise discourage a  
24 State bank or any subsidiary from providing financial  
25 services to a cannabis-related legitimate business  
26 solely because the entity provides or has provided

1 financial services to a cannabis-related legitimate  
2 business;

3 (3) recommend, incentivize, or encourage a state  
4 bank or any subsidiary not to offer financial services  
5 to an account holder or to downgrade or cancel the  
6 financial services offered to an account holder solely  
7 because:

8 (A) the account holder is a manufacturer or  
9 producer, or is the owner, operator, or employee of  
10 a cannabis-related legitimate business;

11 (B) the account holder later becomes an owner  
12 or operator of a cannabis-related legitimate  
13 business; or

14 (C) the State bank or any subsidiary was not  
15 aware that the account holder is the owner or  
16 operator of a cannabis-related legitimate  
17 business; and

18 (4) take any adverse or corrective supervisory  
19 action on a loan made to an owner or operator of:

20 (A) a cannabis-related legitimate business  
21 solely because the owner or operator owns or  
22 operates a cannabis-related legitimate business;  
23 or

24 (B) real estate or equipment that is leased to  
25 a cannabis-related legitimate business solely  
26 because the owner or operator of the real estate or

1                   equipment leased the equipment or real estate to a  
2                   cannabis-related legitimate business.

3           (8) The Commissioner may impose civil penalties of up  
4           to \$100,000 against any person for each violation of any  
5           provision of this Act, any rule promulgated in accordance  
6           with this Act, any order of the Commissioner, or any other  
7           action which in the Commissioner's discretion is an unsafe  
8           or unsound banking practice.

9           (9) The Commissioner may impose civil penalties of up  
10          to \$100 against any person for the first failure to comply  
11          with reporting requirements set forth in the report of  
12          examination of the bank and up to \$200 for the second and  
13          subsequent failures to comply with those reporting  
14          requirements.

15          (10) All final administrative decisions of the  
16          Commissioner hereunder shall be subject to judicial review  
17          pursuant to the provisions of the Administrative Review  
18          Law. For matters involving administrative review, venue  
19          shall be in either Sangamon County or Cook County.

20          (11) The endowment fund for the Illinois Bank  
21          Examiners' Education Foundation shall be administered as  
22          follows:

23                   (a) (Blank).

24                   (b) The Foundation is empowered to receive  
25                   voluntary contributions, gifts, grants, bequests, and  
26                   donations on behalf of the Illinois Bank Examiners'

1 Education Foundation from national banks and other  
2 persons for the purpose of funding the endowment of the  
3 Illinois Bank Examiners' Education Foundation.

4 (c) The aggregate of all special educational fees  
5 collected by the Secretary and property received by the  
6 Secretary on behalf of the Illinois Bank Examiners'  
7 Education Foundation under this subsection (11) on or  
8 after June 30, 1986, shall be either (i) promptly paid  
9 after receipt of the same, accompanied by a detailed  
10 statement thereof, into the State Treasury and shall be  
11 set apart in a special fund to be known as "The  
12 Illinois Bank Examiners' Education Fund" to be  
13 invested by either the Treasurer of the State of  
14 Illinois in the Public Treasurers' Investment Pool or  
15 in any other investment he is authorized to make or by  
16 the Illinois State Board of Investment as the State  
17 Banking Board of Illinois may direct or (ii) deposited  
18 into an account maintained in a commercial bank or  
19 corporate fiduciary in the name of the Illinois Bank  
20 Examiners' Education Foundation pursuant to the order  
21 and direction of the Board of Trustees of the Illinois  
22 Bank Examiners' Education Foundation.

23 (12) (Blank).

24 (13) The Secretary may borrow funds from the General  
25 Revenue Fund on behalf of the Bank and Trust Company Fund  
26 if the Director of Banking certifies to the Governor that

1           there is an economic emergency affecting banking that  
2           requires a borrowing to provide additional funds to the  
3           Bank and Trust Company Fund. The borrowed funds shall be  
4           paid back within 3 years and shall not exceed the total  
5           funding appropriated to the Agency in the previous year.

6           (14) In addition to the fees authorized in this Act,  
7           the Secretary may assess reasonable receivership fees  
8           against any State bank that does not maintain insurance  
9           with the Federal Deposit Insurance Corporation. All fees  
10          collected under this subsection (14) shall be paid into the  
11          Non-insured Institutions Receivership account in the Bank  
12          and Trust Company Fund, as established by the Secretary.  
13          The fees assessed under this subsection (14) shall provide  
14          for the expenses that arise from the administration of the  
15          receivership of any such institution required to pay into  
16          the Non-insured Institutions Receivership account, whether  
17          pursuant to this Act, the Corporate Fiduciary Act, the  
18          Foreign Banking Office Act, or any other Act that requires  
19          payments into the Non-insured Institutions Receivership  
20          account. The Secretary may establish by rule a reasonable  
21          manner of assessing fees under this subsection (14).

22          (Source: P.A. 99-39, eff. 1-1-16; 100-22, eff. 1-1-18.)

23           (205 ILCS 5/48.3) (from Ch. 17, par. 360.2)

24           Sec. 48.3. Disclosure of reports of examinations and  
25           confidential supervisory information; limitations.



1           (a) Any report of examination, visitation, or  
2 investigation prepared by the Secretary under this Act, the  
3 Electronic Fund Transfer Act, the Corporate Fiduciary Act, the  
4 Illinois Bank Holding Company Act of 1957, and the Foreign  
5 Banking Office Act, any report of examination, visitation, or  
6 investigation prepared by the state regulatory authority of  
7 another state that examines a branch of an Illinois State bank  
8 in that state, any document or record prepared or obtained in  
9 connection with or relating to any examination, visitation, or  
10 investigation, and any record prepared or obtained by the  
11 Secretary to the extent that the record summarizes or contains  
12 information derived from any report, document, or record  
13 described in this subsection shall be deemed "confidential  
14 supervisory information". Confidential supervisory information  
15 shall not include any information or record routinely prepared  
16 by a bank or other financial institution and maintained in the  
17 ordinary course of business or any information or record that  
18 is required to be made publicly available pursuant to State or  
19 federal law or rule. Confidential supervisory information  
20 shall be the property of the Secretary and shall only be  
21 disclosed under the circumstances and for the purposes set  
22 forth in this Section.

23           The Secretary may disclose confidential supervisory  
24 information only under the following circumstances:

- 25           (1) The Secretary may furnish confidential supervisory  
26 information to the Board of Governors of the Federal

1 Reserve System, the federal reserve bank of the federal  
2 reserve district in which the State bank is located or in  
3 which the parent or other affiliate of the State bank is  
4 located, any official or examiner thereof duly accredited  
5 for the purpose, or any other state regulator, federal  
6 regulator, or in the case of a foreign bank possessing a  
7 certificate of authority pursuant to the Foreign Banking  
8 Office Act or a license pursuant to the Foreign Bank  
9 Representative Office Act, the bank regulator in the  
10 country where the foreign bank is chartered, that the  
11 Secretary determines to have an appropriate regulatory  
12 interest. Nothing contained in this Act shall be construed  
13 to limit the obligation of any member State bank to comply  
14 with the requirements relative to examinations and reports  
15 of the Federal Reserve Act and of the Board of Governors of  
16 the Federal Reserve System or the federal reserve bank of  
17 the federal reserve district in which the bank is located,  
18 nor to limit in any way the powers of the Secretary with  
19 reference to examinations and reports.

20 (2) The Secretary may furnish confidential supervisory  
21 information to the United States, any agency thereof that  
22 has insured a bank's deposits in whole or in part, or any  
23 official or examiner thereof duly accredited for the  
24 purpose. Nothing contained in this Act shall be construed  
25 to limit the obligation relative to examinations and  
26 reports of any State bank, deposits in which are to any

1 extent insured by the United States, any agency thereof,  
2 nor to limit in any way the powers of the Secretary with  
3 reference to examination and reports of such bank.

4 (2.5) The Secretary may furnish confidential  
5 supervisory information to a Federal Home Loan Bank in  
6 connection with any bank that is a member of the Federal  
7 Home Loan Bank or in connection with any application by the  
8 bank before the Federal Home Loan Bank. The confidential  
9 supervisory information shall remain the property of the  
10 Secretary and may not be further disclosed without the  
11 Secretary's permission.

12 (3) The Secretary may furnish confidential supervisory  
13 information to the appropriate law enforcement authorities  
14 when the Secretary reasonably believes a bank, which the  
15 Secretary has caused to be examined, has been a victim of a  
16 crime.

17 (4) The Secretary may furnish confidential supervisory  
18 information relating to a bank or other financial  
19 institution, which the Secretary has caused to be examined,  
20 to be sent to the administrator of the Revised Uniform  
21 Unclaimed Property Act.

22 (5) The Secretary may furnish confidential supervisory  
23 information relating to a bank or other financial  
24 institution, which the Secretary has caused to be examined,  
25 relating to its performance of obligations under the  
26 Illinois Income Tax Act and the Illinois Estate and

1           Generation-Skipping Transfer Tax Act to the Illinois  
2           Department of Revenue.

3           (6) The Secretary may furnish confidential supervisory  
4           information relating to a bank or other financial  
5           institution, which the Secretary has caused to be examined,  
6           under the federal Currency and Foreign Transactions  
7           Reporting Act, Title 31, United States Code, Section 1051  
8           et seq.

9           (6.5) The Secretary may furnish confidential  
10          supervisory information to any other agency or entity that  
11          the Secretary determines to have a legitimate regulatory  
12          interest.

13          (7) The Secretary may furnish confidential supervisory  
14          information under any other statute that by its terms or by  
15          regulations promulgated thereunder requires the disclosure  
16          of financial records other than by subpoena, summons,  
17          warrant, or court order.

18          (8) At the request of the affected bank or other  
19          financial institution, the Secretary may furnish  
20          confidential supervisory information relating to a bank or  
21          other financial institution, which the Secretary has  
22          caused to be examined, in connection with the obtaining of  
23          insurance coverage or the pursuit of an insurance claim for  
24          or on behalf of the bank or other financial institution;  
25          provided that, when possible, the Secretary shall disclose  
26          only relevant information while maintaining the

1 confidentiality of financial records not relevant to such  
2 insurance coverage or claim and, when appropriate, may  
3 delete identifying data relating to any person or  
4 individual.

5 (9) The Secretary may furnish a copy of a report of any  
6 examination performed by the Secretary of the condition and  
7 affairs of any electronic data processing entity to the  
8 banks serviced by the electronic data processing entity.

9 (9.5) The Secretary may furnish confidential  
10 supervisory information relating to a bank or other  
11 financial institution providing financial services to  
12 cannabis-related businesses, limited to the name, contact  
13 information, and such other information as the Secretary  
14 determines is prudent, to the Illinois State Treasurer.

15 (10) In addition to the foregoing circumstances, the  
16 Secretary may, but is not required to, furnish confidential  
17 supervisory information under the same circumstances  
18 authorized for the bank or financial institution pursuant  
19 to subsection (b) of this Section, except that the  
20 Secretary shall provide confidential supervisory  
21 information under circumstances described in paragraph (3)  
22 of subsection (b) of this Section only upon the request of  
23 the bank or other financial institution.

24 (b) A bank or other financial institution or its officers,  
25 agents, and employees may disclose confidential supervisory  
26 information only under the following circumstances:

1           (1) to the board of directors of the bank or other  
2 financial institution, as well as the president,  
3 vice-president, cashier, and other officers of the bank or  
4 other financial institution to whom the board of directors  
5 may delegate duties with respect to compliance with  
6 recommendations for action, and to the board of directors  
7 of a bank holding company that owns at least 80% of the  
8 outstanding stock of the bank or other financial  
9 institution;

10           (2) to attorneys for the bank or other financial  
11 institution and to a certified public accountant engaged by  
12 the State bank or financial institution to perform an  
13 independent audit provided that the attorney or certified  
14 public accountant shall not permit the confidential  
15 supervisory information to be further disseminated;

16           (3) to any person who seeks to acquire a controlling  
17 interest in, or who seeks to merge with, the bank or  
18 financial institution, provided that all attorneys,  
19 certified public accountants, officers, agents, or  
20 employees of that person shall agree to be bound to respect  
21 the confidentiality of the confidential supervisory  
22 information and to not further disseminate the information  
23 therein contained;

24           (3.5) to a Federal Home Loan Bank of which it is a  
25 member;

26           (4) (blank);

1           (4.5) to any attorney, accountant, consultant, or  
2 other professional as needed to comply with any enforcement  
3 action issued by the Secretary; or

4           (5) to the bank's insurance company in relation to an  
5 insurance claim or the effort by the bank to procure  
6 insurance coverage, provided that, when possible, the bank  
7 shall disclose only information that is relevant to the  
8 insurance claim or that is necessary to procure the  
9 insurance coverage, while maintaining the confidentiality  
10 of financial information pertaining to customers. When  
11 appropriate, the bank may delete identifying data relating  
12 to any person.

13           The disclosure of confidential supervisory information by  
14 a bank or other financial institution pursuant to this  
15 subsection (b) and the disclosure of information to the  
16 Secretary or other regulatory agency in connection with any  
17 examination, visitation, or investigation shall not constitute  
18 a waiver of any legal privilege otherwise available to the bank  
19 or other financial institution with respect to the information.

20           (c) (1) Notwithstanding any other provision of this Act or  
21 any other law, confidential supervisory information shall be  
22 the property of the Secretary and shall be privileged from  
23 disclosure to any person except as provided in this Section. No  
24 person in possession of confidential supervisory information  
25 may disclose that information for any reason or under any  
26 circumstances not specified in this Section without the prior

1 authorization of the Secretary. Any person upon whom a demand  
2 for production of confidential supervisory information is  
3 made, whether by subpoena, order, or other judicial or  
4 administrative process, must withhold production of the  
5 confidential supervisory information and must notify the  
6 Secretary of the demand, at which time the Secretary is  
7 authorized to intervene for the purpose of enforcing the  
8 limitations of this Section or seeking the withdrawal or  
9 termination of the attempt to compel production of the  
10 confidential supervisory information.

11 (2) Any request for discovery or disclosure of confidential  
12 supervisory information, whether by subpoena, order, or other  
13 judicial or administrative process, shall be made to the  
14 Secretary, and the Secretary shall determine within 15 days  
15 whether to disclose the information pursuant to procedures and  
16 standards that the Secretary shall establish by rule. If the  
17 Secretary determines that such information will not be  
18 disclosed, the Secretary's decision shall be subject to  
19 judicial review under the provisions of the Administrative  
20 Review Law, and venue shall be in either Sangamon County or  
21 Cook County.

22 (3) Any court order that compels disclosure of confidential  
23 supervisory information may be immediately appealed by the  
24 Secretary, and the order shall be automatically stayed pending  
25 the outcome of the appeal.

26 (d) If any officer, agent, attorney, or employee of a bank



1 or financial institution knowingly and willfully furnishes  
2 confidential supervisory information in violation of this  
3 Section, the Secretary may impose a civil monetary penalty up  
4 to \$1,000 for the violation against the officer, agent,  
5 attorney, or employee.

6 (Source: P.A. 100-22, eff 1-1-18; 100-64, eff. 8-11-17;  
7 100-863, eff. 8-14-18; 100-888, eff. 8-14-18.)

8 Section 10. The Illinois Credit Union Act is amended by  
9 changing Sections 8 and 9.1 as follows:

10 (205 ILCS 305/8) (from Ch. 17, par. 4409)

11 Sec. 8. Secretary's powers and duties. Credit unions are  
12 regulated by the Department. The Secretary in executing the  
13 powers and discharging the duties vested by law in the  
14 Department has the following powers and duties:

15 (1) To exercise the rights, powers and duties set forth  
16 in this Act or any related Act. The Director shall oversee  
17 the functions of the Division and report to the Secretary,  
18 with respect to the Director's exercise of any of the  
19 rights, powers, and duties vested by law in the Secretary  
20 under this Act. All references in this Act to the Secretary  
21 shall be deemed to include the Director, as a person  
22 authorized by the Secretary or this Act to assume  
23 responsibility for the oversight of the functions of the  
24 Department relating to the regulatory supervision of

1 credit unions under this Act.

2 (2) To prescribe rules and regulations for the  
3 administration of this Act. The provisions of the Illinois  
4 Administrative Procedure Act are hereby expressly adopted  
5 and incorporated herein as though a part of this Act, and  
6 shall apply to all administrative rules and procedures of  
7 the Department under this Act.

8 (3) To direct and supervise all the administrative and  
9 technical activities of the Department including the  
10 employment of a Credit Union Supervisor who shall have  
11 knowledge in the theory and practice of, or experience in,  
12 the operations or supervision of financial institutions,  
13 preferably credit unions, and such other persons as are  
14 necessary to carry out his functions. The Secretary shall  
15 ensure that all examiners appointed or assigned to examine  
16 the affairs of State-chartered credit unions possess the  
17 necessary training and continuing education to effectively  
18 execute their jobs.

19 (4) To issue cease and desist orders when in the  
20 opinion of the Secretary, a credit union is engaged or has  
21 engaged, or the Secretary has reasonable cause to believe  
22 the credit union is about to engage, in an unsafe or  
23 unsound practice, or is violating or has violated or the  
24 Secretary has reasonable cause to believe is about to  
25 violate a law, rule or regulation or any condition imposed  
26 in writing by the Department.

1           (5) To suspend from office and to prohibit from further  
2 participation in any manner in the conduct of the affairs  
3 of his credit union any director, officer or committee  
4 member who has committed any violation of a law, rule,  
5 regulation or of a cease and desist order or who has  
6 engaged or participated in any unsafe or unsound practice  
7 in connection with the credit union or who has committed or  
8 engaged in any act, omission, or practice which constitutes  
9 a breach of his fiduciary duty as such director, officer or  
10 committee member, when the Secretary has determined that  
11 such action or actions have resulted or will result in  
12 substantial financial loss or other damage that seriously  
13 prejudices the interests of the members.

14           (6) To assess a civil penalty against a credit union  
15 provided that:

16                 (A) the Secretary reasonably determines, based on  
17 objective facts and an accurate assessment of  
18 applicable legal standards, that the credit union has:

19                         (i) committed a violation of this Act, any rule  
20 adopted in accordance with this Act, or any order  
21 of the Secretary issued pursuant to his or her  
22 authority under this Act; or

23                         (ii) engaged or participated in any unsafe or  
24 unsound practice;

25                 (B) before a civil penalty is assessed under this  
26 item (6), the Secretary must make the further

1 reasonable determination, based on objective facts and  
2 an accurate assessment of applicable legal standards,  
3 that the credit union's action constituting a  
4 violation under subparagraph (i) of paragraph (A) of  
5 item (6) or an unsafe and unsound practice under  
6 subparagraph (ii) of paragraph (A) of item (6):

7 (i) directly resulted in a substantial and  
8 material financial loss or created a reasonable  
9 probability that a substantial and material  
10 financial loss will directly result; or

11 (ii) constituted willful misconduct or a  
12 material breach of fiduciary duty of any director,  
13 officer, or committee member of the credit union;

14 Material financial loss, as referenced in this  
15 paragraph (B), shall be assessed in light of  
16 surrounding circumstances and the relative size and  
17 nature of the financial loss or probable financial  
18 loss. Certain benchmarks shall be used in determining  
19 whether financial loss is material, such as a  
20 percentage of total assets or total gross income for  
21 the immediately preceding 12-month period. Absent  
22 compelling and extraordinary circumstances, no civil  
23 penalty shall be assessed, unless the financial loss or  
24 probable financial loss is equal to or greater than  
25 either 1% of the credit union's total assets for the  
26 immediately preceding 12-month period, or 1% of the

1 credit union's total gross income for the immediately  
2 preceding 12-month period, whichever is less;

3 (C) before a civil penalty is assessed under this  
4 item (6), the credit union must be expressly advised in  
5 writing of the:

6 (i) specific violation that could subject it  
7 to a penalty under this item (6); and

8 (ii) the specific remedial action to be taken  
9 within a specific and reasonable time frame to  
10 avoid imposition of the penalty;

11 (D) Civil penalties assessed under this item (6)  
12 shall be remedial, not punitive, and reasonably  
13 tailored to ensure future compliance by the credit  
14 union with the provisions of this Act and any rules  
15 adopted pursuant to this Act;

16 (E) a credit union's failure to take timely  
17 remedial action with respect to the specific violation  
18 may result in the issuance of an order assessing a  
19 civil penalty up to the following maximum amount, based  
20 upon the total assets of the credit union:

21 (i) Credit unions with assets of less than \$10  
22 million..... \$1,000

23 (ii) Credit unions with assets of at least \$10  
24 million and less than \$50 million ..... \$2,500

25 (iii) Credit unions with assets of at least \$50  
26 million and less than \$100 million ..... \$5,000

1 (iv) Credit unions with assets of at least \$100  
 2 million and less than \$500 million ..... \$10,000

3 (v) Credit unions with assets of at least \$500  
 4 million and less than \$1 billion ..... \$25,000

5 (vi) Credit unions with assets of \$1 billion  
 6 and greater..... \$50,000; and

7 (F) an order assessing a civil penalty under this  
 8 item (6) shall take effect upon service of the order,  
 9 unless the credit union makes a written request for a  
 10 hearing under 38 IL. Adm. Code 190.20 of the  
 11 Department's rules for credit unions within 90 days  
 12 after issuance of the order; in that event, the order  
 13 shall be stayed until a final administrative order is  
 14 entered.

15 This item (6) shall not apply to violations separately  
 16 addressed in rules as authorized under item (7) of this  
 17 Section.

18 (7) Except for the fees established in this Act, to  
 19 prescribe, by rule and regulation, fees and penalties for  
 20 preparing, approving, and filing reports and other  
 21 documents; furnishing transcripts; holding hearings;  
 22 investigating applications for permission to organize,  
 23 merge, or convert; failure to maintain accurate books and  
 24 records to enable the Department to conduct an examination;  
 25 and taking supervisory actions.

26 (8) To destroy, in his discretion, any or all books and

1 records of any credit union in his possession or under his  
2 control after the expiration of three years from the date  
3 of cancellation of the charter of such credit unions.

4 (9) To make investigations and to conduct research and  
5 studies and to publish some of the problems of persons in  
6 obtaining credit at reasonable rates of interest and of the  
7 methods and benefits of cooperative saving and lending for  
8 such persons.

9 (10) To authorize, foster or establish experimental,  
10 developmental, demonstration or pilot projects by public  
11 or private organizations including credit unions which:

12 (a) promote more effective operation of credit  
13 unions so as to provide members an opportunity to use  
14 and control their own money to improve their economic  
15 and social conditions; or

16 (b) are in the best interests of credit unions,  
17 their members and the people of the State of Illinois.

18 (11) To cooperate in studies, training or other  
19 administrative activities with, but not limited to, the  
20 NCUA, other state credit union regulatory agencies and  
21 industry trade associations in order to promote more  
22 effective and efficient supervision of Illinois chartered  
23 credit unions.

24 (12) Notwithstanding the provisions of this Section,  
25 the Secretary shall not:

26 (1) issue an order against a credit union organized

1 under this Act for unsafe or unsound banking practices  
2 solely because the entity provides or has provided  
3 financial services to a cannabis-related legitimate  
4 business;

5 (2) prohibit, penalize, or otherwise discourage a  
6 credit union from providing financial services to a  
7 cannabis-related legitimate business solely because  
8 the entity provides or has provided financial services  
9 to a cannabis related legitimate business;

10 (3) recommend, incentivize, or encourage a credit  
11 union not to offer financial services to an account  
12 holder or to downgrade or cancel the financial services  
13 offered to an account holder solely because:

14 (A) the account holder is a manufacturer or  
15 producer, or is the owner, operator, or employee of  
16 a cannabis-related legitimate business;

17 (B) the account holder later becomes an owner  
18 or operator of a cannabis-related legitimate  
19 business; or

20 (C) the credit union was not aware that the  
21 account holder is the owner or operator of a  
22 cannabis-related legitimate business; and

23 (4) take any adverse or corrective supervisory  
24 action on a loan made to an owner or operator of:

25 (A) a cannabis-related legitimate business  
26 solely because the owner or operator owns or



1           operates a cannabis-related legitimate business;  
2           or  
3           (B) real estate or equipment that is leased to  
4           a cannabis-related legitimate business solely  
5           because the owner or operator of the real estate or  
6           equipment leased the equipment or real estate to a  
7           cannabis-related legitimate business.

8           (Source: P.A. 97-133, eff. 1-1-12; 98-400, eff. 8-16-13.)

9           (205 ILCS 305/9.1)

10          Sec. 9.1. Disclosures of reports of examinations and  
11          confidential supervisory information; limitations.

12          (1) Any report of examination, visitation, or  
13          investigation prepared by the Secretary under this Act or by  
14          the state regulatory authority charged with enforcing the  
15          Electronic Fund Transfer Act or the Corporate Fiduciary Act or  
16          by the state regulatory authority of another state that  
17          examines an office of an Illinois credit union in that state,  
18          any document or record prepared or obtained in connection with  
19          or relating to any examination, visitation, or investigation,  
20          and any record prepared or obtained by the Secretary to the  
21          extent that the record summarizes or contains information  
22          derived from any report, document, or record described in this  
23          subsection shall be deemed "confidential supervisory  
24          information". Confidential supervisory information shall not  
25          include any information or record routinely prepared by a

1 credit union and maintained in the ordinary course of business  
2 or any information or record that is required to be made  
3 publicly available pursuant to State or federal law or rule.

4 (2) Confidential supervisory information is privileged  
5 from discovery and shall only be disclosed under the  
6 circumstances and for the purposes set forth in this Section.

7 (3) Relevant confidential supervisory information may be  
8 disclosed under a statute that by its terms or by rules  
9 promulgated thereunder requires the disclosure of confidential  
10 supervisory information other than by subpoena, summons,  
11 warrant, or court order; to the appropriate law enforcement  
12 authorities when the Secretary or the credit union reasonably  
13 believes the credit union, which the Secretary has caused to be  
14 examined, has been a victim of a crime; to other agencies or  
15 entities having a legitimate regulatory interest, including,  
16 but not limited to, a Federal Home Loan Bank; to the credit  
17 union's board, officers, retained professionals, and insurers;  
18 to persons seeking to merge with or purchase all or part of the  
19 assets of the credit union; and where disclosure is otherwise  
20 required for the benefit of the credit union. Disclosure of  
21 confidential supervisory information to these persons does not  
22 constitute a waiver of the legal privilege otherwise available  
23 with respect to the information.

24 (4) A person to whom confidential supervisory information  
25 is disclosed shall not further disseminate confidential  
26 supervisory information.

1       (4.5) Confidential supervisory information relating to a  
2 credit union providing financial services to cannabis-related  
3 businesses, limited to the name, contact information and such  
4 other information as the Secretary determines is prudent, may  
5 be sent to the Illinois State Treasurer.

6       (5) (a) Any person upon whom a demand for production of  
7 confidential supervisory information is made, whether by  
8 subpoena, order, or other judicial or administrative process,  
9 must withhold production of the confidential supervisory  
10 information and must notify the Secretary of the demand, at  
11 which time the Secretary is authorized to intervene for the  
12 purpose of enforcing the limitations of this Section or seeking  
13 the withdrawal or termination of the attempt to compel  
14 production of the confidential supervisory information.

15       (b) Any request for discovery or disclosure of confidential  
16 supervisory information, whether by subpoena, order, or other  
17 judicial or administrative process, shall be made to the  
18 Secretary, and the Secretary shall determine within 15 days  
19 whether to disclose the information pursuant to procedures and  
20 standards that the Secretary shall establish by rule. If the  
21 Secretary determines that such information will not be  
22 disclosed, the Secretary's decision shall be subject to  
23 judicial review under the provisions of the Administrative  
24 Review Law, and venue shall be in either Sangamon County or  
25 Cook County.

26       (c) Any court order that compels disclosure of confidential

1 supervisory information may be immediately appealed by the  
2 Secretary and the order shall be automatically stayed pending  
3 the outcome of the appeal.

4 (Source: P.A. 100-64, eff. 8-11-17.)

5 Section 99. Effective date. This Act takes effect upon  
6 becoming law.