

SB1932



95TH GENERAL ASSEMBLY

State of Illinois

2007 and 2008

SB1932

Introduced 1/16/2008, by Sen. Mattie Hunter

SYNOPSIS AS INTRODUCED:

15 ILCS 520/16.4 new
30 ILCS 235/6.1 new

Amends the Deposit of State Moneys Act and the Public Funds Investment Act. Requires applicant financial institutions to submit a linked deposit and public investment plan that demonstrates how it will leverage State deposits and investments to create banking, lending, and investment opportunities within low-income and moderate-income communities, particularly those near its branches, and to disclose any direct, affiliate, or subsidiary relationship with or investment in any sub-prime lending intermediary. Requires the Treasurer to give notice of applications and allow for public comment. Requires a hearing if complaints are documented. Prohibits approval of an application if complaints are substantiated. Requires linked deposit agreements and evaluations of financial institutions to be posted on the Treasurer's website.

LRB095 18671 RCE 44763 b

FISCAL NOTE ACT
MAY APPLY

A BILL FOR

1 AN ACT concerning public funds.

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

4 Section 5. The Deposit of State Moneys Act is amended by
5 adding Section 16.4 as follows:

6 (15 ILCS 520/16.4 new)

7 Sec. 16.4. Deposit and investment plans; public comment;
8 website information.

9 (a) Before the State Treasurer may consider an application
10 from a financial institution to become or continue to be a
11 depository of State money, the financial institution must (i)
12 submit a linked deposit and public investment plan that
13 demonstrates how it will leverage State deposits and
14 investments to create banking, lending, and investment
15 opportunities within low-income and moderate-income
16 communities, particularly those near its branches and (ii) must
17 disclose any direct, affiliate, or subsidiary relationship
18 with or investment in any sub-prime lending intermediary.

19 (b) Before the State Treasurer may approve an application
20 from a financial institution to become or continue to be a
21 depository of State money, the State Treasurer must give notice
22 on the Treasurer's website and in one or more newspapers of
23 general circulation in the applicable areas that the Treasurer

1 proposes to approve the application after a 30-day period
2 during which the Treasurer will receive public comments. If,
3 within the 30-day period, objections are raised based on
4 documented complaints of fair housing, predatory lending,
5 disinvestment, or limited access to financial services, then
6 the Treasurer must give adequate public notice of and hold a
7 hearing at a location convenient to the community. If, at the
8 public hearing, a significant complaint is substantiated, then
9 the Treasurer shall not approve the application.

10 (c) The State Treasurer must post on the Treasurer's
11 website all linked deposit agreements and evaluations of
12 financial institutions that are depositories of State money.

13 Section 10. The Public Funds Investment Act is amended by
14 adding Section 6.1 as follows:

15 (30 ILCS 235/6.1 new)

16 Sec. 6.1. Deposit and investment plans; public comment;
17 website information.

18 (a) Before the State Treasurer may consider an application
19 from a financial institution to become or continue to be an
20 agent for the investment of public funds, the financial
21 institution must (i) submit a linked deposit and public
22 investment plan that demonstrates how it will leverage State
23 deposits and investments to create banking, lending, and
24 investment opportunities within low-income and moderate-income

1 communities, particularly those near its branches and (ii) must
2 disclose any direct, affiliate, or subsidiary relationship
3 with or investment in any sub-prime lending intermediary.

4 (b) Before the State Treasurer may approve an application
5 from a financial institution to become or continue to be an
6 agent for the investment of public funds, the State Treasurer
7 must give notice on the Treasurer's website and in one or more
8 newspapers of general circulation in the applicable areas that
9 the Treasurer proposes to approve the application after a
10 30-day period during which the Treasurer will receive public
11 comments. If, within the 30-day period, objections are raised
12 based on documented complaints of fair housing, predatory
13 lending, disinvestment, or limited access to financial
14 services, then the Treasurer must give adequate public notice
15 of and hold a hearing at a location convenient to the
16 community. If, at the public hearing, a significant complaint
17 is substantiated, then the Treasurer shall not approve the
18 application.

19 (c) The State Treasurer must post on the Treasurer's
20 website all linked deposit agreements and evaluations of
21 financial institutions that are agents for the investment of
22 public funds.