

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 Division of Banking Act is amended by
5 changing Sections 2.5, 5, and 6 as follows:

6 (20 ILCS 3205/2.5)

7 Sec. 2.5. Prohibited activities.

8 (a) For the purposes of this Section, "regulated entity"
9 means any person, business, company, corporation, institution,
10 or other entity who is subject to regulation by the Office of
11 Banks and Real Estate under Sections 3 and 46 of the Illinois
12 Banking Act, Section 1-5 of the Illinois Savings and Loan Act
13 of 1985, Section 1004 of the Savings Bank Act, Section 1-3 of
14 the Residential Mortgage License Act of 1987, Section 2-4 of
15 the Corporate Fiduciary Act, Section 3.02 of the Illinois Bank
16 Holding Company Act of 1957, the Savings and Loan Share and
17 Account Act, Section 1.5 of the Pawnbroker Regulation Act,
18 Section 3 of the Foreign Banking Office Act, or Section 30 of
19 the Electronic Fund Transfer Act.

20 (b) The Commissioner and the deputy commissioners shall not
21 be an officer, director, employee, or agent of a regulated
22 entity or of a corporation or company that owns or controls a
23 regulated entity.

1 The Commissioner and the deputy commissioners shall not own
2 shares of stock or hold any other equity interest in a
3 regulated entity or in a corporation or company that owns or
4 controls a regulated entity. If the Commissioner or a deputy
5 commissioner owns shares of stock or holds an equity interest
6 in a regulated entity at the time of appointment, he or she
7 shall dispose of such shares or other equity interest within
8 120 days from the date of appointment.

9 The Commissioner and the deputy commissioners shall not
10 directly or indirectly obtain a loan from a regulated entity or
11 accept a gratuity from a regulated entity that is intended to
12 influence the performance of official duties.

13 (c) Employees of the Office of Banks and Real Estate shall
14 not be officers, directors, employees, or agents of a regulated
15 entity or of a corporation or company that owns or controls a
16 regulated entity.

17 Except as provided by standards which the Office of Banks
18 and Real Estate may establish, employees of the Office of Banks
19 and Real Estate shall not own shares of stock or hold any other
20 equity interest in a regulated entity or in a corporation or
21 company that owns or controls a regulated entity, or directly
22 or indirectly obtain a loan from a regulated entity, or accept
23 a gratuity from a regulated entity that is intended to
24 influence the performance of official duties. However, in no
25 case shall an employee of the Office of Banks and Real Estate
26 participate in any manner in the examination or direct

1 regulation of a regulated entity in which the employee owns
2 shares of stock or holds any other equity interest, or which is
3 servicing a loan to which the employee is an obligor.

4 (d) If the Commissioner, a deputy commissioner, or any
5 employee of the Office of Banks and Real Estate properly
6 obtains a loan or extension of credit from an entity that is
7 not a regulated entity, and the loan or extension of credit is
8 subsequently acquired by a regulated entity or the entity
9 converts to become a regulated entity after the loan is made,
10 such purchase by or conversion to a regulated entity shall not
11 cause the loan or extension of credit to be deemed a violation
12 of this Section.

13 Nothing in this Section shall be deemed to prevent the
14 ownership of a checking account, a savings deposit account, a
15 money market account, a certificate of deposit, a credit or
16 debit card account, or shares in open-end investment companies
17 registered with the Securities and Exchange Commission
18 pursuant to the federal Investment Company Act of 1940 and the
19 Securities Act of 1933 (commonly referred to as mutual or money
20 market funds).

21 (e) No Commissioner, deputy commissioner, employee, or
22 agent of the Office of Banks and Real Estate shall, either
23 during or after the holding of his or her term of office or
24 employment, disclose confidential information concerning any
25 regulated entity or person except as authorized by law or
26 prescribed by rule. "Confidential information", as used in this

1 Section, means any information that the person or officer
2 obtained during his or her term of office or employment that is
3 not available from the Office of Banks and Real Estate pursuant
4 to a request under the Freedom of Information Act.

5 (Source: P.A. 89-508, eff. 7-3-96.)

6 (20 ILCS 3205/5) (from Ch. 17, par. 455)

7 Sec. 5. Powers. In addition to all the other powers and
8 duties provided by law, the Commissioner shall have the
9 following powers:

10 (a) To exercise the rights, powers and duties formerly
11 vested by law in the Director of Financial Institutions under
12 the Illinois Banking Act.

13 (b) To exercise the rights, powers and duties formerly
14 vested by law in the Department of Financial Institutions under
15 "An act to provide for and regulate the administration of
16 trusts by trust companies", approved June 15, 1887, as amended.

17 (c) To exercise the rights, powers and duties formerly
18 vested by law in the Director of Financial Institutions under
19 "An act authorizing foreign corporations, including banks and
20 national banking associations domiciled in other states, to act
21 in a fiduciary capacity in this state upon certain conditions
22 herein set forth", approved July 13, 1953, as amended.

23 (c-5) To exercise all of the rights, powers, and duties
24 granted to the Director or Secretary under the Illinois Banking
25 Act, the Corporate Fiduciary Act, the Electronic Fund Transfer

1 Act, the Illinois Bank Holding Company Act of 1957, the Savings
2 Bank Act, the Illinois Savings and Loan Act of 1985, the
3 Savings and Loan Share and Account Act, the Residential
4 Mortgage License Act of 1987, and the Pawnbroker Regulation
5 Act.

6 (c-15) To enter into cooperative agreements with
7 appropriate federal and out-of-state state regulatory agencies
8 to conduct and otherwise perform any examination of a regulated
9 entity as authorized under the Illinois Banking Act, the
10 Corporate Fiduciary Act, the Electronic Fund Transfer Act, the
11 Illinois Bank Holding Company Act of 1957, the Savings Bank
12 Act, the Illinois Savings and Loan Act of 1985, the Residential
13 Mortgage License Act of 1987, and the Pawnbroker Regulation
14 Act.

15 (d) Whenever the Commissioner is authorized or required by
16 law to consider or to make findings regarding the character of
17 incorporators, directors, management personnel, or other
18 relevant individuals under the Illinois Banking Act, the
19 Corporate Fiduciary Act, the Pawnbroker Regulation Act, or at
20 other times as the Commissioner deems necessary for the purpose
21 of carrying out the Commissioner's statutory powers and
22 responsibilities, the Commissioner shall consider criminal
23 history record information, including nonconviction
24 information, pursuant to the Criminal Identification Act. The
25 Commissioner shall, in the form and manner required by the
26 Department of State Police and the Federal Bureau of

1 Investigation, cause to be conducted a criminal history record
2 investigation to obtain information currently contained in the
3 files of the Department of State Police or the Federal Bureau
4 of Investigation, provided that the Commissioner need not cause
5 additional criminal history record investigations to be
6 conducted on individuals for whom the Commissioner, a federal
7 bank regulatory agency, or any other government agency has
8 caused such investigations to have been conducted previously
9 unless such additional investigations are otherwise required
10 by law or unless the Commissioner deems such additional
11 investigations to be necessary for the purposes of carrying out
12 the Commissioner's statutory powers and responsibilities. The
13 Department of State Police shall provide, on the Commissioner's
14 request, information concerning criminal charges and their
15 disposition currently on file with respect to a relevant
16 individual. Information obtained as a result of an
17 investigation under this Section shall be used in determining
18 eligibility to be an incorporator, director, management
19 personnel, or other relevant individual in relation to a
20 financial institution or other entity supervised by the
21 Commissioner. Upon request and payment of fees in conformance
22 with the requirements of Section 2605-400 of the Department of
23 State Police Law (20 ILCS 2605/2605-400), the Department of
24 State Police is authorized to furnish, pursuant to positive
25 identification, such information contained in State files as is
26 necessary to fulfill the request.

1 (e) When issuing charters, permits, licenses, or other
2 authorizations, the Commissioner may impose such terms and
3 conditions on the issuance as he deems necessary or
4 appropriate. Failure to abide by those terms and conditions may
5 result in the revocation of the issuance, the imposition of
6 corrective orders, or the imposition of civil money penalties.

7 (f) If the Commissioner has reasonable cause to believe
8 that any entity that has not submitted an application for
9 authorization or licensure is conducting any activity that
10 would otherwise require authorization or licensure by the
11 Commissioner, the Commissioner shall have the power to subpoena
12 witnesses, to compel their attendance, to require the
13 production of any relevant books, papers, accounts, and
14 documents, and to conduct an examination of the entity in order
15 to determine whether the entity is subject to authorization or
16 licensure by the Commissioner or the Division. If the Secretary
17 determines that the entity is subject to authorization or
18 licensure by the Secretary, then the Secretary shall have the
19 power to issue orders against or take any other action,
20 including initiating a receivership against the unauthorized
21 or unlicensed entity.

22 (g) The Commissioner may, through the Attorney General,
23 request the circuit court of any county to issue an injunction
24 to restrain any person from violating the provisions of any Act
25 administered by the Commissioner.

26 (h) Whenever the Commissioner is authorized to take any

1 action or required by law to consider or make findings, the
2 Commissioner may delegate or appoint, in writing, an officer or
3 employee of the Division to take that action or make that
4 finding.

5 (i) Whenever the Secretary determines that it is in the
6 public's interest, he or she may publish any cease and desist
7 order or other enforcement action issued by the Division.

8 (Source: P.A. 96-1365, eff. 7-28-10.)

9 (20 ILCS 3205/6) (from Ch. 17, par. 456)

10 Sec. 6. Duties. The Commissioner shall direct and supervise
11 all the administrative and technical activities of the Office
12 and shall:

13 (a) Apply and carry out this Act and the law and all rules
14 adopted in pursuance thereof.

15 (b) Appoint, subject to the provisions of the Personnel
16 Code, such employees, experts, and special assistants as may be
17 necessary to carry out effectively the provisions of this Act
18 and, if the rate of compensation is not otherwise fixed by law,
19 fix their compensation; but neither the Commissioner nor any
20 deputy commissioner shall be subject to the Personnel Code.

21 (c) Serve as Chairman of the State Banking Board of
22 Illinois.

23 (d) Serve as Chairman of the Board of Trustees of the
24 Illinois Bank Examiners' Education Foundation.

25 (e) Issue guidelines in the form of rules or regulations

1 which will prohibit discrimination by any State chartered bank
2 against any individual, corporation, partnership, association
3 or other entity because it appears in a so-called blacklist
4 issued by any domestic or foreign corporate or governmental
5 entity.

6 (f) Make an annual report to the Governor regarding the
7 work of the Office as the Commissioner may consider desirable
8 or as the Governor may request.

9 (g) Perform such other acts as may be requested by the
10 State Banking Board of Illinois pursuant to its lawful powers
11 and perform any other lawful act that the Commissioner
12 considers to be necessary or desirable to carry out the
13 purposes and provisions of this Act.

14 (h) Adopt, in accordance with the Illinois Administrative
15 Procedure Act, reasonable rules that the Commissioner deems
16 necessary for the proper administration and enforcement of any
17 Act the administration of which is vested in the Commissioner
18 or the Office of Banks and Real Estate.

19 (i) Work in cooperation with the Director of Aging to
20 encourage all financial institutions regulated by the Office to
21 participate fully in the Department on Aging's financial
22 exploitation of the elderly intervention program.

23 (j) Deposit all funds received, including civil penalties,
24 pursuant to the Illinois Banking Act, the Corporate Fiduciary
25 Act, the Illinois Bank Holding Company Act of 1957, and the
26 Check Printer and Check Number Act in the Bank and Trust

1 Company Fund.

2 (Source: P.A. 92-483, eff. 8-23-01; 93-786, eff. 7-21-04.)

3 Section 10. The State Finance Act is amended by adding
4 Section 5.786 as follows:

5 (30 ILCS 105/5.786 new)

6 Sec. 5.786. The Savings Institutions Regulatory Fund.

7 Section 15. The Illinois Savings and Loan Act of 1985 is
8 amended by changing Sections 1-10.01, 1A-8, 2-5, 3-2, 3-6, 3-7,
9 5-7, 6-2, 6-2.1, 6-4, 6-5, 6-7, 6-8, 6-9, 6-10, 6-11, 6-12,
10 6-13, 6-15, 7-5, 7-7, 7-15, 7-19.1, 7-20, 7-21, 7-23, 7-24,
11 7-25, 7-26, 7-27, and 8-4 and by adding Sections 1-10.40, 6-16,
12 and 7-19.2 as follows:

13 (205 ILCS 105/1-10.01) (from Ch. 17, par. 3301-10.01)

14 Sec. 1-10.01. "Board": the Board of Savings Institutions,
15 as described in Sections 7-20 through 7-22 ~~7-26~~ of this Act.

16 (Source: P.A. 89-508, eff. 7-3-96.)

17 (205 ILCS 105/1-10.40 new)

18 Sec. 1-10.40. Depository institution. "Depository
19 institution", as used in this Act, means an insured depository
20 institution as defined by Section 3(c)(2) of the Federal
21 Deposit Insurance Act (12 U.S.C. 1813), as amended, or an

1 insured credit union as defined by Section 101(7) of the
2 Federal Credit Union Act (12 U.S.C. 1752(7)), as amended.

3 (205 ILCS 105/1A-8) (from Ch. 17, par. 3301A-8)

4 Sec. 1A-8. (a) An association, including a mutual
5 association operating under this Act, may reorganize so as to
6 become a holding company by:

7 (1) chartering one or more subsidiary associations, the
8 ownership of which shall be evidenced by stock shares, to be
9 owned by the chartering parent association; and

10 (2) by transferring the substantial portion of its assets
11 and all of its insured deposits and part or all of its other
12 liabilities to one or more subsidiary associations.

13 (b) In order to effect reorganization under subsection (a),
14 the Board of Directors of the original association must approve
15 a plan providing for such reorganization which shall be
16 submitted for approval by a majority of the voting members of
17 the association. Approval must occur at a meeting called by the
18 Board of Directors and in accordance with the association's
19 Articles of Incorporation and By-laws. The Secretary may
20 ~~Commissioner shall~~ promulgate rules to regulate the formation
21 of and the ongoing business of the subsidiaries and the holding
22 company, including the rights of members, levels of investment
23 in holding company subsidiaries and stock sales.

24 (Source: P.A. 85-1143.)

1 (205 ILCS 105/2-5) (from Ch. 17, par. 3302-5)

2 Sec. 2-5. Subscriptions to capital and temporary
3 organization.

4 Upon receipt of the permit to organize an association, the
5 applicants shall constitute the organization committee and
6 shall perfect a temporary organization by electing a chairman,
7 vice-chairman and a secretary of the association, who shall act
8 as the temporary officers of such association until their
9 successors are duly elected and qualified. Such temporary
10 officers thereupon shall proceed to:

11 (a) Secure subscriptions for the required amount of capital
12 in form and manner approved by the Secretary ~~Commissioner~~; and

13 (b) Call a meeting of subscribers, who shall adopt articles
14 of incorporation and elect at least 5 directors to serve until
15 the first annual meeting of the association and until their
16 successors are elected and qualified.

17 (Source: P.A. 84-543.)

18 (205 ILCS 105/3-2) (from Ch. 17, par. 3303-2)

19 Sec. 3-2. Members' meetings.

20 (a) Each annual meeting of the members shall be held at the
21 time specified in the by-laws; but the failure to hold an
22 annual meeting at the time so specified shall not work a
23 forfeiture or dissolution of the association. The board of
24 directors, or the holders of not less than 20% of the
25 outstanding permanent reserve shares or of the withdrawal value

1 of all withdrawable capital of the association, or such other
2 person or persons as may be designated by the by-laws, may call
3 a special meeting of the members. Every annual or special
4 meeting shall be held at the business office of the
5 association, or, if the space therein available for such
6 meeting is inadequate, in such other place within the same
7 county as shall be specifically designated in the notice of
8 such meeting.

9 (b) Notice of an annual meeting shall be published once not
10 less than 10 days nor more than 40 days before the date of the
11 meeting and shall be posted in areas of public access at the
12 place of business of the association in a manner that may ~~to~~ be
13 prescribed by the Secretary ~~Commissioner~~. Such notice shall be
14 prominently and continuously displayed up to and including the
15 day of the meeting beginning not less than 60 days immediately
16 preceding the date of such meeting.

17 (c) However, for any special meeting, for any annual
18 meeting which is to consider any proposition the affirmative
19 action on which requires two-thirds vote as set forth in this
20 Act, or for any proposition to amend the articles of
21 incorporation of the association, the notice shall be by mail,
22 post marked not less than 10 days or more than 40 days before
23 the date of the meeting, and by posting at the association's
24 place of business in a like manner as for an annual meeting,
25 with such posting to commence on the date notice is given.
26 Published or mailed notice shall state the place, day, hour and

1 purpose of the meeting.

2 (d) A quorum at any meeting of the members shall consist of
3 the members present in person or represented by proxy, who are
4 entitled to cast a majority of the total number of votes which
5 all members of the association are entitled to cast at such
6 meeting; except that the articles of incorporation may specify
7 some other quorum requirement, but not less than one-third of
8 such total number of votes. Any meeting, including one at which
9 a quorum is not present, may be adjourned by majority vote to a
10 specified date without further notice.

11 (e) Voting at a meeting may be either in person or by proxy
12 executed in writing by the member or shareholder or by his duly
13 authorized attorney-in-fact. No proxy shall be valid:

14 (1) Unless executed in an instrument separate from
15 other forms, documents or papers which pertain to any
16 matter of the association or a member's interest therein.
17 The form of such instrument ~~may shall~~ be prescribed by the
18 ~~Secretary Commissioner, who shall give due regard to size,~~
19 ~~color, appearance and distinctiveness;~~

20 (2) For any meeting at which the member who gave it is
21 present, provided that notice that the member will himself
22 exercise his voting rights is given in writing prior to the
23 taking of any vote to an official whom the association
24 shall at each meeting identify as having responsibility for
25 such matter and provided further that the validity and
26 duration of such proxy will be otherwise unimpaired;

1 (3) Unless the member giving the proxy is told by the
2 person to whom it is given, or his agent or representative,
3 that the proxy is optional and the voting rights it
4 represents can be exercised by the member himself; that if
5 it is given it can be cancelled at any time by giving
6 notice in writing at the association's office at least 5
7 days prior to any meeting, and that meeting alone, at which
8 the member is present and has given written notification of
9 his intent to exercise his voting rights; the provisions of
10 this paragraph shall only be applicable to associations not
11 maintaining insurance of the association's withdrawable
12 capital;

13 (4) Unless the member giving the proxy is told by the
14 person to whom it is given, or his agent or representative,
15 the name of the individual who will exercise the proxy;
16 that the effect of the proxy will be to entitle the person
17 to whom it is given to use the vote or votes the proxy
18 represents as if it or they were that person's own vote or
19 votes; and that, if the proxy is given to someone
20 representing the management of the association, the effect
21 of the proxy will be to support the policies and procedures
22 of the association's management; the provisions of this
23 paragraph shall only be applicable to associations not
24 maintaining insurance of the association's withdrawable
25 capital; or

26 (5) After 11 months from the date of its execution,

1 unless otherwise provided in the proxy and unless the
2 member giving the proxy is notified in writing when it will
3 terminate.

4 (f) In the determination of all questions requiring
5 ascertainment of the members entitled to vote and of the number
6 of outstanding shares, the following rules shall apply:

7 (1) The date of determination shall be as provided in
8 the Section of this Act concerning Record Date for Voting,
9 Dividend and Other Purposes;

10 (2) Each person holding one or more withdrawable share
11 accounts shall have the vote of one share for each \$100 of
12 the aggregate withdrawal value of such accounts and shall
13 have the vote of one share for any fraction of \$100;

14 (3) Each holder of permanent reserve shares shall have
15 one vote for each permanent reserve share which he holds;

16 (4) Each borrowing member as such shall have the vote
17 of one share in addition to any vote which he may have
18 otherwise;

19 (5) Shares owned by the association shall not be
20 counted or voted; and

21 (6) Notwithstanding anything contained in this Act to
22 the contrary, an association authorized to issue permanent
23 reserve shares may provide in the association's articles of
24 incorporation that voting rights shall be vested
25 exclusively in permanent reserve shareholders.

26 (Source: P.A. 89-355, eff. 8-17-95.)

1 (205 ILCS 105/3-6) (from Ch. 17, par. 3303-6)

2 Sec. 3-6. Officers; Suspension and removal of officers,
3 directors and employees.

4 (a) The officers of an association shall consist of a
5 president, one or more vice presidents, a secretary, a
6 treasurer and such other officers as the by-laws shall provide,
7 to be elected by the directors; if the by-laws so provide, any
8 2 or more offices may be held by the same person, except that
9 one person shall not hold the offices of president and
10 secretary. The duties and powers of the secretary of the
11 association may be set forth in the by-laws of the association
12 and may be exercised by any other officer designated by the
13 board of directors.

14 (b) The existence of an association shall not terminate by
15 reason of the failure to elect officers at the time mentioned
16 in the by-laws, and each officer shall hold his office until
17 his successor is elected and qualified.

18 (c) Whenever any officer, director or employee of an
19 association or of a holding company operating under this Act is
20 charged in any indictment with the commission of or
21 participation in a crime involving the affairs of any
22 association incorporated under this Act or of a holding company
23 operating under this Act, a federal association or any other
24 financial institution, the Secretary ~~Commissioner~~ may, by
25 written notice served upon such officer, director or employee,

1 suspend him from office. Such suspension shall remain in effect
2 (unless such officer, director or employee sooner resigns or is
3 not reappointed or reelected at the expiration of his term of
4 office) until such officer, director or employee is convicted
5 or is adjudged not guilty of such offense or the indictment is
6 dismissed or otherwise disposed of. If such officer, director,
7 or employee is convicted of such offense, he shall thereupon
8 cease to be an officer, director, or employee of such
9 association; but if he is found not guilty, his suspension
10 shall automatically be terminated. The Secretary ~~Commissioner~~
11 may request the Attorney General to file an action on his
12 behalf to enforce any order made under this subsection.

13 (d) The board of directors shall designate and determine
14 the management structure of the association and elect or
15 appoint all officers. Each of the officers elected or appointed
16 by the board of directors shall serve at the pleasure of the
17 board of directors or pursuant to a written employment contract
18 between the officer and the association.

19 (e) Whenever the Secretary ~~Commissioner~~ determines that
20 any officer, director or employee of an association or a
21 holding company operating under this Act has committed a
22 violation of any law, rule, regulation or order of the
23 Secretary ~~Commissioner~~, and that such violation or continued
24 violation may result in a substantial financial loss or other
25 substantial damage to the association or holding company or
26 that the interests of its members may be seriously prejudiced

1 by such violation or continued violation, the Secretary
2 ~~Commissioner~~ shall notify such officer, director or employee of
3 his intention to issue an order and may thereafter issue an
4 order suspending such person from office or prohibiting his
5 participation in the conduct of the affairs of the association
6 or holding company, or both. The notice to such person shall
7 contain a statement of facts constituting the grounds for such
8 order; shall fix a time when such order will be issued; and
9 shall state the effective date of such order, which shall be
10 not less than 10 days after the date of the order. A copy of
11 such notice and order shall be sent to the association or
12 holding company. Such order shall be and remain in effect from
13 the effective date specified in the notice provided for under
14 this Section until such time as the order is removed by the
15 Secretary ~~Commissioner~~ or until the order is removed, modified
16 or stayed pursuant to the Administrative Review Law.

17 (f) Officers and directors of any entity operating under
18 this Act shall also disclose to the Secretary ~~Commissioner~~ any
19 and all criminal proceedings in which they have been a party or
20 participated which resulted in a grant of immunity from
21 prosecution, a conviction, a plea of nolo contendere or its
22 equivalent, or which are currently pending.

23 (Source: P.A. 86-137.)

24 (205 ILCS 105/3-7) (from Ch. 17, par. 3303-7)

25 Sec. 3-7. Bonds of officers and employees.

1 (a) Every person appointed or elected to any position
2 requiring the receipt, payment, management or use of money
3 belonging to an association, or whose duties permit him to have
4 access to or custody of any of its money or securities or whose
5 duties permit him regularly to make entries in the books or
6 other records of the association, before assuming his duties
7 shall become bonded in some trust or company authorized to
8 issue bonds in this state, or in a fidelity insurance company
9 licensed to do business in this State. Each such bond shall be
10 on a form or forms as the Secretary may ~~Commissioner shall~~
11 require and in such amount as the board of directors shall fix
12 and approve. Each such bond, payable to the association, shall
13 be an indemnity for any loss the association may sustain in
14 money or other property through any dishonest or criminal act
15 or omission by any person required to be bonded, committed
16 either alone or in concert with others. Such bond shall be in
17 the form and amount prescribed by the Secretary ~~Commissioner~~,
18 who may at any time require one or more additional bonds. Each
19 bond shall provide that a cancellation thereof either by the
20 surety or by the insured shall not become effective unless and
21 until 30 days notice in writing first shall have been given to
22 the Secretary ~~Commissioner~~, unless he shall have approved such
23 cancellation earlier.

24 (b) Nothing contained herein shall preclude the Secretary
25 ~~Commissioner~~ from proceeding against an association as
26 provided in this Act should he believe that it is being

1 conducted in an unsafe manner in that the form or amount of
2 bonds so fixed and approved by the board of directors is
3 inadequate to give reasonable protection to the association.

4 (Source: P.A. 96-1365, eff. 7-28-10.)

5 (205 ILCS 105/5-7) (from Ch. 17, par. 3305-7)

6 Sec. 5-7. Sale, assignment and servicing of loans and
7 contracts.

8 (a) Any association may sell any loan or a participating
9 interest in a loan at any time, in the usual and regular course
10 of business. All loans sold shall be sold without recourse
11 except as may otherwise be provided by regulations of the
12 Secretary ~~Commissioner~~. The Secretary ~~Commissioner~~ may, by
13 regulation, adopt limitations upon the sale of loans. The
14 provisions of this paragraph (a) do not apply to the sale of
15 loans to agencies of the United States or the State of Illinois
16 or such other government sponsored agencies as may be approved
17 by the Secretary ~~Commissioner~~.

18 (b) An association may contract to service a loan or a
19 participating interest in a loan, but such a contract shall
20 conform to any ~~the~~ pertinent regulations prescribed by the
21 Secretary ~~Commissioner~~ and shall require sufficient
22 compensation to reimburse the association for all expenses
23 incurred under such contract.

24 (c) An association may sell and assign without recourse any
25 master's certificate of sale, defaulted loan or defaulted real

1 estate contract to any person eligible to purchase the same,
2 for an amount not less than the fair cash market value thereof.
3 (Source: P.A. 84-543.)

4 (205 ILCS 105/6-2) (from Ch. 17, par. 3306-2)

5 Sec. 6-2. Procedure to amend articles of incorporation. The
6 procedure to effect an amendment of articles of incorporation
7 shall be as follows:

8 (a) The board of directors shall adopt a resolution setting
9 forth the proposed amendment and directing that it be submitted
10 to a vote at a meeting of the members, which may be an annual or
11 a special meeting;

12 (b) The proposed amendment, or a summary of the changes to
13 be effective thereby, shall be set forth in the notice of
14 meeting mailed as prescribed in the Section of this Act
15 concerning Members' Meetings;

16 (c) The proposed amendment will be adopted upon receiving,
17 in the affirmative, 50% or more of the total number of votes
18 which all members of the association are entitled to cast
19 unless the articles of incorporation set forth, pursuant to
20 Section 2-8 of this Act, a requirement that amendments to the
21 articles of incorporation shall be adopted upon receiving, in
22 the affirmative, two-thirds or more of the total number of
23 votes that all members of the association are entitled to cast;
24 provided that an amendment effecting a retirement of all
25 permanent reserve capital must receive the vote specified in

1 the Section of this Act concerning Retirement or Reduction of
2 Permanent Reserve Capital. A report of proceedings, verified by
3 the president or a vice-president and attested by the secretary
4 of the association and setting forth the notice given and time
5 of mailing thereof, the amendment adopted, the vote thereon and
6 the total number of votes which all members of the association
7 were entitled to cast thereon, shall be filed promptly with the
8 Commissioner;

9 (d) Each adopted amendment shall be subject to the same
10 inquiry by the Commissioner as the corresponding provision in
11 original articles of incorporation, including (but not limited
12 to) the availability of a proposed new name of the association.
13 If the Commissioner approves an amendment, he shall issue to
14 the association a certificate setting forth the amendment and
15 his approval thereof. The amendment shall become effective when
16 such certificate is recorded in the same manner as the
17 association's articles of incorporation; and

18 (e) No amendment of articles of incorporation shall affect
19 any existing cause of action either in favor of or against the
20 association or any pending action in which the association
21 shall be a party or the existing rights of persons other than
22 members of the association; and if the amendment has changed
23 the name of the association, no action brought by or against
24 the association under its former name shall be abated for that
25 reason.

26 (Source: P.A. 89-355, eff. 8-17-95.)

1 (205 ILCS 105/6-2.1) (from Ch. 17, par. 3306-2.1)

2 Sec. 6-2.1. Procedure to amend articles of incorporation
3 for name change.

4 (a) Notwithstanding the requirements of Section 6-2 of this
5 Act, an association, after commencing business, may amend its
6 articles of incorporation ~~Notwithstanding any provision of~~
7 ~~this Act to the contrary, the Commissioner may waive the~~
8 ~~requirements of Section 6-2 if the proposed amendment is solely~~
9 for purposes of changing the name of the association, ~~and~~ upon
10 satisfactory completion of the following requirements:

11 (1) Submission by the board of directors of a certified
12 resolution approving the proposed name change and
13 approving a plan for notifying all parties who may be
14 affected by the change, including, but not limited to,
15 members, account holders, borrowers, creditors, and
16 parties to whom or with whom commitments of any type are
17 pending ~~name change by unanimous vote of all members of the~~
18 ~~board.~~

19 (2) The new name, as determined by the Secretary, meets
20 the requirements for names under this Act or rules adopted
21 by the Secretary. ~~Submission by the board of an attorney's~~
22 ~~opinion that the proposed name is not the same as the name~~
23 ~~of any other financial institution in Illinois.~~

24 Upon satisfactory completion of these requirements, the
25 Secretary shall issue an approved amendment to the articles

1 of incorporation as provided for in subsection (d) of
2 Section 6-2 of this Act.

3 ~~(3) Submission of a detailed statement to the~~
4 ~~Commissioner by the board of directors stating the grounds~~
5 ~~for their belief that a vote of members would be~~
6 ~~detrimental to the association's safety and soundness.~~

7 ~~(4) Submission of a plan for notifying all parties who~~
8 ~~would be affected by the change, including a list of~~
9 ~~creditors, and parties to whom or with whom, commitments of~~
10 ~~any type may be pending.~~

11 ~~(5) Satisfactory evidence that the name change is not~~
12 ~~for fraudulent, illegal or misleading purposes.~~

13 ~~Upon receipt of the above items the Commissioner shall~~
14 ~~issue an approved amendment to the articles of~~
15 ~~incorporation as provided for in subsection (d) of Section~~
16 ~~6-2 of this Act.~~

17 (b) No amendment of the articles of incorporation to change
18 the name of an association shall affect any existing cause of
19 action either in favor of or against the association, or any
20 pending action in which the association shall be a party, nor
21 shall it affect the existing rights of persons other than
22 members of the association. No action brought by or against the
23 association under its former name shall be abated by reason of
24 the change.

25 (Source: P.A. 86-137.)

1 (205 ILCS 105/6-4) (from Ch. 17, par. 3306-4)

2 Sec. 6-4. Merger; Adoption of plan. Any depository
3 institution may merge into an association operating under this
4 Act; any association operating under this Act may merge into a
5 depository institution. ~~Any 2 or more associations operating~~
6 ~~under this Act or under Federal charter and located in this~~
7 ~~State, or duly authorized to do business in this State, may~~
8 ~~merge into one association operating under this Act. Any~~
9 ~~association operating under this Act that does not meet its net~~
10 ~~worth requirements, as defined by regulations of the~~
11 ~~Commissioner, and any federal association may merge into one~~
12 ~~association operating under this Act or under federal charter~~
13 ~~and located in this State. Any association operating under this~~
14 ~~Act and an eligible insured bank may merge into an association~~
15 ~~operating under this Act, provided that an association~~
16 ~~operating under this Act must result from the merger. Any~~
17 ~~association operating under this Act may merge into a State or~~
18 ~~national bank with a bank resulting from the merger. The board~~
19 of directors of the merging association or depository
20 institution, State or national bank, or eligible insured bank,
21 by resolution adopted by a majority vote of all members of the
22 board, must approve the plan of merger, which shall set forth:

23 (a) The name of each of the merging associations or
24 depository institutions, State or national bank, or eligible
25 ~~insured bank~~ and the name of the continuing association or
26 depository institution ~~bank~~ and the location of its business

1 office;

2 (b) The amount of capital, reserves, and undivided profits
3 of the continuing association or depository institution ~~bank~~
4 and the kinds of shares and other types of capital to be issued
5 thereby;

6 (c) The articles of incorporation of the continuing
7 association or charter of the continuing depository
8 institution ~~bank~~;

9 (d) A detailed pro forma financial Statement of the assets
10 and liabilities of the continuing association or depository
11 institution ~~bank~~;

12 (e) The manner and basis of converting the capital of each
13 merging association or depository institution, ~~State or~~
14 ~~national bank or eligible insured bank~~ into capital of the
15 continuing association or depository institution ~~bank~~;

16 (f) The other terms and conditions of the merger and the
17 method of effectuating it; and

18 (g) Other provisions with respect to the merger that appear
19 necessary or desirable or that the Secretary ~~Commissioner~~ may
20 reasonably require to enable him to discharge his duties with
21 respect to the merger.

22 (h) The Secretary ~~Commissioner~~ may promulgate rules to
23 implement this Section.

24 (Source: P.A. 86-952; 87-1226.)

25 (205 ILCS 105/6-5) (from Ch. 17, par. 3306-5)

1 Sec. 6-5. Merger; approval by Secretary ~~Commissioner~~.

2 (a) The plan of merger adopted as authorized by Section
3 6-4, except when the merger results in a State or national
4 bank, shall be submitted to the Secretary ~~Commissioner~~ for
5 approval, together with a certified copy of the authorizing
6 resolution of each board of directors, showing approval by a
7 majority of the entire board of each merging association or
8 eligible insured bank operating under this Act or merging
9 federal association.

10 (b) The Secretary ~~Commissioner~~ may make or cause to be made
11 an examination of the affairs of ~~each of~~ the merging
12 associations or depository institutions under the Secretary's
13 authority ~~eligible insured bank~~.

14 (c) The Secretary ~~Commissioner~~ may approve the plan of
15 merger, or if the Secretary ~~Commissioner~~ disapproves the plan
16 of merger, he shall state ~~State~~ his objections in writing and
17 give the merging associations or depository institution
18 ~~eligible insured bank~~ an opportunity to amend the plan of
19 merger to address ~~obviate~~ the objections. The Secretary
20 ~~Commissioner~~ may require that the plan of merger be submitted
21 to the members of the merging association for approval. Each
22 meeting of the members of an association operating under this
23 Act shall be called and held in accordance with Section 3-2 of
24 this Act. The plan is approved by the members of an association
25 if it receives the affirmative vote of two-thirds or more of
26 the total votes that the members of the association are

1 entitled to cast.

2 (Source: P.A. 86-952; 87-1226.)

3 (205 ILCS 105/6-7) (from Ch. 17, par. 3306-7)

4 Sec. 6-7. Merger - Secretary's ~~Commissioner's~~ certificate;
5 effective date.

6 (a) If the plan of merger is approved, the Secretary
7 ~~Commissioner~~ thereupon shall issue to the continuing
8 association a certificate of merger, setting forth the name of
9 each merging association or depository institution ~~eligible~~
10 ~~insured bank~~ and the name of the continuing association, and
11 the articles of incorporation of the continuing association;
12 and attaching thereto, as a part thereof, a copy of the
13 resolution of the directors of each merging association or
14 depository institution ~~eligible insured bank~~ and a copy of the
15 report of proceedings of the members' meeting, if required
16 under paragraph (c) of Section 6-5 of this Act.

17 (b) The merger takes effect upon the recording of the
18 certificate of merger in the same manner as articles of
19 incorporation, in each county in which the business office of
20 any of the merging associations or depository institution
21 ~~eligible insured bank~~ was located, and in the county in which
22 the business office of the continuing association is located.

23 (c) When duly recorded, the certificate of merger is
24 conclusive evidence, except against the State, of the merger
25 and of the correctness and validity of all proceedings in

1 connection with the merger.

2 (Source: P.A. 86-952.)

3 (205 ILCS 105/6-8) (from Ch. 17, par. 3306-8)

4 Sec. 6-8. Merger; Secretary's ~~Commissioner's~~ expenses. The
5 expenses of any examination made by or at the direction of the
6 Secretary ~~Commissioner~~ in connection with a proposed merger
7 shall be paid by the continuing associations or depository
8 institutions under the Secretary's authority ~~resulting bank~~.

9 (Source: P.A. 86-952; 87-1226.)

10 (205 ILCS 105/6-9) (from Ch. 17, par. 3306-9)

11 Sec. 6-9. Effect of merger.

12 (a) The continuing association or depository institution
13 ~~resulting bank~~ shall be considered the same business and
14 corporate entity as each merging association, with all of the
15 property, rights, powers, duties and obligations of each
16 merging association, except as otherwise provided by the
17 articles of incorporation of the continuing association or
18 depository institution ~~resulting bank~~.

19 (b) All liabilities of each of the merging associations or
20 depository institutions ~~associations, resulting bank, or~~
21 ~~eligible insured bank~~ shall be liabilities of the continuing
22 association or resulting bank; and all of the rights,
23 franchises, and interests of each of the merging associations
24 or eligible insured bank in and to every kind of property,

1 real, personal or mixed, shall vest automatically in the
2 continuing association or depository institution ~~resulting~~
3 ~~bank~~, without any deed or other transfer.

4 (c) Any reference to a merging association or depository
5 institution, ~~resulting bank, or eligible insured bank~~ in any
6 writing, whether executed or effective before or after the
7 merger, shall be deemed a reference to the continuing
8 association or depository institution ~~resulting bank~~, if not
9 inconsistent with the other provisions of such writing.

10 (d) No pending action or other judicial proceeding to which
11 any merging association or depository institution, ~~resulting~~
12 ~~bank, or eligible insured bank~~ is a party shall be abated or
13 dismissed by reason of the merger, but shall be prosecuted to
14 final judgment in the same manner as if the merger had not
15 occurred.

16 (e) (Blank). ~~With respect to a merger with an eligible~~
17 ~~insured bank, an association operating under this Act must~~
18 ~~result from the merger, and provided further that the~~
19 ~~association must conform all assets acquired or liabilities~~
20 ~~incurred as the result of the merger to the legal requirements~~
21 ~~for assets acquired, held, or invested or liabilities assumed~~
22 ~~or incurred by an association operating under this Act and that~~
23 ~~the continuing association shall conform all of its activities~~
24 ~~to those activities in which an association operating under~~
25 ~~this Act is authorized to engage.~~

26 (Source: P.A. 86-952; 87-1226.)

1 (205 ILCS 105/6-10) (from Ch. 17, par. 3306-10)

2 Sec. 6-10. Sale of assets.

3 (a) An association, in one transaction not in the usual and
4 regular course of its business, may sell all or substantially
5 all of its assets, with or without its name and goodwill, to
6 another association or depository institution ~~to a Federal~~
7 ~~association~~, in consideration of money, capital or obligations
8 of the purchasing association or depository institution. An
9 association may sell any office or facility and equipment in
10 conformity with regulations of the Secretary ~~Commissioner~~.

11 (b) Emergency sale of assets. With the approval in writing
12 of the Secretary ~~Commissioner~~, which approval shall state that
13 the proposed sale is, in his opinion, necessary for the
14 protection of the depositors and other creditors, any
15 association that is an eligible depository institution as
16 defined in Section 2 of the Illinois Banking Act may by a vote
17 of a majority of its board of directors, and without a vote of
18 its members or permanent reserve shareholders, sell all or any
19 part of its assets to another association or depository
20 institution ~~State or Federally chartered association or to a~~
21 ~~bank as defined in Section 2 of the Illinois Banking Act or to~~
22 ~~the Federal Deposit Insurance Corporation, or to both a State~~
23 ~~or Federally chartered association or bank and the Federal~~
24 ~~Deposit Insurance Corporation~~, provided that the purchasing a
25 ~~State or Federally chartered~~ association or depository

1 ~~institution bank~~ assumes in writing all of the liabilities of
2 the selling association ~~and that any such sale to a bank shall~~
3 ~~be by an eligible depository institution as defined in Section~~
4 ~~2 of the Illinois Banking Act.~~

5 (c) Notwithstanding any other provision of this Act, an
6 association may sell to an association or depository
7 institution ~~any bank, as defined in Section 2 of the Illinois~~
8 ~~Banking Act,~~ an insubstantial portion of its total deposits.
9 ~~For the purpose of this subsection, an insubstantial portion of~~
10 ~~its total deposits shall have the same meaning as provided in~~
11 ~~Section 5(d)(2)(D) of the Federal Deposit Insurance Act.~~ Such
12 sale of an insubstantial portion of an association's deposits
13 may be by vote of a majority of the board of directors, and
14 with approval of the Secretary Commissioner without a vote of
15 its members or permanent reserve shareholders.

16 (Source: P.A. 86-952.)

17 (205 ILCS 105/6-11) (from Ch. 17, par. 3306-11)

18 Sec. 6-11. Procedure to effect sale of all assets. The
19 procedure to effect a sale authorized by subsection (a) of
20 Section 6-10 shall be as follows:

21 (a) The board of directors shall adopt a resolution setting
22 forth the terms of the proposed sale and shall submit the plan
23 to the Secretary Commissioner for his preliminary approval.
24 Upon receipt of approval by the Secretary Commissioner, the
25 plan shall be submitted to a vote at a meeting of the members,

1 which may be an annual or special meeting;

2 (b) The terms shall be set forth in the notice of meeting
3 mailed as prescribed in Section 3-2 of this Act;

4 (c) The proposed sale will be approved by the members upon
5 receiving in the affirmative 2/3 or more of the total number of
6 votes which all members of the association are entitled to
7 cast. A proposal for the voluntary liquidation of the
8 association shall be submitted to the members at the same
9 meeting or at any adjournment thereof, or at any later meeting
10 called for such purpose, in accordance with Article 9 of this
11 Act. A report of proceedings, certified by the president or a
12 vice-president and attested by the secretary of the
13 association, and setting forth the terms of the proposed sale,
14 the notice given and time of mailing thereof, the vote on the
15 proposal, and the total number of votes which all members of
16 the association were entitled to cast thereon, shall be filed
17 with the Secretary ~~Commissioner~~;

18 (d) If the Secretary ~~Commissioner~~ finds that the proposed
19 sale is fair to all holders of capital, creditors and other
20 persons concerned, and provision has been made for the
21 disposition of the remaining assets, if any, of the association
22 as provided in this Act for reorganization or voluntary
23 liquidation, then he shall issue to the association a
24 certificate of authorization for such sale, attaching thereto,
25 as a part thereof, a copy of the report of proceedings filed as
26 aforesaid;

1 (e) Upon recording the Secretary's ~~Commissioner's~~
2 certificate in the same manner as the association's articles of
3 incorporation, the association may complete the sale so
4 authorized; except that an insured association first shall
5 obtain the approval of the insurance corporation;

6 (f) If the sale includes the name of the association, the
7 purchasing depository institution ~~association~~ shall have the
8 exclusive right to such name for a period of 5 years; and

9 (g) If the association has failed to adopt a plan of
10 voluntary liquidation, the Secretary ~~Commissioner~~ may proceed
11 against such association as provided in Article 10 of this Act.
12 (Source: P.A. 86-952.)

13 (205 ILCS 105/6-12) (from Ch. 17, par. 3306-12)

14 Sec. 6-12. Conversion from State to Federal association.
15 Any association operating under this Act may become a Federal
16 association pursuant to the laws and regulations of the United
17 States and in accordance with the following procedure:

18 (a) The board of directors shall approve a plan of
19 conversion by resolution adopted by majority vote of all of the
20 directors. The plan shall set forth, among other terms:

21 (1) A financial statement of the association as of the
22 last business day of the month preceding the adoption of
23 the plan;

24 (2) The disposition of withdrawable capital and
25 permanent reserve capital, if any;

1 (3) Adjustments, if any, in the value of the
2 withdrawable accounts when exchanged for comparable
3 accounts in the Federal association;

4 (4) The disposition of any segregated surplus
5 established under Section 4-5 of this Act;

6 (5) The disposition of any obligations or liabilities;
7 and

8 (6) Such other information as may be required by the
9 Secretary ~~Commissioner~~;

10 (b) The plan shall not be submitted to the members until
11 approved by the Secretary ~~Commissioner~~;

12 (c) The Secretary ~~Commissioner~~ may approve the plan; or if
13 the Secretary ~~Commissioner~~ disapproves the plan, he shall state
14 his objections in writing and give the converting association
15 an opportunity to amend the plan to obviate such objections.
16 Approval shall be given in such case if the Secretary
17 ~~Commissioner~~ finds that the plan meets the requirements of this
18 Act and the plan is equitable and protects the rights of all
19 persons affected, including such contingent interests as
20 theretofore may have been created in the segregated surplus, if
21 any;

22 (d) After receipt of such approval from the Secretary
23 ~~Commissioner~~, the plan of conversion shall be mailed to each
24 member and may be submitted to a vote at an annual or special
25 meeting of the members. The plan will be adopted upon receiving
26 in the affirmative 2/3 or more of the total number of votes

1 which all members of the association are entitled to cast. A
2 report of proceedings at such meeting, certified by the
3 president or a vice-president and attested by the secretary of
4 the association, shall be filed promptly with the Secretary
5 Commissioner;

6 (e) Within 90 days after the date of such meeting, the
7 association shall take the action prescribed and authorized by
8 the laws and regulations of the United States to complete its
9 conversion to a Federal association; and

10 (f) Upon receipt of a Federal charter, the association
11 shall file promptly with the Secretary ~~Commissioner~~ either a
12 copy of such charter or a certificate of the appropriate
13 Federal officers setting forth the facts concerning the
14 issuance of such charter; and upon recording the charter in the
15 same manner as the association's articles of incorporation, the
16 association shall cease to be an association operating under
17 this Act.

18 (Source: P.A. 84-543.)

19 (205 ILCS 105/6-13) (from Ch. 17, par. 3306-13)

20 Sec. 6-13. Conversion from Federal to State association.
21 Any Federal association may become an association operating
22 under this Act, pursuant to the laws and regulations of the
23 United States and in accordance with the following procedure:

24 (a) The board of directors shall adopt a plan of
25 conversion, which shall set forth, among other terms, the

1 provisions required in sub-section (a) of the preceding Section
2 of this Act. Such plan and resolution shall be submitted to the
3 Secretary ~~Commissioner~~;

4 (b) If the Secretary ~~Commissioner~~, after appropriate
5 examination, shall find that the association complies
6 sufficiently with the requirements of this Act to entitle it to
7 become an association operating under this Act, he shall
8 approve the plan of conversion. However, he may prescribe terms
9 and conditions, to be fulfilled either prior to or after the
10 conversion, to cause the association to conform with the
11 requirements of this Act;

12 (c) After receipt of the Secretary's ~~Commissioner's~~
13 approval, the plan of conversion may be submitted at an annual
14 or special meeting of the members; and the plan will be adopted
15 upon receiving in the affirmative 2/3 or more of the total
16 number of votes which all members of the association are
17 entitled to cast. Thereupon, such action shall be taken to
18 adopt articles of incorporation, to elect directors, to adopt
19 by-laws and to elect officers as is prescribed for a new
20 association in the Article of this Act concerning Incorporation
21 and Organization. A report of proceedings at such meeting,
22 certified by the president or a vice-president and attested by
23 the secretary of the association, shall be filed promptly with
24 the Secretary ~~Commissioner~~;

25 (d) If the Secretary ~~Commissioner~~ finds that such
26 proceedings have been in accordance with the provisions of this

1 Section, he shall issue a certificate of conversion, setting
2 forth the articles of incorporation and attaching, as a part of
3 the certificate, a copy of the report of proceedings filed as
4 aforesaid; and

5 (e) The conversion shall become effective upon the
6 recording of the certificate of conversion in the manner
7 required by this Act for the recording of articles of
8 incorporation.

9 (Source: P.A. 84-543.)

10 (205 ILCS 105/6-15) (from Ch. 17, par. 3306-15)

11 Sec. 6-15. Emergency merger. With the prior approval of the
12 Secretary ~~Commissioner~~, which approval shall state that the
13 proposed merger is in his opinion necessary for the protection
14 of the depositors and other creditors, any association that is
15 an eligible depository institution as defined in Section 2 of
16 the Illinois Banking Act, may by a vote of a majority of its
17 board of directors and without a vote of its members or
18 permanent reserve shareholders merge with an association or
19 depository institution, ~~federal association, or bank as~~
20 ~~defined in Section 2 of the Illinois Banking Act,~~ with such
21 other association or depository institution, ~~federal~~
22 ~~association, or bank~~ being the resulting or continuing
23 association or depository institution, ~~federal association or~~
24 ~~bank~~.

25 (Source: P.A. 86-952.)

1 (205 ILCS 105/6-16 new)

2 Sec. 6-16. Waiver of requirements. Notwithstanding any
3 provision of this Article, the requirements imposed by this
4 Article on an association that seeks to convert to, merge into,
5 or sell substantially all of its assets to a depository
6 institution that is not an association shall be no more
7 burdensome or restrictive than the requirements imposed by
8 federal or other State law on a depository institution that is
9 not an association that seeks to convert to, merge into, or
10 sell substantially all of its assets to an association. The
11 Secretary may waive any such requirement imposed by this
12 Article that is more burdensome or restrictive.

13 (205 ILCS 105/7-5) (from Ch. 17, par. 3307-5)

14 Sec. 7-5. Examination.

15 (a) The Secretary ~~Commissioner~~, at least once every 18
16 months, but more often if he deems it necessary or expedient,
17 with or without previous notice, shall cause an examination to
18 be made of the affairs of every association, including any
19 holding company and subsidiary thereof. If an association or
20 holding company has not been audited at least once in the
21 preceding 12 months in accordance with this Act, the
22 examination shall include an audit by licensed public
23 accountants employed or appointed by the Secretary
24 ~~Commissioner~~. Such examination shall be made by competent

1 examiners appointed for that purpose who are not officers or
2 agents of, or in any manner interested in, any association or
3 holding company which they examine, except that they may be
4 holders of withdrawable capital. Notwithstanding any other
5 provision of this Act, every eligible association, as defined
6 by regulation, or, if not so defined, to an equivalent extent
7 as would be permitted in the case of a State bank, the
8 Secretary, in lieu of the examination, may accept on an
9 alternating basis the examination made by the appropriate
10 federal banking regulator, or its successor, pursuant to the
11 federal Home Owners' Loan Act, provided the appropriate federal
12 banking regulator, or its successor, has made an examination.

13 (b) The officers, agents or directors of any such
14 association or holding company shall cause the books of the
15 association or holding company to be opened for inspection by
16 the Secretary ~~Commissioner~~ or his examiners and otherwise
17 assist in such examination when requested; and for the purpose
18 of examination, the examiner in charge thereof shall have power
19 to administer oaths and to examine under oath any officers,
20 employees, agents or directors of such association or holding
21 company and such other witnesses as he deems necessary relative
22 to the business of the association or holding company.

23 (c) The Secretary ~~Commissioner~~ shall make a report of each
24 examination to the board of directors of the association or
25 holding company examined, which report shall be read by each
26 director, who will then execute a signed statement ~~affidavit~~ to

1 be filed and preserved by the association or holding company
2 ~~acknowledging~~ that he has read the Secretary's ~~Commissioner's~~
3 report. If the affairs of the association or holding company
4 are not being conducted in accordance with this Act, the
5 Secretary ~~Commissioner~~ shall require the directors, officers
6 or employees to take any necessary corrective action. If the
7 necessary corrective action is not made, the Secretary
8 ~~Commissioner~~ may issue a formal order to the directors of the
9 association or holding company delivered either personally or
10 by registered or certified mail, specifying a date which may be
11 immediate or may be at a later date for the performance by the
12 association or holding company of the corrective action. ~~Such~~
13 ~~order or any part thereof shall be subject to Sections 7-24~~
14 ~~through 7-27 of this Act.~~ If the formal order of the Secretary
15 ~~Commissioner~~ in whole or in part contains a finding that the
16 business of the association or holding company is being
17 conducted in a fraudulent, illegal or unsafe manner, or that
18 the violation thereof or the continuance by the association or
19 holding company of the practice to be corrected could cause
20 insolvency or substantial dissipation of assets or earnings or
21 the impairment of its capital, such order or part thereof shall
22 be complied with promptly on and after the effective date
23 thereof until modified or withdrawn by the Secretary
24 ~~Commissioner, the Board,~~ or modified or terminated by a circuit
25 court. The Secretary ~~Commissioner~~ may apply to the circuit
26 court of the county in which the association or holding company

1 is located for enforcement of any such order requiring prompt
2 compliance. If no hearing has been requested within the time
3 specified by this Act, the Secretary ~~Commissioner~~ may, at any
4 time within 90 days after the effective date of the order,
5 institute suit in the Circuit Court of Sangamon County or the
6 circuit court of the county in which the association or holding
7 company is located to compel the directors, officers or
8 employees to make the required corrective action. Such court
9 shall, after due process of law, adjudicate the question and
10 enter the proper order or orders and enforce them. ~~In the~~
11 ~~interests of the members of the association or holding company,~~
12 ~~the Commissioner may prepare a statement of the condition of~~
13 ~~the association or holding company and may mail the statement~~
14 ~~to the members or may require a single publication thereof.~~

15 (Source: P.A. 96-1365, eff. 7-28-10.)

16 (205 ILCS 105/7-7) (from Ch. 17, par. 3307-7)

17 Sec. 7-7. Reports to Secretary ~~Commissioner~~ and members;
18 penalty.

19 (a) Every association operating under this Act shall file
20 with the Secretary ~~Commissioner~~ within 90 days following the
21 close of each fiscal year of such association a statement
22 showing its financial condition at the close of the fiscal year
23 and its operations for the year then ended. For good cause
24 shown in writing directed to the Secretary ~~Commissioner~~ within
25 the 90 day period, the Secretary ~~Commissioner~~ may authorize up

1 to 60 additional days for filing of the statement of financial
2 condition. Each such statement shall be on forms prescribed by
3 the Secretary ~~Commissioner~~ and in conformity with generally
4 accepted accounting principles or regulatory accounting
5 principles permitted, recognized or authorized by the Office of
6 Thrift Supervision, or its successor, for a federal association
7 and subject to the rules and regulations of the Secretary
8 ~~Commissioner~~ and in accord with the provisions of this Act.
9 Each such statement shall contain such information and be in
10 such form as prescribed by the Secretary ~~Commissioner~~ and shall
11 be verified by the secretary of the association and certified
12 by a licensed public accountant appointed by the board of
13 directors or by 2 officers of the association, if a licensed
14 public accountant has been appointed to audit the books and
15 records of the association as provided in the preceding Section
16 of this Act. Every association including its holding company
17 and subsidiaries shall also file such other reports as the
18 Secretary ~~Commissioner~~ may require from time to time.

19 Any association which, after notice from the Secretary
20 ~~Commissioner~~ sent by certified or registered mail, wilfully
21 fails to submit within the time prescribed the annual financial
22 report required by this Section is subject to a civil penalty
23 of not more than \$500 for each such failure. Any association
24 which, after notice from the Secretary ~~Commissioner~~ sent by
25 certified or registered mail, wilfully fails to submit within
26 the time prescribed any other report required by this Section

1 is subject to a civil penalty of not more than \$100 for each
2 such failure (which penalties shall be cumulative to any other
3 remedies). For the purposes of this Section, the date on which
4 any report required by this Section is postmarked is the date
5 of filing of any such report. The knowing or intentional filing
6 of any such report which is false in any material respect
7 constitutes a felony, and any person convicted thereof shall be
8 punished by a fine of not more than \$10,000, or imprisonment in
9 the penitentiary for one to 5 years, or both.

10 (b) An association shall file with the Secretary
11 ~~Commissioner~~ a report of change of ownership of permanent
12 reserve shares when such change of ownership results in any
13 person as defined by this Act holding 10% or more, through any
14 one transaction or related series of transactions, of the
15 outstanding permanent reserves shares of the association. Such
16 report shall include owners who hold as beneficiaries or
17 through nominees as well as in their own names. The report
18 shall be made within 5 business days after knowledge of such
19 change has been obtained by the officer authorized or required
20 to make reports to the Secretary ~~Commissioner~~. The Secretary
21 ~~Commissioner~~ also may require any such person owning 10% or
22 more of permanent reserve shares to report the beneficiary or
23 beneficiaries for whom he is holding title.

24 Whenever there is a change in the managing officer of an
25 association or a change amounting to a majority of the
26 directors of an association elected at a regular or special

1 meeting of the members, such change shall likewise be reported
2 within 5 business days to the Secretary ~~Commissioner~~.

3 The willful failure by any person required to report or
4 disclose change of ownership or control as defined in this
5 Section constitutes a Class 4 felony.

6 (c) Within 60 days after the date of filing the Statement
7 of Financial Condition with the Secretary ~~Commissioner~~, the
8 association shall mail to each member or make available at each
9 of its offices the annual statement of condition or a condensed
10 form thereof approved by the Secretary ~~Commissioner~~, or shall
11 publish the same at least once, and shall also furnish upon the
12 written or personal request of any member a copy of the
13 complete annual statement of condition. The annual statement of
14 condition, or any condensed form thereof, made available to
15 members by publication, mailing, or at the association's
16 offices shall include a statement setting forth the
17 association's assets, liabilities, regulatory capital and
18 deposits. In addition, the statement shall include a statement
19 of the association's goals and intentions in regard to
20 investment of the association's funds in order to reasonably
21 inform the member as to the security of his interest.
22 Notification of the availability of the complete annual
23 statement shall be prominently and conspicuously posted in
24 areas of public access at each of the association's branches or
25 offices.

26 (d) Any change of control or ownership of 25% or more of

1 the permanent reserve shares or stock of (a) any association
2 operating under this Act, or (b) of the shares or stock of a
3 subsidiary of the parent or a subsidiary of any association
4 operating under this Act, must be submitted to the Secretary
5 ~~Commissioner~~ for review and approval on forms, conditions and
6 terms to be specified by the Secretary ~~Commissioner~~. The
7 Secretary ~~Commissioner~~ may accept in satisfaction of this
8 requirement, submissions required under federal statutes and
9 regulations for changes of control. Any doubt as to whether a
10 change of ownership or other change in the outstanding voting
11 stock of any association is sufficient to result in a change of
12 ownership or control, shall be resolved in favor of reporting
13 the facts to the Secretary ~~Commissioner~~. Compliance with this
14 provision shall not relieve an association, its parent or
15 affiliate from complying with other applicable State or federal
16 statutes or regulations. The Secretary ~~Commissioner~~ may
17 disapprove any proposed acquisition if:

18 (1) The proposed acquisition of control would result in
19 a monopoly or would be in furtherance of any combination or
20 conspiracy to monopolize or to attempt to monopolize the
21 savings and loan business in any part of Illinois;

22 (2) The effect of the proposed acquisition of control
23 in any section of the State may be substantially to lessen
24 competition or to tend to create a monopoly or the proposed
25 acquisition of control would in any other manner be in
26 restraint of trade, and the anticompetitive effects of the

1 proposed acquisition of control are not clearly outweighed
2 in the public interest by the probable effect of the
3 transaction in meeting the convenience and needs of the
4 community to be served;

5 (3) The financial condition or history of any acquiring
6 person is such as might jeopardize the financial stability
7 of the institution or prejudice the interests of the
8 depositors of the institution;

9 (4) The competence, experience, or integrity of any
10 acquiring person or any of the proposed management
11 personnel indicates that it would not be in the interest of
12 the depositors of the institution or in the interest of the
13 public to permit such person to control the institution; or

14 (5) Any acquiring person neglects, fails or refuses to
15 furnish the Secretary ~~Commissioner~~ all the information
16 required by the Secretary ~~Commissioner~~.

17 (Source: P.A. 93-271, eff. 7-22-03.)

18 (205 ILCS 105/7-15) (from Ch. 17, par. 3307-15)

19 Sec. 7-15. Notice of custody; action to enjoin. Immediately
20 upon taking custody of an association or trust, the Secretary
21 ~~Commissioner~~ shall mail a written notice thereof to the
22 president or secretary of the association and to not less than
23 2 directors of such association or to 2 or more of the trustees
24 of any trust or to 2 or more of the liquidators of an
25 association in liquidation. If the contention is made that the

1 Secretary ~~Commissioner~~ has no legal grounds for taking custody
2 of the association or trust, the directors or officers of the
3 association or the trustees or liquidators thereof, as the case
4 may be, at any time within 10 days after the mailing of such
5 notice, or within such further periods of time as the Secretary
6 ~~Commissioner~~ may extend, but not to exceed an additional 60
7 days, may file a complaint in the Circuit Court of Sangamon
8 County, Illinois, or in the Circuit Court of the county in
9 which the association is located, to enjoin further custody.
10 The court thereupon shall cite the Secretary ~~Commissioner~~ to
11 show cause why further custody should not be enjoined. If upon
12 a hearing thereon, the court finds that such grounds did not or
13 do not then exist, it may enter an appropriate order in
14 accordance with the findings of fact or an order enjoining the
15 Secretary ~~Commissioner~~ or any appointees acting under his
16 direction from further custody.

17 (Source: P.A. 84-543.)

18 (205 ILCS 105/7-19.1) (from Ch. 17, par. 3307-19.1)

19 Sec. 7-19.1. Savings and Residential Finance Regulatory
20 Fund.

21 (a) Until the effective date of this amendatory Act of the
22 97th General Assembly, the ~~The~~ aggregate of all moneys ~~fees~~
23 collected by the Secretary under this Act shall be paid
24 promptly after receipt of the same, accompanied by a detailed
25 statement thereof, into the State treasury and shall be set

1 apart in the Savings and Residential Finance Regulatory Fund, a
2 special fund hereby created in the State treasury. The amounts
3 deposited into the Fund shall be used for the ordinary and
4 contingent expenses of the Department of Financial and
5 Professional Regulation and the Division of Banking, or their
6 successors, in administering and enforcing the Illinois
7 Savings and Loan Act of 1985, the Savings Bank Act, and the
8 Residential Mortgage License Act of 1987 and other laws, rules,
9 and regulations as may apply to the administration and
10 enforcement of the foregoing laws, rules, and regulations as
11 amended from time to time. Nothing in this Act shall prevent
12 continuing the practice of paying expenses involving salaries,
13 retirement, social security, and State-paid insurance of State
14 officers by appropriation from the General Revenue Fund.

15 (b) (Blank). ~~Except as otherwise provided in subsection~~
16 ~~(b-5), moneys in the Savings and Residential Finance Regulatory~~
17 ~~Fund may not be appropriated, assigned, or transferred to~~
18 ~~another State fund. The moneys in the Fund shall be for the~~
19 ~~sole benefit of the institutions assessed.~~

20 (b-5) Moneys in the Savings and Residential Finance
21 Regulatory Fund may be transferred to the Professions Indirect
22 Cost Fund, as authorized under Section 2105-300 of the
23 Department of Professional Regulation Law of the Civil
24 Administrative Code of Illinois.

25 (b-10) Notwithstanding provisions in the State Finance
26 Act, as now or hereafter amended, or any other law to the

1 contrary, the sum of \$27,481,638 shall be transferred from the
2 Savings and Residential Finance Regulatory Fund to the
3 Financial Institutions Settlement of 2008 Fund on the effective
4 date of this amendatory Act of the 95th General Assembly, or as
5 soon thereafter as practical.

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

26 (c) All earnings received from investments of funds in the

1 Savings and Residential Finance Regulatory Fund shall be
2 deposited into the Savings and Residential Finance Regulatory
3 Fund and may be used for the same purposes as fees deposited
4 into that Fund.

5 (d) When the balance in the Savings and Residential Finance
6 Regulatory Fund at the end of a fiscal year apportioned to the
7 fees collected under the Illinois Savings and Loan Act of 1985
8 and the Savings Bank Act exceeds 25% of the total actual
9 administrative and operational expenses incurred by the State
10 for that fiscal year in administering and enforcing the
11 Illinois Savings and Loan Act of 1985 and the Savings Bank Act
12 and such other laws, rules, and regulations as may apply to the
13 administration and enforcement of the foregoing laws, rules,
14 and regulations, the excess shall be credited to the
15 appropriate institutions and entities and applied against
16 their regulatory fees for the subsequent fiscal year. The
17 amount credited to each institution or entity shall be in the
18 same proportion that the regulatory fees paid by the
19 institution or entity for the fiscal year in which the excess
20 is produced bear to the aggregate amount of all fees collected
21 by the Secretary under the Illinois Savings and Loan Act of
22 1985 and the Savings Bank Act for the same fiscal year. For the
23 purpose of this Section, "fiscal year" means the period
24 beginning July 1 of any year and ending June 30 of the next
25 calendar year.

26 (Source: P.A. 94-91, eff. 7-1-05; 95-1047, eff. 4-6-09.)

1 (205 ILCS 105/7-19.2 new)

2 Sec. 7-19.2. Savings Institutions Regulatory Fund.

3 (a) On or after the effective date of this amendatory Act
4 of the 97th General Assembly, the aggregate of all moneys
5 collected by the Secretary under this Act shall be paid
6 promptly after receipt of the same, accompanied by a detailed
7 statement thereof, into the State treasury and shall be set
8 apart in the Savings Institutions Regulatory Fund, a special
9 fund created in the State treasury. The amounts deposited into
10 the Fund shall be used for the ordinary and contingent expenses
11 of the Department of Financial and Professional Regulation and
12 the Division of Banking, or their successors, in administering
13 and enforcing the Illinois Savings and Loan Act of 1985, the
14 Savings Bank Act, and other laws, rules, and regulations as may
15 apply to the administration and enforcement of the foregoing
16 laws, rules, and regulations, as amended from time to time.
17 Nothing in this Act shall prevent continuing the practice of
18 paying expenses involving salaries, retirement, social
19 security, and State-paid insurance of State officers by
20 appropriation from the General Revenue Fund.

21 (b) Moneys in the Savings Institution Regulatory Fund may
22 be transferred to the Professions Indirect Cost Fund, as
23 authorized under Section 2105-300 of the Department of
24 Professional Regulation Law of the Civil Administrative Code of
25 Illinois.

1 (c) All earnings received from investments of funds in the
2 Savings Institutions Regulatory Fund shall be deposited into
3 that Fund and may be used for the same purposes as fees
4 deposited into that Fund.

5 (d) When the balance in the Savings Institutions Regulatory
6 Fund at the end of a fiscal year exceeds 25% of the total
7 actual administrative and operational expenses incurred by the
8 State for that fiscal year in administering and enforcing the
9 Illinois Savings and Loan Act of 1985 and the Savings Bank Act
10 and such other laws, rules, and regulations as may apply to the
11 administration and enforcement of the foregoing laws, rules,
12 and regulations, the excess shall be credited to the
13 appropriate institutions and entities and applied against
14 their regulatory fees for the subsequent fiscal year. The
15 amount credited to each institution or entity shall be in the
16 same proportion that the regulatory fees paid by the
17 institution or entity for the fiscal year in which the excess
18 is produced bear to the aggregate amount of all fees collected
19 by the Secretary under the Illinois Savings and Loan Act of
20 1985 and the Savings Bank Act for the same fiscal year. For the
21 purpose of this Section, "fiscal year" means the period
22 beginning July 1 of any year and ending June 30 of the next
23 calendar year.

24 (e) Moneys in the Savings and Residential Finance
25 Regulatory Fund apportioned to the moneys collected under the
26 Illinois Savings and Loan Act of 1985 and the Savings Bank Act

1 shall be transferred to the Savings Institutions Regulatory
2 Fund upon creation of the Savings Institutions Regulatory Fund.
3 Any amount used or borrowed from the moneys apportioned to the
4 moneys collected under the Illinois Savings and Loan Act of
5 1985 and the Savings Bank Act that would have been required to
6 be returned to that apportionment shall be instead paid into
7 the Savings Institutions Regulatory Fund in the same manner.

8 (205 ILCS 105/7-20) (from Ch. 17, par. 3307-20)

9 Sec. 7-20. Board of Savings Institutions; appointment. The
10 Savings and Loan Board is hereby redesignated the Board of
11 Savings Institutions. The Board shall be composed of the
12 Director of Banking, who shall be its chairman and have power
13 to vote, and 7 additional persons appointed by the Governor.
14 Four of the 7 persons appointed by the Governor shall represent
15 the public interest. Three of the 7 additional persons
16 appointed by the Governor shall have been engaged actively in
17 savings and loan or savings bank management in this State for
18 at least 5 years immediately prior to appointment. Each member
19 of the Board appointed by the Governor shall be reimbursed for
20 ordinary and necessary expenses incurred in attending the
21 meetings of the Board. The members of the Board serving
22 immediately before the effective date of this amendatory Act of
23 1996 shall continue to serve for the balance of their
24 respective terms. Members shall be appointed for 4-year terms
25 to expire on the third Monday in January. Except as otherwise

1 provided in this Section, members of the Board shall serve
2 until their respective successors are appointed and qualified.
3 A member who tenders a written resignation shall serve only
4 until the resignation is accepted by the Chairman. A member who
5 fails to attend 3 consecutive Board meetings without an excused
6 absence shall no longer serve as a member. The Governor shall
7 fill any vacancy by the appointment of a member for the
8 unexpired term in the same manner as in the making of original
9 appointments.

10 (Source: P.A. 96-1365, eff. 7-28-10.)

11 (205 ILCS 105/7-21) (from Ch. 17, par. 3307-21)

12 Sec. 7-21. Board of Savings Institutions; organization and
13 meetings. The Board shall elect a ~~chairman,~~ vice-chairman and
14 secretary of the Board; shall adopt regulations for the holding
15 and conducting of meetings ~~and for holding hearings concerning~~
16 ~~all matters within its powers~~; and shall keep a record of all
17 meetings and transactions and make such other provisions for
18 the daily conduct of its business as it deems necessary. A
19 majority of the members of the Board, excluding those members
20 who are no longer serving as members as provided in Section
21 7-20, shall constitute a quorum. The act of the majority of the
22 members of the Board present at a meeting at which a quorum is
23 present shall be the act of the Board. Regular meetings shall
24 be held as provided in the regulations, and special meetings
25 may be called by the Chairman or upon the request of any 3

1 members of the Board or the Secretary ~~Commissioner~~. The Board
2 shall maintain at the office of the Secretary ~~Commissioner~~
3 permanent records of its meetings, hearings and decisions. The
4 Secretary ~~Commissioner~~ shall provide adequate quarters and
5 personnel for use by the Board.

6 (Source: P.A. 89-508, eff. 7-3-96.)

7 (205 ILCS 105/7-23) (from Ch. 17, par. 3307-23)

8 Sec. 7-23. Proceedings on objections to Secretary's
9 ~~Commissioner's~~ action. Except as provided in Article 10 and as
10 otherwise specifically provided by this Act, any ~~Any~~ person
11 aggrieved by any decision, order, or action of the Secretary
12 ~~Commissioner, except one under paragraph (b) of Section 1-9,~~
13 ~~Section 2-3, paragraph (j) of Section 3-4, or Section 7-9 of~~
14 ~~this Act, or under Section 1006(b), Section 3005, or Section~~
15 ~~9012 of the Savings Bank Act, or involving a change of location~~
16 ~~of an office or the establishment of an additional office under~~
17 this ~~the Savings Bank Act,~~ may receive a hearing as provided in
18 Sections 7-24 through 7-27 of this Act.

19 (Source: P.A. 93-271, eff. 7-22-03.)

20 (205 ILCS 105/7-24) (from Ch. 17, par. 3307-24)

21 Sec. 7-24. The Secretary ~~Board~~ shall upon the verified
22 complaint in writing of any aggrieved person setting forth
23 facts which if proved would constitute grounds for reversal or
24 change of any decision, order or action of the Secretary

1 ~~Commissioner~~, except as provided in Section 7-23 of this Act,
2 grant a hearing thereon. If the aggrieved person ~~party~~ desires
3 such a hearing, he or she shall, within 10 days of receipt of
4 notice of such decision, order or action, file written notice
5 with the Secretary Board of intent to demand a hearing and
6 shall, within 30 days of receipt of notice of such decision,
7 order or action, file his or her verified complaint in writing.
8 The date of such hearing may not be earlier than 15 days nor
9 later than 30 days after the date of receipt of verified
10 complaint in writing. The Secretary Board shall, at least 10
11 days prior to the date set for the hearing, notify in writing
12 the person aggrieved ~~adversely affected~~ by such decision, order
13 or action, referred to in this Section as the respondent, and
14 all other parties to the action, that a hearing will be held on
15 the date designated and shall afford the respondent and all
16 other parties to the action an opportunity to be heard in
17 person or by counsel in reference thereto. Such written notice
18 may be served by delivery of the same personally to the
19 respondent and all other parties to the action, or by mailing
20 the notice by registered or certified mail to the place of
21 business last theretofore specified by the respondent and all
22 other parties to the action in the last notification to the
23 Secretary Board. At the time and place fixed in the notice, the
24 Secretary Board or its authorized agent, referred to in this
25 Section as the hearing officer, shall proceed to hear the
26 charges, and both the respondent and all other parties to the

1 action and the complainant shall be accorded ample opportunity
2 to present in person or by counsel such statements, testimony,
3 evidence and argument as may be pertinent to the issues. The
4 hearing officer may continue such hearing from time to time.

5 The hearing officer may subpoena any person in this State
6 and may take testimony either orally or by deposition or by
7 exhibit, with the same fees and mileage and in the same manner
8 as prescribed by law in judicial proceedings in civil cases in
9 circuit courts of this State.

10 The hearing officer may administer oaths to witnesses at
11 any hearing which the hearing officer is authorized by law to
12 conduct.

13 After the hearing, the Secretary Board shall make a
14 determination approving, modifying or disapproving the
15 decision, order or action of the Secretary Commissioner as his
16 or her ~~its~~ final administrative decision.

17 (Source: P.A. 84-543.)

18 (205 ILCS 105/7-25) (from Ch. 17, par. 3307-25)

19 Sec. 7-25. Record of ~~Board~~ proceedings; expenses. The
20 Secretary Board, at his or her ~~its~~ expense, unless otherwise
21 provided in this Act ~~or the Savings Bank Act~~, shall provide a
22 stenographer to take down the testimony and preserve a record
23 of all proceedings at the hearing. The notice of hearing,
24 complaint and all other documents in the nature of pleadings
25 and written motions filed in the proceedings, the transcript of

1 testimony, the report of the hearing officer and orders of the
2 Secretary Board shall be the record of such proceedings. The
3 Secretary Board shall furnish a transcript of such record to
4 any person interested in such hearing upon payment of the
5 actual cost thereof.

6 A copy of the hearing officer's report and the Secretary's
7 ~~Board's~~ orders shall be served upon the respondent and all
8 other parties to the action by the Secretary Board, either
9 personally or by registered or certified mail as provided in
10 this Act for the service of the notice of hearing. All expenses
11 incurred by the Secretary Board, including the compensation of
12 the hearing officer, shall be paid by the parties to the
13 hearing and shall be divided among them in equal shares.

14 (Source: P.A. 89-508, eff. 7-3-96.)

15 (205 ILCS 105/7-26) (from Ch. 17, par. 3307-26)

16 Sec. 7-26. Subpoena; deposition. All subpoenas issued
17 under the laws of this State pertaining to savings and loan
18 associations ~~or savings banks~~ may be served by any person who
19 is not a minor. The fees of witnesses for attendance and travel
20 shall be the same as fees of witnesses before the circuit
21 courts of this State, such fees to be paid at the time the
22 witness is excused from further attendance, when the witness is
23 subpoenaed at the instance of ~~the Board or~~ the Secretary
24 ~~Commissioner~~ or any officer or any employee designated by him,
25 her or it for the purpose of conducting any such investigation,

1 inquiry or hearing; and the disbursements made in the payment
2 of such fees shall be audited and paid in the same manner as
3 are other expenses of the Secretary ~~Board or Commissioner~~.
4 Whenever a subpoena is issued at the instance of a complainant,
5 respondent or other party to any proceeding, the Secretary
6 ~~Board~~ may require that the cost of service thereof and the fee
7 of the same shall be borne by the party at whose instance the
8 witness is summoned, and the Secretary ~~Board or Commissioner~~
9 shall have power, in his, her or its discretion, to require a
10 deposit to cover the cost of such service and witness fees and
11 the payment of legal witness fees and mileage to the witness
12 when served with subpoena. A subpoena issued under this Section
13 shall be served in the same manner as a subpoena issued out of
14 a court.

15 Any person who shall be served with a subpoena to appear
16 and testify, or to produce books, papers, accounts or
17 documents, either in person or by deposition, in the manner
18 provided in this Section, issued by the Secretary ~~Board or~~
19 ~~Commissioner~~ or by any officer, or any employee designated by
20 him, her or it to conduct any such investigation, inquiry or
21 hearing, in the course of an investigation, inquiry or hearing
22 conducted under any of the provisions of the laws of this State
23 pertaining to savings and loan associations ~~or savings banks~~,
24 and who shall refuse or neglect to appear or to testify, or to
25 produce books, papers, accounts and documents relative to such
26 investigation, inquiry or hearing as commanded in such

1 subpoena, shall be guilty of a petty offense.

2 Any circuit court of this State, upon application of the
3 Secretary Board or Commissioner, or an officer, or an employee
4 designated by him, her or it for the purpose of conducting any
5 such investigation, inquiry or hearing, may, in its discretion,
6 compel the attendance of witnesses, the production of books,
7 papers, accounts and documents and the giving of testimony
8 before the Secretary Board or Commissioner, or before any
9 officer thereof, or any employee designated by him, her or it
10 for the purpose of conducting any such investigation, inquiry
11 or hearing, in person or by deposition, in the manner provided
12 in this Section, by an attachment for contempt or otherwise, in
13 the same manner as production of evidence may be compelled
14 before such court.

15 The Secretary Board or Commissioner or any officer, or any
16 employee designated by him, her or it for the purpose of
17 conducting any investigation, inquiry or hearing, or any party
18 may, in any investigation, inquiry or hearing, cause the
19 deposition of witnesses residing within or without the State to
20 be taken in the manner prescribed by law for taking like
21 depositions in civil cases in courts of this State, and to that
22 end may compel the attendance of witnesses and the production
23 of papers, books, accounts and documents.

24 (Source: P.A. 89-508, eff. 7-3-96.)

25 (205 ILCS 105/7-27) (from Ch. 17, par. 3307-27)

1 Sec. 7-27. Except as provided in Article 10, any ~~Any~~ person
2 affected by a final administrative decision of the Secretary
3 ~~Commissioner under paragraph (b) of Section 1-9, Section 2-3 or~~
4 ~~paragraph (j) of Section 3-4 of this Act or under Section~~
5 ~~1006(b) or 3005 of the Savings Bank Act, or involving a change~~
6 ~~of location of an office or the establishment of an additional~~
7 ~~office under the Savings Bank Act,~~ may have the decision
8 reviewed only under and in accordance with the Administrative
9 Review Law, ~~if such person files, within 10 days of receipt of~~
10 ~~service of a copy of the final decision sought to be reviewed,~~
11 ~~a written notice with the Commissioner of intent to seek review~~
12 ~~under the Administrative Review Law.~~

13 ~~Any person affected by a final administrative decision of~~
14 ~~the Board under Sections 7-21 through 7-26 of this Act may have~~
15 ~~the decision reviewed only under and in accordance with the~~
16 ~~Administrative Review Law, if the person files with the Board,~~
17 ~~within 10 days of receipt of service of a copy of the final~~
18 ~~decision sought to be reviewed, a written notice of intent to~~
19 ~~seek review under the Administrative Review Law.~~

20 The provisions of the Administrative Review Law, and all
21 amendments and modifications thereof, and the rules adopted
22 pursuant thereto, shall apply to and govern all proceedings for
23 the judicial review of final administrative decisions of the
24 Secretary ~~Commissioner or the Board~~ under this Act. The term
25 "administrative decision" is defined as in Section 3-101 of the
26 Code of Civil Procedure.

1 Appeals from all final orders and judgments entered by a
2 court in review of any final administrative decision of the
3 Secretary Board under this Act may be taken as in other civil
4 cases.

5 (Source: P.A. 89-508, eff. 7-3-96.)

6 (205 ILCS 105/8-4) (from Ch. 17, par. 3308-4)

7 Sec. 8-4. Election of new directors; Report and
8 supervision.

9 (a) Upon the adoption of the plan of reorganization, the
10 offices of all directors and officers of the association shall
11 be vacant, and the members shall proceed to elect directors to
12 fill the vacancies. If the plan provides for the segregation of
13 assets under a trust agreement, the members also shall elect
14 (with cumulative voting permitted as in elections of directors)
15 3 or more trustees to manage such assets.

16 (b) A report of proceedings at the meetings of the members,
17 certified by the president or a vice president and attested by
18 the secretary of the association, setting forth the notice
19 given and time of mailing thereof, the vote on the plan of
20 reorganization and the total number of votes which all members
21 of the association were entitled to cast thereon, shall be
22 filed in duplicate with the Secretary Commissioner, together
23 with the plan of reorganization. The Secretary Commissioner
24 thereupon shall issue to the association, and to the trustees
25 if assets have been segregated as a part of the plan, a

1 certificate of reorganization, and a certificate of amendment
2 of the articles of incorporation if appropriate.

3 (c) The reorganization shall become effective upon the
4 recording of the certificate of reorganization and the
5 certificate of amendment of articles of incorporation, if any,
6 in the manner required by this Act for the recording of
7 articles of incorporation.

8 (Source: P.A. 84-543.)

9 Section 20. The Savings Bank Act is amended by changing
10 Sections 1007.50, 1008, 2007, 3001, 3002, 4012, 6007, 6009,
11 8002, 8003, 8004, 8005, 8006, 8007, 8008, 8009, 8010, 8013,
12 8014, 8015, 8016, 9002, 9004, 9008, 9011, 9015, 9017, and 9018
13 and by adding Sections 8002.1, 8018, 9018.1, 9018.2, 9018.3,
14 and 9018.4 as follows:

15 (205 ILCS 205/1007.50) (from Ch. 17, par. 7301-7.50)

16 Sec. 1007.50. "Depository institution", as used in this
17 Act, shall mean an insured depository institution as defined by
18 Section 3(c) (2) of the Federal Deposit Insurance Act (12 U.S.C.
19 1813), as amended, or an insured credit union as defined by
20 Section 101(7) of the Federal Credit Union Act (12 U.S.C.
21 1752(7)), as amended ~~a commercial bank, a savings bank, a~~
22 ~~savings and loan association, a trust company, a homestead~~
23 ~~association, a building and loan association, a cooperative~~
24 ~~bank, an industrial bank, or a credit union, whether chartered~~

1 ~~by a state or territory or under the laws of the United States.~~

2 (Source: P.A. 86-1213.)

3 (205 ILCS 205/1008) (from Ch. 17, par. 7301-8)

4 Sec. 1008. General corporate powers.

5 (a) A savings bank operating under this Act shall be a body
6 corporate and politic and shall have all of the powers
7 conferred by this Act including, but not limited to, the
8 following powers:

9 (1) To sue and be sued, complain, and defend in its
10 corporate name and to have a common seal, which it may
11 alter or renew at pleasure.

12 (2) To obtain and maintain insurance by a deposit
13 insurance corporation as defined in this Act.

14 (3) To act as a fiscal agent for the United States, the
15 State of Illinois or any department, branch, arm, or agency
16 of the State or any unit of local government or school
17 district in the State, when duly designated for that
18 purpose, and as agent to perform reasonable functions as
19 may be required of it.

20 (4) To become a member of or deal with any corporation
21 or agency of the United States or the State of Illinois, to
22 the extent that the agency assists in furthering or
23 facilitating its purposes or powers and to that end to
24 purchase stock or securities thereof or deposit money
25 therewith, and to comply with any other conditions of

1 membership or credit.

2 (5) To make donations in reasonable amounts for the
3 public welfare or for charitable, scientific, religious,
4 or educational purposes.

5 (6) To adopt and operate reasonable insurance, bonus,
6 profit sharing, and retirement plans for officers and
7 employees and for directors including, but not limited to,
8 advisory, honorary, and emeritus directors, who are not
9 officers or employees.

10 (7) To reject any application for membership; to retire
11 deposit accounts by enforced retirement as provided in this
12 Act and the bylaws; and to limit the issuance of, or
13 payments on, deposit accounts, subject, however, to
14 contractual obligations.

15 (8) To purchase stock or membership interests in
16 service corporations and to invest in any form of
17 indebtedness of any service corporation as defined in this
18 Act, subject to regulations of the Secretary ~~Commissioner~~.

19 (9) To purchase stock of a corporation whose principal
20 purpose is to operate a safe deposit company or escrow
21 service company.

22 (10) To exercise all the powers necessary to qualify as
23 a trustee or custodian under federal or State law, provided
24 that the authority to accept and execute trusts is subject
25 to the provisions of the Corporate Fiduciary Act and to the
26 supervision of those activities by the Secretary

1 ~~Commissioner.~~

2 (11) (Blank).

3 (12) To establish, maintain, and operate terminals as
4 authorized by the Electronic Fund Transfer Act.

5 (13) To pledge its assets:

6 (A) to enable it to act as agent for the sale of
7 obligations of the United States;

8 (B) to secure deposits;

9 (C) to secure deposits of money whenever required
10 by the National Bankruptcy Act;

11 (D) (blank); and

12 (E) to secure trust funds commingled with the
13 savings bank's funds, whether deposited by the savings
14 bank or an affiliate of the savings bank, as required
15 under Section 2-8 of the Corporate Fiduciary Act.

16 (14) To accept for payment at a future date not to
17 exceed one year from the date of acceptance, drafts drawn
18 upon it by its customers; and to issue, advise, or confirm
19 letters of credit authorizing holders thereof to draw
20 drafts upon it or its correspondents.

21 (15) Subject to the regulations of the Secretary
22 ~~Commissioner~~, to own and lease personal property acquired
23 by the savings bank at the request of a prospective lessee
24 and, upon the agreement of that person, to lease the
25 personal property.

26 (16) To establish temporary service booths at any

1 International Fair in this State that is approved by the
2 United States Department of Commerce for the duration of
3 the international fair for the purpose of providing a
4 convenient place for foreign trade customers to exchange
5 their home countries' currency into United States currency
6 or the converse. To provide temporary periodic service to
7 persons residing in a bona fide nursing home, senior
8 citizens' retirement home, or long-term care facility.
9 These powers shall not be construed as establishing a new
10 place or change of location for the savings bank providing
11 the service booth.

12 (17) To indemnify its officers, directors, employees,
13 and agents, as authorized for corporations under Section
14 8.75 of the Business Corporations Act of 1983.

15 (18) To provide data processing services to others on a
16 for-profit basis.

17 (19) To utilize any electronic technology to provide
18 customers with home banking services.

19 (20) Subject to the regulations of the Secretary
20 ~~Commissioner~~, to enter into an agreement to act as a
21 surety.

22 (21) Subject to the regulations of the Secretary
23 ~~Commissioner~~, to issue credit cards, extend credit
24 therewith, and otherwise engage in or participate in credit
25 card operations.

26 (22) To purchase for its own account shares of stock of

1 a bankers' bank, described in Section 13(b)(1) of the
2 Illinois Banking Act, on the same terms and conditions as a
3 bank may purchase such shares. In no event shall the total
4 amount of such stock held by a savings bank in such
5 bankers' bank exceed 10% of its capital and surplus
6 (including undivided profits) and in no event shall a
7 savings bank acquire more than 5% of any class of voting
8 securities of such bankers' bank.

9 (23) With respect to affiliate facilities:

10 (A) to conduct at affiliate facilities any of the
11 following transactions for and on behalf of any
12 affiliated depository institution, if so authorized by
13 the affiliate or affiliates: receiving deposits;
14 renewing deposits; cashing and issuing checks, drafts,
15 money orders, travelers checks, or similar
16 instruments; changing money; receiving payments on
17 existing indebtedness; and conducting ministerial
18 functions with respect to loan applications, servicing
19 loans, and providing loan account information; and

20 (B) to authorize an affiliated depository
21 institution to conduct for and on behalf of it, any of
22 the transactions listed in this subsection at one or
23 more affiliate facilities.

24 A savings bank intending to conduct or to authorize an
25 affiliated depository institution to conduct at an
26 affiliate facility any of the transactions specified in

1 this subsection shall give written notice to the Secretary
2 ~~Commissioner~~ at least 30 days before any such transaction
3 is conducted at an affiliate facility. All conduct under
4 this subsection shall be on terms consistent with safe and
5 sound banking practices and applicable law.

6 (24) Subject to Article XLIV of the Illinois Insurance
7 Code, to act as the agent for any fire, life, or other
8 insurance company authorized by the State of Illinois, by
9 soliciting and selling insurance and collecting premiums
10 on policies issued by such company; and may receive for
11 services so rendered such fees or commissions as may be
12 agreed upon between the said savings bank and the insurance
13 company for which it may act as agent; provided, however,
14 that no such savings bank shall in any case assume or
15 guarantee the payment of any premium on insurance policies
16 issued through its agency by its principal; and provided
17 further, that the savings bank shall not guarantee the
18 truth of any statement made by an assured in filing his
19 application for insurance.

20 (25) To become a member of the Federal Home Loan Bank
21 and to have the powers granted to a savings association
22 organized under the Illinois Savings and Loan Act of 1985
23 or the laws of the United States, subject to regulations of
24 the Secretary ~~Commissioner~~.

25 (26) To offer any product or service that is at the
26 time authorized or permitted to a bank by applicable law,

1 but subject always to the same limitations and restrictions
2 that are applicable to the bank for the product or service
3 by such applicable law and subject to the applicable
4 provisions of the Financial Institutions Insurance Sales
5 Law and rules of the Secretary ~~Commissioner~~.

6 (b) If this Act or the regulations adopted under this Act
7 fail to provide specific guidance in matters of corporate
8 governance, the provisions of the Business Corporation Act of
9 1983 may be used, or if the savings bank is a limited liability
10 company, the provisions of the Limited Liability Company shall
11 be used.

12 (c) A savings bank may be organized as a limited liability
13 company, may convert to a limited liability company, or may
14 merge with and into a limited liability company, under the
15 applicable laws of this State and of the United States,
16 including any rules promulgated thereunder. A savings bank
17 organized as a limited liability company shall be subject to
18 the provisions of the Limited Liability Company Act in addition
19 to this Act, provided that if a provision of the Limited
20 Liability Company Act conflicts with a provision of this Act or
21 with any rule of the Secretary ~~Commissioner~~, the provision of
22 this Act or the rule of the Secretary ~~Commissioner~~ shall apply.

23 Any filing required to be made under the Limited Liability
24 Company Act shall be made exclusively with the Secretary
25 ~~Commissioner~~, and the Secretary ~~Commissioner~~ shall possess the
26 exclusive authority to regulate the savings bank as provided in

1 this Act.

2 Any organization as, conversion to, and merger with or into
3 a limited liability company shall be subject to the prior
4 approval of the Secretary ~~Commissioner~~.

5 A savings bank that is a limited liability company shall be
6 subject to all of the provisions of this Act in the same manner
7 as a savings bank that is organized in stock form.

8 The Secretary ~~Commissioner~~ may promulgate rules to ensure
9 that a savings bank that is a limited liability company (i) is
10 operating in a safe and sound manner and (ii) is subject to the
11 Secretary's ~~Commissioner's~~ authority in the same manner as a
12 savings bank that is organized in stock form.

13 (Source: P.A. 92-483, eff. 8-23-01; 93-561, eff. 1-1-04.)

14 (205 ILCS 205/2007) (from Ch. 17, par. 7302-7)

15 Sec. 2007. (a) A savings bank, including a mutual savings
16 bank operating under this Act, may reorganize so as to become a
17 holding company by:

18 (1) chartering one or more subsidiary savings banks,
19 the ownership of which shall be evidenced by stock shares,
20 to be owned by the chartering parent savings bank; and

21 (2) either of the following:

22 (i) transferring the substantial portion of its
23 assets and all of its insured deposits and part or all
24 of its other liabilities to one or more subsidiary
25 savings banks; or

1 (ii) reorganizing in any other manner as approved
2 by the Secretary ~~Commissioner~~.

3 (b) In order to effect reorganization under subsection (a),
4 the board of directors of the original savings bank must
5 approve a plan providing for the reorganization that shall be
6 submitted for approval by a majority of the voting members of
7 the savings bank. Approval must occur in accordance with the
8 savings bank's articles of incorporation and bylaws at a
9 meeting called by the board of directors. The Secretary may
10 ~~Commissioner shall~~ promulgate rules to regulate the formation
11 of and the ongoing business of the subsidiaries and the holding
12 company, including the rights of members, levels of investment
13 in holding company subsidiaries, and stock sales.

14 (Source: P.A. 88-425.)

15 (205 ILCS 205/3001) (from Ch. 17, par. 7303-1)

16 Sec. 3001. Application for permit to organize.

17 (a) Not fewer than 5 nor more than 20 persons may organize
18 a savings bank under this Act.

19 (b) The Secretary ~~Commissioner~~ shall determine the minimum
20 required capital which shall be at least the minimum required
21 to obtain insurance of accounts as required by this Act and
22 shall include additional amounts as the Secretary ~~Commissioner~~
23 may find necessary, ~~based upon duly promulgated regulations.~~

24 (Source: P.A. 86-1213.)

1 (205 ILCS 205/3002) (from Ch. 17, par. 7303-2)
2 Sec. 3002. Contents of application for permit to organize.
3 The application for a permit to organize shall be on forms
4 required by the Secretary ~~Commissioner~~, shall include all
5 information as he deems necessary but must include at least the
6 following:

7 (1) The name, address, social security number, date of
8 birth, business address, home address, place of birth, and
9 occupation of each organizer.

10 (2) The name of the proposed savings bank.

11 (3) The address of the headquarters, main business
12 office, and branches, if known, of the proposed savings
13 bank. Information must include any real estate interests of
14 the organizers that may be involved with any of these
15 locations.

16 (4) The anticipated duration of the proposed savings
17 bank, which may be perpetual.

18 (5) An audited financial statement of any corporation
19 or partnership that is one of the organizers or that shall
20 be either a controlling interest in the proposed savings
21 bank, a lender to the proposed savings bank, or a lender
22 for purposes of acquiring an interest in the proposed
23 savings bank to any of the controlling interests. The
24 Secretary may ~~Commissioner shall~~ define by regulation the
25 terms "controlling interest" and "lender".

26 (6) The proposed articles of incorporation and bylaws.

1 (7) The number of shares of capital stock; the number
2 of shares and classes of preferred stock, if any; the par
3 value of each type of stock which may not be less than \$1;
4 the number of shares to be sold and the per share initial
5 offering price of each share.

6 (Source: P.A. 86-1213.)

7 (205 ILCS 205/4012) (from Ch. 17, par. 7304-12)

8 Sec. 4012. Procedure to dissent.

9 (a) If the action giving rise to the right to dissent is to
10 be approved at a meeting of shareholders, the notice of meeting
11 shall inform the shareholders of their right to dissent and the
12 procedure to dissent. Prior to the meeting, the savings bank
13 shall furnish to the shareholders material information with
14 respect to the transaction that will enable a shareholder to
15 objectively vote on the transaction and to determine whether or
16 not to exercise dissenters' rights. A shareholder may assert
17 dissenters' rights only if the shareholder delivers to the
18 savings bank, before the vote is taken, a written demand for
19 payment for his shares if the proposed action is consummated
20 and the shareholder does not vote in favor of the proposed
21 action.

22 (b) If the action giving rise to the right to dissent is
23 not to be approved at a meeting of shareholders, the notice to
24 shareholders describing the action taken shall inform the
25 shareholders of their right to dissent and the procedure to

1 dissent. Prior to, or concurrently with, the notice the savings
2 bank shall furnish to the shareholders material information
3 with respect to the transaction that will enable a shareholder
4 to objectively determine whether or not to exercise dissenters'
5 rights. A shareholder may assert dissenters' rights only if he
6 delivers to the savings bank within 30 days from the date of
7 mailing the notice a written demand for payment for his shares.

8 (c) The Secretary ~~may Commissioner shall~~ promulgate rules
9 to govern the procedure to be used by savings banks and
10 dissenters in arriving at a value and price for dissenters'
11 shares, as well as how distribution shall be made. In no case
12 shall the rules be more restrictive than the provisions
13 applicable to ordinary corporations under the Business
14 Corporation Act of 1983.

15 (Source: P.A. 86-1213.)

16 (205 ILCS 205/6007) (from Ch. 17, par. 7306-7)

17 Sec. 6007. Sale, assignment, and servicing of loans and
18 contracts.

19 (a) Any savings bank may sell any loan or a participating
20 interest in a loan at any time in the usual and regular course
21 of business. Loans sold may be sold with or without recourse
22 except as may otherwise be provided by regulations of the
23 Secretary ~~Commissioner~~. The Secretary ~~Commissioner~~ may, by
24 regulation, adopt limitations upon the sale of loans. The
25 provisions of this subsection (a) do not apply to the sale of

1 loans to agencies of the United States, the State of Illinois,
2 or other government sponsored agencies as may be approved by
3 the Secretary ~~Commissioner~~.

4 (b) A savings bank may contract to service a loan or a
5 participating interest in a loan, but a contract therefor shall
6 conform to any ~~the~~ pertinent regulations prescribed by the
7 Secretary ~~Commissioner~~ and shall require sufficient
8 compensation to reimburse the savings bank for all expenses
9 incurred under the contract.

10 (c) A savings bank may sell and assign, with or without
11 recourse, any master's certificate of sale, defaulted loan, or
12 defaulted real estate contract to any person eligible to
13 purchase it for an amount not less than the fair cash market
14 value thereof.

15 (Source: P.A. 86-1213.)

16 (205 ILCS 205/6009) (from Ch. 17, par. 7306-9)

17 Sec. 6009. Purchase of real estate for office and rental
18 purposes.

19 (a) A savings bank may acquire and hold real estate in fee
20 simple or leaseholds on which a building or buildings exist or
21 are to be erected suitable for the transaction of the savings
22 bank's business, and from portions of which not required for
23 the savings bank's own use, revenue may be derived; or may own
24 all or part of the capital stock, shares, or interest in any
25 corporation, limited liability company, association, or trust

1 engaged solely in holding all or part of that real estate.
2 However, the amount so invested under this Section and item (7)
3 of Section 6003 may not exceed a savings bank's total capital
4 unless the Secretary ~~Commissioner~~, upon a proper showing,
5 approves a larger amount consistent with the needs of the
6 savings bank's business and its immediate future expansion.

7 (b) Unless prior written approval of the Secretary
8 ~~Commissioner~~ is obtained, no savings bank may purchase, lease,
9 or otherwise acquire a site for an office building or interest
10 in real estate from any officer, director, employee, or
11 stockholder holding more than 10% of the aggregate capital
12 stock of the savings bank, or any firm, corporation, entity, or
13 family in which any officer, director, employee, or stockholder
14 holding more than 10% of the aggregate capital stock of a
15 savings bank has any direct or indirect interest.

16 (c) An acquisition prohibited by this Section includes the
17 purchase, lease, or acquisition of property in which any of the
18 persons described in this Section held any interest for a
19 period of 10 years preceding the purchase, lease, or
20 acquisition, but does not include the acquisition of an option
21 for a site or real estate where the option is assignable and
22 exercised by the savings bank in its own name and for its own
23 benefit.

24 (Source: P.A. 89-320, eff. 1-1-96.)

1 Sec. 8002. Procedure to amend articles.

2 (a) The procedure to effect an amendment of articles of
3 incorporation shall be as follows:

4 (1) The board of directors shall adopt a resolution
5 setting forth the proposed amendment and direct that it be
6 submitted to a vote at an annual or special meeting of the
7 members or stockholders.

8 (2) The proposed amendment shall be set forth in the
9 notice of meeting mailed as prescribed in Section 4003 of
10 this Act.

11 (3) The proposed amendment shall be adopted upon
12 receiving the affirmative vote of a majority of the votes
13 entitled to be cast, unless the articles of incorporation
14 set forth a requirement that amendments of the articles of
15 incorporation shall be adopted by an affirmative vote of
16 two-thirds of the total number of votes entitled to be
17 cast.

18 (b) A report of proceedings, including the notice given,
19 the time of mailing, the amendment adopted, the vote thereon,
20 and the total number of votes entitled to be cast, verified by
21 the president, vice president, or managing officer and attested
22 to by the secretary of the savings bank ~~Secretary~~, shall be
23 filed with the Secretary ~~Commissioner~~ within 5 business days
24 after the vote.

25 (c) Each adopted amendment shall be subject to the same
26 inquiry as the corresponding provision in the original

1 articles. If the Secretary ~~Commissioner~~ approves an amendment
2 he shall issue to the savings bank a certificate setting forth
3 the amendment and his approval thereof. The amendment shall
4 become effective upon issuance of the certificate ~~when recorded~~
5 ~~in the same manner as the savings bank's articles of~~
6 ~~incorporation. The savings bank shall provide the Commissioner~~
7 ~~with a copy of the recorded amendment within 5 business days of~~
8 ~~the date of recording.~~

9 (d) An amendment of the articles of incorporation approved
10 by the board of directors, the Secretary, and members as part
11 of merger, sale of substantially all assets, change in control,
12 holding company reorganization, or mutual to stock form
13 conversion need not be approved under this Section.

14 (e) No amendment of articles of incorporation shall affect
15 any existing cause of action either in favor of or against the
16 savings bank or any pending action in which the savings bank
17 shall be a party or the existing rights of persons other than
18 members of the savings bank.

19 (Source: P.A. 89-74, eff. 6-30-95.)

20 (205 ILCS 205/8002.1 new)

21 Sec. 8002.1. Procedure to amend articles of incorporation
22 for name change.

23 (a) Notwithstanding the requirements of Section 8002 of
24 this Act, a savings bank, after commencing business, may amend
25 its articles of incorporation solely for purposes of changing

1 the name of the savings bank, upon satisfactory completion of
2 the following requirements:

3 (1) Submission by the board of directors of a certified
4 resolution approving the proposed name change and
5 approving a plan for notifying all parties who may be
6 affected by the change, including, but not limited to
7 members, account holders, borrowers, creditors, and
8 parties to whom or with whom commitments of any type are
9 pending.

10 (2) The new name, as determined by the Secretary, meets
11 the requirements for names under this Act or rules
12 established by the Secretary.

13 On satisfactory completion of these requirements, the
14 Secretary shall issue an approved amendment to the articles of
15 incorporation as provided for in subsection (c) of Section 8002
16 of this Act.

17 (b) No amendment of the articles of incorporation to change
18 the name of a savings bank shall affect any existing cause of
19 action either in favor of or against the savings bank or any
20 pending action in which the savings bank shall be a party, nor
21 shall it affect the existing rights of persons other than
22 members of the savings bank. No action brought by or against
23 the savings bank under its former name shall be abated by
24 reason of the change.

1 Sec. 8003. Effect upon existing articles and bylaws. Any
2 adopted or amended articles that contain provisions contrary to
3 the savings bank's bylaws shall serve to repeal the particular
4 bylaws without further action by the board. ~~No amendment to a~~
5 ~~savings bank's bylaws may take effect until the amendment is~~
6 ~~approved by the Commissioner.~~

7 (Source: P.A. 89-74, eff. 6-30-95.)

8 (205 ILCS 205/8004) (from Ch. 17, par. 7308-4)

9 Sec. 8004. Merger; adoption of plan.

10 (a) Any depository institution may merge into a savings
11 bank operating under this Act, and a savings bank operating
12 under this Act may merge into a depository institution. The
13 board of directors of each merging depository institution, by
14 resolution adopted by a majority vote of all members of the
15 board, must approve the plan of merger.

16 (b) The plan of merger must include the following:

17 (1) The name of each of the merging depository
18 institutions, the name of the continuing savings bank or
19 resulting depository institution ~~or State or national~~
20 ~~bank~~, the location of the business office, and the location
21 of the branch offices.

22 (2) With respect to the resulting savings bank or
23 resulting depository institution ~~or State or national~~
24 ~~bank~~, the amount of capital, surplus, and reserve for
25 operating expenses; the classes and the number of shares of

1 stock and the par value of each share; the charter and
2 bylaws of the resulting depository institution or savings
3 bank ~~or resulting State or national bank~~; and a detailed
4 financial Statement showing the assets and liabilities
5 after the proposed merger.

6 (3) Provisions stating the method, terms, and
7 conditions of carrying the merger into effect, including
8 the manner of converting the shares of the merging
9 depository institutions into the cash, shares of stock, or
10 other securities or properties Stated in the merger
11 agreement to be received by the stockholders of each
12 merging depository institution.

13 (4) Provisions governing the manner of disposing of any
14 shares of stock of the resulting savings bank or resulting
15 depository institution ~~or State or national bank~~ that are
16 not taken by the dissenting stockholders of each merging
17 depository institution.

18 (5) Other provisions that appear necessary or
19 desirable or that the Secretary ~~Commissioner~~ may
20 reasonably require to enable him to discharge his duties
21 with respect to the merger.

22 (c) After approval by the board of directors of each
23 depository institution, the merger agreement shall be
24 submitted to the Secretary ~~Commissioner~~ for approval, together
25 with the certified copies of the authorizing resolutions of
26 each board of directors showing approval by a majority of the

1 entire board of each merging depository institution. After
2 receipt of the items specified herein, the Secretary
3 ~~Commissioner~~ may make or cause to be made an examination of the
4 affairs of each of the merging depository institutions and
5 their affiliates and subsidiaries, the expense of which is to
6 be paid by the merging depository institutions.

7 (d) The Secretary ~~Commissioner~~ may then approve or
8 disapprove the proposed merger agreement. The Secretary
9 ~~Commissioner~~ shall not approve a merger agreement unless he
10 finds that:

11 (1) The resulting savings bank meets the requirements
12 of this Act for the formation of a new savings bank at the
13 proposed main office of the resulting savings bank.

14 (2) The same conditions exist with respect to the
15 resulting savings bank that would be required under this
16 Act for the organization of a new savings bank.

17 (3) The merger agreement is fair to all persons
18 affected.

19 (4) The resulting savings bank will be operated in a
20 safe and sound manner.

21 (e) If the Secretary ~~Commissioner~~ disapproves of the
22 proposed merger, he shall State his objections in writing and
23 give the merging depository institutions a Stated period of
24 time in which to amend the plan of merger to address ~~obviate~~
25 the objections.

26 (Source: P.A. 87-1226; 88-425.)

1 (205 ILCS 205/8005) (from Ch. 17, par. 7308-5)

2 Sec. 8005. Merger; vote of approval. If approved by the
3 Secretary ~~Commissioner~~, the plan of merger shall be submitted
4 to the stockholders of the savings bank or depository
5 institution for approval. The Secretary ~~Commissioner~~ may
6 require that the plan of merger be submitted to members of a
7 mutual savings bank. Each meeting of the members or
8 stockholders of a savings bank operating under this Act shall
9 be called and held in accordance with Section 4002. The plan is
10 approved if it receives the affirmative vote of two-thirds or
11 more of the total votes entitled to be cast.

12 (Source: P.A. 86-1213.)

13 (205 ILCS 205/8006) (from Ch. 17, par. 7308-6)

14 Sec. 8006. Merger; Secretary's ~~Commissioner's~~ certificate.
15 The executed merger agreement together with copies of the
16 resolutions of the members or stockholders of each merging
17 depository institution approving it, certified by the
18 president or vice president ~~managing officer~~, and attested to
19 by the secretary of the savings bank, shall be filed with the
20 Secretary ~~Commissioner~~. The Secretary ~~Commissioner~~ shall then
21 issue to the continuing savings bank a certificate of merger,
22 setting forth the name of each merging depository institution,
23 the name of the continuing savings bank, and the articles of
24 incorporation of the continuing savings bank. The merger takes

1 effect upon the recording of the certificate in the same manner
2 as the articles of incorporation in each county in which the
3 business office of any of the merging depository institutions
4 was located and in the county in which the business office of
5 the continuing savings bank is located. When duly recorded, the
6 certificate shall be conclusive evidence of the merger and of
7 the correctness of the proceedings therefor except against the
8 State.

9 (Source: P.A. 87-1226; 88-425.)

10 (205 ILCS 205/8007) (from Ch. 17, par. 7308-7)

11 Sec. 8007. Effect of merger. The continuing savings bank or
12 resulting depository institution ~~or State or national bank~~
13 shall be considered the same business and corporate entity as
14 each merging depository institution, with all the property,
15 rights, duties, and obligations of each merging depository
16 institution, except as otherwise provided by the articles of
17 incorporation of the continuing savings bank or resulting
18 depository institution ~~or State or national bank~~. All
19 liabilities of each of the merging institutions shall be
20 liabilities of the continuing savings bank or resulting
21 depository institution ~~or State or national bank~~; and all of
22 the rights, franchises, and interests of each of the merging
23 depository institutions in and to every kind of property, real,
24 personal, or mixed shall vest automatically in the continuing
25 savings bank or resulting depository institution ~~or State or~~

1 ~~national bank~~ without any deed or other transfer. Any reference
2 to a merging depository institution in any writing, whether
3 executed or effective before or after the merger, shall be
4 deemed a reference to the continuing savings bank or resulting
5 depository institution ~~or State or national bank~~ if not
6 inconsistent with the other provisions of the writing. No
7 pending action or other judicial proceeding to which any
8 merging depository institution is a party shall be abated or
9 dismissed by reason of the merger, but shall be prosecuted to
10 final judgment in the same manner as if the merger had not
11 occurred.

12 (Source: P.A. 87-1226; 88-425.)

13 (205 ILCS 205/8008) (from Ch. 17, par. 7308-8)

14 Sec. 8008. Merger; Secretary's ~~Commissioner's~~ expenses.
15 The expenses of any examination made by or at the direction of
16 the Secretary ~~Commissioner~~ in connection with a proposed merger
17 shall be paid for by the merging savings banks or depository
18 institutions.

19 (Source: P.A. 86-1213.)

20 (205 ILCS 205/8009) (from Ch. 17, par. 7308-9)

21 Sec. 8009. Sale of assets. Subject to regulations of the
22 Secretary ~~Commissioner~~, a savings bank, in one transaction not
23 in the usual course of business, may sell all or substantially
24 all of its assets, with or without its name and goodwill, to

1 another savings bank or depository institution ~~to any other~~
2 ~~financial institution~~, in consideration of money, capital, or
3 obligations of the purchasing institution. A savings bank may
4 sell any office or facility and equipment in conformity with
5 the regulations of the Secretary ~~Commissioner~~.

6 (Source: P.A. 86-1213.)

7 (205 ILCS 205/8010) (from Ch. 17, par. 7308-10)

8 Sec. 8010. Procedure to effect sale of all assets.

9 (a) The procedure to effect a sale authorized by Section
10 ~~Sections 8009 and 8014~~ of this Act shall be as follows:

11 (1) The board of directors shall adopt a resolution
12 setting forth the terms of the proposed sale and shall
13 submit the plan to the Secretary ~~Commissioner~~ for his
14 preliminary approval. Upon receipt of approval by the
15 Secretary ~~Commissioner~~, the plan shall be submitted to a
16 vote of the members at a special or annual meeting.

17 (2) The terms shall be set forth in the notice of the
18 meeting as prescribed in subsection (b) of Section 4003 of
19 this Act.

20 (3) The proposed sale will be approved by the members
21 or stockholders upon receiving in the affirmative
22 two-thirds or more of the total number of votes that all
23 members or stockholders of the savings bank are entitled to
24 cast. A proposal for the voluntary liquidation of the
25 savings bank may be submitted to the members or

1 stockholders at the same meeting or at any later meeting
2 called for that purpose in accordance with Article 4 of
3 this Act. A report of proceedings, certified by the
4 president or vice president and attested by the secretary
5 of the savings bank, setting forth the terms of the
6 proposed sale, the notice given and the time of its
7 mailing, the vote on the proposal, and the total number of
8 votes that all members or stockholders of the savings bank
9 are entitled to cast, shall be filed with the Secretary
10 ~~Commissioner~~.

11 (b) If the Secretary ~~Commissioner~~ finds that the proposed
12 sale is fair to all holders of capital, creditors, and other
13 persons concerned and provision has been made for the
14 disposition of the remaining assets, if any, of the savings
15 bank, as provided in this Act for voluntary liquidation, he
16 shall issue to the savings bank a certificate of authorization
17 for the sale with a copy of the filed report of proceedings
18 attached to the certificate.

19 (c) When the Secretary's ~~Commissioner's~~ certificate is
20 issued ~~recorded in the same manner as the savings bank's~~
21 ~~articles of incorporation~~, the savings bank may complete the
22 sale so authorized; except that the savings bank must also have
23 the approval of the Federal Deposit Insurance Corporation.

24 (d) If the sale includes the name of the savings bank, the
25 purchaser shall have the exclusive right to that name for a
26 period of 5 years.

1 (Source: P.A. 86-1213.)

2 (205 ILCS 205/8013) (from Ch. 17, par. 7308-13)

3 Sec. 8013. Emergency merger. With the prior approval of the
4 Secretary ~~Commissioner~~, which approval shall state that the
5 proposed merger is in his opinion necessary for the protection
6 of the depositors and other creditors, any savings bank that is
7 an eligible depository institution, as defined in the Illinois
8 Banking Act, may, by a vote of a majority of its board of
9 directors and without a vote of its members or stockholders,
10 merge with another savings bank or depository institution, ~~a~~
11 ~~State or federal savings and loan association, or a bank, as~~
12 ~~defined in the Illinois Banking Act,~~ with the other savings
13 bank or depository institution, ~~State or federal savings and~~
14 ~~loan association, or bank~~ being the resulting or continuing
15 savings bank or depository institution, ~~savings and loan~~
16 ~~association, or bank.~~

17 (Source: P.A. 86-1213.)

18 (205 ILCS 205/8014) (from Ch. 17, par. 7308-14)

19 Sec. 8014. Emergency sale of assets.

20 (a) With the approval in writing of the Secretary
21 ~~Commissioner~~, which approval shall state that the proposed sale
22 is, in his opinion, necessary for the protection of the
23 depositors and other creditors, any savings bank that is an
24 eligible depository institution, as defined in Section 2 of the

1 Illinois Banking Act may, by a vote of a majority of its board
2 of directors and without a vote of its members or stockholders,
3 sell all or any part of its assets to another savings bank or
4 depository institution, ~~savings and loan association, bank, as~~
5 ~~defined in the Illinois Banking Act,~~ or to the Federal Deposit
6 Insurance Corporation, ~~or to both a State or federally~~
7 ~~chartered savings bank or savings and loan association or a~~
8 ~~bank and the Federal Deposit Insurance Corporation,~~ provided
9 that a savings bank or depository institution assumes, ~~State or~~
10 ~~federally chartered savings and loan association or bank~~
11 ~~assumes~~ in writing all of the liabilities of the selling
12 savings bank association and that any sale to a bank shall be
13 ~~by an eligible depository institution, as defined in the~~
14 ~~Illinois Banking Act.~~

15 (b) Notwithstanding any other provisions of this Act, a
16 savings bank may sell to any savings bank or depository
17 institution, ~~savings and loan association, or bank, as defined~~
18 ~~in the Illinois Banking Act,~~ an insubstantial portion of its
19 total deposits ~~which shall have the same meaning as provided in~~
20 ~~Section 5(d)(2)(D) of the Federal Deposit Insurance Act.~~ The
21 sale of an insubstantial portion of a savings bank's deposits
22 may be by vote of a majority of the board of directors, and,
23 with approval of the Secretary Commissioner, ~~Commissioner~~, without a vote of
24 its members or stockholders.

25 (Source: P.A. 86-1213.)

1 (205 ILCS 205/8015) (from Ch. 17, par. 7308-15)

2 Sec. 8015. Change in control.

3 (a) No person, whether acting directly or indirectly or
4 through or in concert with one or more persons, may acquire
5 control of a savings bank operating under this Act without
6 prior approval of the Secretary ~~Commissioner~~.

7 (b) Any person seeking to acquire control of a savings bank
8 or subsidiary of a savings bank operating under this Act shall
9 submit an application in the form required by the Secretary
10 ~~Commissioner~~.

11 (c) The Secretary ~~Commissioner~~ may examine the books and
12 records of the applicant and related persons, investigate any
13 matter relevant to the application, and require the applicant
14 to submit additional information and documents.

15 (d) The Secretary ~~Commissioner~~ shall not approve an
16 acquisition of control unless the application and related
17 examination and investigation permit the Secretary
18 ~~Commissioner~~ to find positively on all of the following
19 matters:

20 (1) The applicant has filed a complete application, has
21 cooperated with all examinations and investigations of the
22 Secretary ~~Commissioner~~, and has submitted all information
23 and documents requested by the Secretary ~~Commissioner~~.

24 (2) The applicant and proposed management have the
25 necessary competence, experience, integrity, and financial
26 ability.

1 (3) The business plans of the applicant are consistent
2 with the safe and sound operation of the savings bank and
3 the purposes of this Act.

4 (4) The acquisition of control would not be inequitable
5 to members, borrowers or creditors of the savings bank.

6 (5) The applicant and proposed management have
7 complied with subsection (f) ~~(e)~~ of this Section.

8 (e) Shares of stock or mutual members shares acquired in
9 violation of subsection (a) of this Section shall not be voted
10 and shall not be counted in calculating the total number of
11 shares eligible to vote. In addition to any other action
12 authorized under this Act, the Secretary ~~Commissioner~~ may
13 require divestment of shares of stock acquired in violation of
14 this Section and may require retirement of the withdrawal value
15 of accounts providing mutual member voting shares acquired in
16 violation of this Section, in which case the savings bank shall
17 pay accrued interest on the retired withdrawal value and shall
18 not assess any penalty for early withdrawal.

19 (f) An individual, whether acting directly or indirectly or
20 through or in concert with one or more persons, shall file
21 written notice to the Secretary ~~Commissioner~~ within 10 days of
22 the occurrence of either of the following events:

23 (1) becoming, directly or indirectly, the beneficial
24 owner of more than five percent of the voting shares of a
25 savings bank or savings bank holding company; or

26 (2) obtaining, directly or indirectly, the power to

1 cast more than five percent of the member votes of a
2 savings bank or savings bank holding company.

3 The requirements of this subsection (f) are separate and in
4 addition to the requirements of subsection (a) of this Section.

5 (g) The Secretary ~~Commissioner~~ may promulgate rules to
6 implement this provision, including definitions, form and
7 content of application or notice, procedures, exemptions, and
8 requirements for approval.

9 (Source: P.A. 96-585, eff. 8-18-09.)

10 (205 ILCS 205/8016) (from Ch. 17, par. 7308-16)

11 Sec. 8016. Procedure for conversion from a savings bank
12 charter.

13 (a) Any savings bank operating under this Act may convert
14 to any other depository institution chartered under the laws
15 and regulations of this State or under the laws and regulations
16 of the United States in accordance with the following
17 requirements:

18 (1) The converting savings bank shall notify the
19 Secretary ~~Commissioner~~ of its intent to convert. Notice
20 should be submitted when the savings bank first submits a
21 request to convert to the appropriate State or federal
22 authorities, but in no case less than 30 days before the
23 conversion. Approval of the conversion by the Secretary
24 ~~Commissioner~~ shall not be required except when the savings
25 bank converts to a depository institution that is also

1 chartered by the Secretary Commissioner in which case the
2 savings bank shall comply with State law and regulations
3 applicable to the conversion to such depository
4 institution.

5 (2) The board of directors shall approve a plan of
6 conversion by resolution adopted by majority vote of all of
7 the directors.

8 (3) Upon notice prescribed by subsection (a) of Section
9 4003 of this Act, the plan of conversion shall be adopted
10 upon receiving in the affirmative two-thirds or more of the
11 total number of votes that all members of the savings bank
12 are entitled to cast. A report of proceedings, certified by
13 the president or a vice president and attested by the
14 secretary of the savings bank, shall be filed promptly with
15 the Secretary Commissioner.

16 (4) The savings bank shall pay all accrued supervisory
17 fees and other fees and assessments under this Act as of
18 the date of conversion.

19 (5) Upon completion of the conversion, the charter of
20 the savings bank shall automatically terminate and the
21 savings bank charter or a true copy of the charter shall be
22 returned to the Secretary Commissioner.

23 (b) (Blank). ~~If the Commissioner finds that any requirement~~
24 ~~of this Section would prevent under applicable law a depository~~
25 ~~institution that is not a savings bank from converting to a~~
26 ~~savings bank, the Commissioner may waive any requirement having~~

1 ~~that effect.~~

2 (Source: P.A. 91-97, eff. 7-9-99.)

3 (205 ILCS 205/8018 new)

4 Sec. 8018. Waiver of requirements. Notwithstanding any
5 provision of this Article, the requirements imposed by this
6 Article on a savings bank that seeks to convert to, merge into,
7 or sell substantially all of its assets to a depository
8 institution that is not a savings bank shall be no more
9 burdensome or restrictive than the requirements imposed by
10 federal or other state law on a depository institution that is
11 not a savings bank that seeks to convert to, merge into, or
12 sell substantially all of its assets to a savings bank. The
13 Secretary may waive any such requirement imposed by this
14 Article that is more burdensome or restrictive.

15 (205 ILCS 205/9002) (from Ch. 17, par. 7309-2)

16 Sec. 9002. Powers of Secretary. The Secretary shall have
17 the following powers and duties:

18 (1) To exercise the rights, powers, and duties set forth in
19 this Act or in any related Act.

20 (2) To establish regulations as may be reasonable or
21 necessary to accomplish the purposes of this Act.

22 (3) To make an annual report regarding the work of his
23 office under this Act as he may consider desirable to the
24 Governor, or as the Governor may request.

1 (4) To cause a suit to be filed in his name to enforce any
2 law of this State that applies to savings banks, their service
3 corporations, subsidiaries, affiliates, or holding companies
4 operating under this Act, including the enforcement of any
5 obligation of the officers, directors, agents, or employees of
6 any savings bank.

7 (5) To prescribe a uniform manner in which the books and
8 records of every savings bank are to be maintained.

9 (6) To establish a reasonable fee structure for savings
10 banks and holding companies operating under this Act and for
11 their service corporations and subsidiaries. The fees shall
12 include, but not be limited to, annual fees, application fees,
13 regular and special examination fees, and other fees as the
14 Secretary establishes and demonstrates to be directly
15 resultant from the Secretary's responsibilities under this Act
16 and as are directly attributable to individual entities
17 operating under this Act. The aggregate of all moneys ~~fees~~
18 collected by the Secretary on and after the effective date of
19 this Act shall be paid promptly after receipt of the same,
20 accompanied by a detailed statement thereof, into the Savings
21 and Residential Finance Regulatory Fund subject to the
22 provisions of Section 7-19.1 of the Illinois Savings and Loan
23 Act of 1985 including without limitation the provision for
24 credits against regulatory fees. The amounts deposited into the
25 Fund shall be used for the ordinary and contingent expenses of
26 the Office of Banks and Real Estate. Notwithstanding any other

1 provision of this paragraph (6), the aggregate of all moneys
2 collected by the Secretary under this Act shall be paid
3 promptly after receipt of same, accompanied by a detailed
4 statement thereof, into the Savings Institutions Regulatory
5 Fund upon the creation of that fund under Section 7-19.2 of the
6 Illinois Savings and Loan Act of 1985, subject to the
7 provisions of Section 7-19.2 of the Illinois Savings and Loan
8 Act of 1985, including without limitation the provision for
9 credits against regulatory fees. The amounts deposited into the
10 Savings Institutions Regulatory Fund under this paragraph (6)
11 shall be used for the ordinary and contingent expenses of
12 administering and enforcing this Act. Nothing in this Act shall
13 prevent continuing the practice of paying expenses involving
14 salaries, retirement, social security, and State-paid
15 insurance of State officers by appropriation from the General
16 Revenue Fund. The Secretary may require payment of the fees
17 under this Act by an electronic transfer of funds or an
18 automatic debit of an account of each of the savings banks.

19 (Source: P.A. 95-1047, eff. 4-6-09; 96-1365, eff. 7-28-10.)

20 (205 ILCS 205/9004) (from Ch. 17, par. 7309-4)

21 Sec. 9004. Examination.

22 (a) At least once every 18 months or more often if it is
23 deemed necessary or expedient, the Secretary ~~Commissioner~~
24 shall examine the books, records, operations, and affairs of
25 each savings bank operating under this Act. In the course of

1 the examination, the Secretary ~~may Commissioner shall~~ also
2 examine in the same manner all entities, companies, and
3 individuals which or whom the Secretary ~~Commissioner~~
4 determines may have a relationship with the savings bank or any
5 subsidiary or entity affiliated with it, if the relationship
6 may adversely affect the affairs, activities, and safety and
7 soundness of the savings bank, including: (i) companies
8 controlled by the savings bank; (ii) entities, including
9 companies controlled by the company, individual, or
10 individuals that control the savings bank; and (iii) the
11 company or other entity which controls or owns the savings
12 bank. ~~For purposes of this subsection, the Commissioner shall~~
13 ~~deem it necessary or expedient to conduct an examination more~~
14 ~~often than every 18 months if a required report from a savings~~
15 ~~bank indicates a material change in financial condition or a~~
16 ~~material violation of a law or regulation. In that event, the~~
17 ~~Commissioner shall initiate an examination within 30 days of~~
18 ~~receipt of that information. In the event that the condition is~~
19 ~~grounds for taking custody of the savings bank under Section~~
20 ~~10001 of this Act, the examination shall be initiated~~
21 ~~immediately.~~ Notwithstanding any other provision of this Act,
22 every savings bank, as defined by rule, or, if not defined, to
23 the same extent as would be permitted in the case of a State
24 bank, the Secretary, in lieu of the examination, may accept on
25 an alternating basis the examination made by the eligible
26 savings bank's appropriate federal banking agency pursuant to

1 Section 111 of the Federal Deposit Insurance Corporation
2 Improvement Act of 1991, provided the appropriate federal
3 banking agency has made an examination.

4 (b) The Secretary ~~Commissioner~~ shall examine to determine:

5 (1) Quality of financial condition, including safety
6 and soundness and investment and loan quality.

7 (2) Compliance with this Act and other applicable
8 statutes and regulations.

9 (3) Quality of management policies.

10 (4) Overall safety and soundness of the savings bank,
11 its parent, subsidiaries, and affiliates.

12 (5) Remedial actions required to correct and to restore
13 compliance with applicable statutes, regulations, and
14 proper business policies.

15 (c) The Secretary may ~~Commissioner shall~~ promulgate
16 regulations to implement and administer this Section.

17 (d) If a savings bank, its holding company, or any of its
18 corporate subsidiaries has not been audited at least once in
19 the 12 months prior to the Secretary's ~~Commissioner's~~
20 examination, the Secretary may ~~Commissioner shall~~ cause an
21 audit of the savings bank's books and records to be made by an
22 independent licensed public accountant ~~selected by the~~
23 ~~Commissioner from a list composed of certified public~~
24 ~~accountants who have experience in savings bank audits.~~ The
25 cost of the audit shall be paid for by the entity being
26 audited.

1 (e) The Secretary ~~Commissioner~~ or ~~the~~ his or her
2 ~~Commissioner's~~ examiners or other formally designated agents
3 are authorized to administer oaths and to examine and to take
4 and preserve testimony under oath as to anything in the affairs
5 or ownership of any savings bank or institution or affiliate
6 thereof.

7 (Source: P.A. 96-1365, eff. 7-28-10.)

8 (205 ILCS 205/9008) (from Ch. 17, par. 7309-8)

9 Sec. 9008. Report of examination. Upon completion of each
10 examination, the Secretary may ~~Commissioner shall~~ make a report
11 of examination to the board of directors of the savings bank or
12 other entity examined. The report shall be read by each
13 director who shall then execute a signed statement ~~affidavit~~
14 ~~affirming~~ that he has read the report. The statement ~~affidavits~~
15 shall be filed and retained by the savings bank or appropriate
16 entity examined and shall be examined by the Secretary
17 ~~Commissioner~~ during regular examinations.

18 (Source: P.A. 86-1213.)

19 (205 ILCS 205/9011) (from Ch. 17, par. 7309-11)

20 Sec. 9011. Record keeping and retention of records by a
21 savings bank.

22 (a) Each savings bank is required to maintain appropriate
23 books and records, as required by the Secretary ~~Commissioner~~,
24 that are in accordance with generally accepted accounting

1 principles and the requirements of its insurer of accounts. All
2 books and records shall be current, complete, organized, and
3 accessible to the Secretary ~~Commissioner~~, the Secretary's
4 ~~Commissioner's~~ agents and examiners, and to the savings bank's
5 auditors and accountants.

6 (b) Each savings bank shall implement internal control and
7 security measures for its data processing activities. A
8 contract with a data processing service or for data processing
9 services must provide that records maintained shall at all
10 times be available for examination and audit by the Secretary
11 ~~Commissioner~~.

12 (c) The Secretary ~~Commissioner~~ may further regulate these
13 matters by the promulgation of rules concerning data
14 processing. As used herein, "data processing" means all
15 electronic or automated systems of communication and data
16 processing by computer.

17 (d) Unless a federal law requires otherwise, the Secretary
18 ~~may~~ ~~Commissioner shall~~ by regulation prescribe periods of time
19 for which savings banks operating under this Act must retain
20 records and after the expiration of which, the savings bank may
21 destroy those records. No liability shall accrue against the
22 savings bank, the Secretary ~~Commissioner~~, or this State for
23 destruction of records according to regulations of the
24 Secretary ~~Commissioner~~ promulgated under the authority of this
25 Section. In any cause or proceeding in which any records may be
26 called in question or be demanded by any savings bank, a

1 showing of the expiration of the period so prescribed shall be
2 sufficient excuse for failure to produce them.

3 (Source: P.A. 90-301, eff. 8-1-97.)

4 (205 ILCS 205/9015) (from Ch. 17, par. 7309-15)

5 Sec. 9015. Unsafe and unsound practices; orders of
6 prohibition and removal.

7 (a) The violation of any of the following provisions of
8 this Act: Article 5, subsection (b) of Section 4009, Section
9 7006, Section 9005, and Section 9014 is deemed to be an unsafe
10 and unsound practice and creates an unsafe and unsound
11 condition in the savings bank. The savings bank or the
12 institution affiliated party responsible for the violation may
13 be subject to the assessment of civil money penalties and other
14 enforcement powers of the Secretary ~~Commissioner~~, as specified
15 in this Article, in Article 11, and by regulation of the
16 Secretary ~~Commissioner~~.

17 (b) Continued violation of any of those provisions after
18 the Secretary ~~Commissioner~~ issues formal notice to correct
19 shall subject the directors of the savings bank at fault to
20 immediate removal from the board and to a permanent order of
21 prohibition from direct or indirect participation in the
22 affairs of any financial institution subject to this Act, the
23 Illinois Savings and Loan Act of 1985, or the Residential
24 Mortgage License Act of 1987.

25 (c) The Secretary ~~may~~ ~~Commissioner shall~~ promulgate rules

1 and regulations to implement this Section.

2 (Source: P.A. 90-301, eff. 8-1-97.)

3 (205 ILCS 205/9017) (from Ch. 17, par. 7309-17)

4 Sec. 9017. Procedure upon the impairment of capital.

5 (a) If the Secretary ~~Commissioner~~ finds from a report of
6 examination or other required report of a savings bank that the
7 capital is impaired, he may ~~shall~~, in his discretion institute
8 whichever of the following procedures is appropriate:

9 (1) Direct that the board of directors either (i)
10 require the shareholders to contribute an amount at least
11 sufficient to eliminate the impairment, or (ii) reduce the
12 par value of the capital stock in at least the amount of
13 the impairment and allocate the reduction to undivided
14 profits or reserves to absorb the loss that created the
15 impairment.

16 (2) Take custody of the savings bank under Article 10
17 of this Act, establish a conservatorship, and proceed to
18 merge, sell, or otherwise dispose of the savings bank in a
19 manner that will remove the capital impairment, remove
20 operating losses, and restore compliance with all capital
21 requirements.

22 (3) Declare the stock worthless and order the directors
23 to cancel the stock or order the directors to sell, merge,
24 or otherwise restructure the savings bank in a manner that
25 will remove the capital impairment, eliminate operating

1 losses, and restore compliance with all capital
2 requirements.

3 (b) The Secretary ~~may Commissioner shall~~ promulgate rules
4 to implement this procedure.

5 (Source: P.A. 86-1213.)

6 (205 ILCS 205/9018) (from Ch. 17, par. 7309-18)

7 Sec. 9018. Administrative review. Except as provided in
8 Article 10 and as otherwise specifically provided by this Act,
9 any person aggrieved by a decision of the Secretary
10 ~~Commissioner~~ under this Act may receive a hearing before the
11 Secretary under Sections 9018.1 through 9018.4 of this Act
12 ~~Board of Savings Institutions or otherwise seek administrative~~
13 ~~review of the decision pursuant to the procedures set forth in~~
14 ~~Sections 7-20 through 7-27 of the Illinois Savings and Loan Act~~
15 ~~of 1985.~~

16 (Source: P.A. 89-508, eff. 7-3-96.)

17 (205 ILCS 205/9018.1 new)

18 Sec. 9018.1. Hearing upon verified complaint. The
19 Secretary shall, upon receiving the verified complaint in
20 writing of any aggrieved person setting forth facts that, if
21 proved, would constitute grounds for reversal or change of any
22 decision, order, or action of the Secretary, except as provided
23 in Section 9018 of this Act, grant a hearing on the complaint.
24 If the aggrieved person desires such a hearing, he or she

1 shall, within 10 days after receipt of notice of such decision,
2 order, or action, file written notice with the Secretary of
3 intent to demand a hearing and shall, within 30 days after
4 receipt of notice of such decision, order, or action, file his
5 or her verified complaint in writing. The date of the hearing
6 may not be earlier than 15 days nor later than 30 days after
7 the date of receipt of verified complaint in writing. The
8 Secretary shall, at least 10 days prior to the date set for the
9 hearing, notify in writing the person aggrieved by such
10 decision, order, or action, referred to in this Section as the
11 respondent, and all other parties to the action, that a hearing
12 will be held on the date designated and shall afford the
13 respondent and all other parties to the action an opportunity
14 to be heard in person or by counsel in reference thereto.
15 Written notice may be served by delivery of the same personally
16 to the respondent and all other parties to the action or by
17 mailing the notice by registered or certified mail to the place
18 of business specified by the respondent and all other parties
19 to the action in the last notification to the Secretary. At the
20 time and place fixed in the notice, the Secretary or his or her
21 authorized agent, referred to in this Section as the hearing
22 officer, shall proceed to hear the charges and the respondent,
23 all other parties to the action, and the complainant shall be
24 accorded ample opportunity to present in person or by counsel
25 such statements, testimony, evidence, and argument as may be
26 pertinent to the issues. The hearing officer may continue such

1 hearing from time to time.

2 The hearing officer may subpoena any person in this State
3 and may take testimony either orally, by deposition, or by
4 exhibit, with the same fees and mileage and in the same manner
5 as prescribed by law in judicial proceedings in civil cases in
6 circuit courts of this State.

7 The hearing officer may administer oaths to witnesses at
8 any hearing that the hearing officer is authorized by law to
9 conduct.

10 After the hearing, the Secretary shall make a determination
11 approving, modifying, or disapproving the decision, order, or
12 action of the Secretary as his or her final administrative
13 decision.

14 (205 ILCS 205/9018.2 new)

15 Sec. 9018.2. Record of proceedings; expenses. The
16 Secretary, at his or her expense, unless otherwise provided in
17 this Act, shall provide a stenographer to take down the
18 testimony and preserve a record of all proceedings at the
19 hearing. The notice of hearing, complaint, and all other
20 documents in the nature of pleadings and written motions filed
21 in the proceedings, the transcript of testimony, the report of
22 the hearing officer, and orders of the Secretary shall be the
23 record of such proceedings. The Secretary shall furnish a
24 transcript of the record to any person interested in such
25 hearing upon payment of the actual cost thereof.

1 A copy of the hearing officer's report and the Secretary's
2 orders shall be served as notice of the hearing on the
3 respondent and all other parties to the action by the
4 Secretary, either personally or by registered or certified
5 mail, as provided in this Act. All expenses incurred by the
6 Secretary, including the compensation of the hearing officer,
7 shall be paid by the parties to the hearing and shall be
8 divided among them in equal shares.

9 (205 ILCS 205/9018.3 new)

10 Sec. 9018.3. Subpoena; deposition. All subpoenas issued
11 under the laws of this State pertaining to or concerning
12 savings banks may be served by any person who is not a minor.
13 The fees of witnesses for attendance and travel shall be the
14 same as fees of witnesses before the circuit courts of this
15 State. Witness fees are to be paid at the time the witness is
16 excused from further attendance, when the witness is subpoenaed
17 at the instance of the Secretary or any officer or any employee
18 designated by him or her for the purpose of conducting any
19 investigation, inquiry, or hearing. The disbursements made in
20 the payment of witness fees shall be audited and paid in the
21 same manner as are other expenses of the Secretary. Whenever a
22 subpoena is issued at the instance of a complainant,
23 respondent, or other party to any proceeding, the Secretary may
24 require that the cost of service thereof and the fee of the
25 same shall be borne by the party at whose instance the witness

1 is summoned, and the Secretary shall have power, in his or her
2 discretion, to require a deposit to cover the cost of such
3 service and witness fees and the payment of legal witness fees
4 and mileage to the witness when served with a subpoena. A
5 subpoena issued under this Section shall be served in the same
6 manner as a subpoena issued out of a court.

7 Any person served with a subpoena to appear and testify or
8 to produce books, papers, accounts, or documents, either in
9 person or by deposition, in the manner provided in this
10 Section, issued by the Secretary or by any officer or any
11 employee designated by him or her to conduct any such
12 investigation, inquiry, or hearing, in the course of an
13 investigation, inquiry, or hearing conducted under any of the
14 provisions of the laws of this State pertaining to savings
15 banks, and who refuses or neglects to appear or to testify, or
16 to produce books, papers, accounts, and documents relative to
17 such investigation, inquiry, or hearing as commanded in such
18 subpoena, shall be guilty of a petty offense.

19 Any circuit court of this State, on application of the
20 Secretary or an officer or an employee designated by the
21 Secretary for the purpose of conducting any investigation,
22 inquiry, or hearing, may, in his or her discretion, compel the
23 attendance of witnesses, the production of books, papers,
24 accounts, and documents, and the giving of testimony before the
25 Secretary or before any officer or any employee designated by
26 the Secretary for the purpose of conducting any such

1 investigation, inquiry, or hearing, in person or by deposition,
2 in the manner provided in this Section, by an attachment for
3 contempt or otherwise, in the same manner as production of
4 evidence may be compelled before a court.

5 The Secretary, any officer or employee designated by the
6 Secretary for the purpose of conducting any investigation,
7 inquiry, or hearing, or any party may, in any investigation,
8 inquiry, or hearing, cause the deposition of witnesses residing
9 within or outside of the State to be taken in the manner
10 prescribed by law for taking like depositions in civil cases in
11 courts of this State and, to that end, may compel the
12 attendance of witnesses and the production of papers, books,
13 accounts, and documents.

14 (205 ILCS 205/9018.4 new)

15 Sec. 9018.4. Review under Administrative Review Law.
16 Except as provided in Article 10, any person affected by a
17 final administrative decision of the Secretary may have the
18 decision reviewed only under and in accordance with the
19 Administrative Review Law.

20 The provisions of the Administrative Review Law, all
21 amendments and modifications to the Administrative Review Law,
22 and the rules adopted under the Administrative Review Law,
23 shall apply to and govern all proceedings for the judicial
24 review of final administrative decisions of the Secretary under
25 this Act. For the purposes of this Section, "administrative

1 decision" is defined as in Section 3-101 of the Code of Civil
2 Procedure.

3 Appeals from all final orders and judgments entered by a
4 court in review of any final administrative decision of the
5 Board under this Act may be taken as in other civil cases.

6 Section 25. The Corporate Fiduciary Act is amended by
7 changing the heading of Article IX and by changing Sections
8 4A-5, 5-9, and 6-13.5 as follows:

9 (205 ILCS 620/4A-5)

10 Sec. 4A-5. Foreign corporations establishing places of
11 business to conduct fiduciary activities in Illinois.

12 (a) A foreign corporation may establish or acquire and
13 maintain a place of business for the conduct of business as a
14 fiduciary in this State provided that a corporate fiduciary
15 that has its principal place of business in Illinois is
16 permitted to establish or acquire and maintain a similar place
17 of business that may engage in activities substantially similar
18 to those permitted to foreign corporations under this Act in
19 the state where the foreign corporation has its principal place
20 of business.

21 (b) A foreign corporation desiring to establish or acquire
22 and maintain a place of business to conduct business as a
23 fiduciary in Illinois under this Section shall provide, or
24 cause its home state regulator to provide, written notice of

1 the proposed transaction to the Commissioner on or after the
2 date on which the foreign corporation applies to its home state
3 regulator for approval to establish or acquire and maintain a
4 place of business in Illinois. The filing of the notice shall
5 be preceded or accompanied by a copy of the resolution adopted
6 by the board authorizing the additional place of business and
7 the filing fee required by the Commissioner. The Commissioner
8 may prescribe the form of the notice required under this
9 Section. In the Commissioner's discretion, the application or
10 notice submitted to the foreign corporation's home state
11 regulator may be sufficient notice under this Section.

12 (c) A foreign corporation desiring to establish or acquire
13 and maintain a place of business to conduct business as a
14 fiduciary shall (i) confirm in writing to the Commissioner that
15 for as long as it maintains a place of business in Illinois, it
16 will comply with the laws of this State and (ii) provide
17 satisfactory evidence to the Commissioner of compliance with
18 any applicable requirements of state foreign corporation
19 qualification laws and applicable requirements of its home
20 state regulator for acquiring or establishing and maintaining
21 the office.

22 (d) A foreign corporation submitting a notice to the
23 Commissioner in accordance with subsection (b) may commence
24 fiduciary business at the place of business listed in its
25 notice after the Commissioner approves the foreign corporation
26 to conduct a fiduciary business in Illinois ~~on the 61st day~~

1 ~~after the date the Commissioner receives the notice unless the~~
2 ~~Commissioner specifies an earlier or later date.~~ However, if
3 the foreign corporation is not a depository institution and the
4 Commissioner approves the foreign corporation to conduct a
5 fiduciary business in Illinois subject to specific conditions,
6 the foreign corporation shall not commence a fiduciary business
7 in Illinois until it has satisfied those conditions and
8 provided evidence satisfactory to the Commissioner that it has
9 done so. ~~The Commissioner may extend the 60 day review period~~
10 ~~if additional time or information is needed for approval of the~~
11 ~~notice.~~ The Commissioner may deny approval of the notice if he
12 finds that the foreign corporation lacks sufficient financial
13 resources to undertake the proposed expansion without
14 adversely affecting its safety or soundness or that the place
15 of business is contrary to the public interest.

16 (Source: P.A. 92-483, eff. 8-23-01.)

17 (205 ILCS 620/5-9) (from Ch. 17, par. 1555-9)

18 Sec. 5-9. Statement of condition.

19 (a) Each corporate fiduciary shall file with the
20 Commissioner, when requested, a statement under oath, of the
21 condition of such corporate fiduciary as of the date requested.
22 The statement of condition shall be in such form and contain
23 such statements, returns and information, as to the affairs,
24 business conditions, and resources of the corporate fiduciary
25 or of its trust department, as the case may be, as the said

1 Commissioner may, from time to time prescribe or require.

2 (b) Such statement of condition shall be verified by the
3 affidavit of the president, vice president or principal
4 accounting officer of said corporate fiduciary, who shall also
5 state in such affidavit that he has examined the books and
6 accounts of said corporate fiduciary or of its trust
7 department, as the case may be for the purpose of making said
8 report or statement, and that the information contained in the
9 statement or report is accurate to the best of his knowledge
10 and belief. If the statement is submitted in electronic form,
11 the Commissioner may, in the call for the report, specify the
12 manner in which the appropriate officer of the corporate
13 fiduciary shall verify the statement of condition.

14 (c) (Blank). ~~The corporate fiduciary shall cause a proper~~
15 ~~abstract of the statements of assets and liabilities reported~~
16 ~~under sub section (a) of this Section to be published once in a~~
17 ~~newspaper of general circulation, circulated in the city, town~~
18 ~~or village where the corporate fiduciary is located. Such~~
19 ~~publication shall be paid for by said corporate fiduciary which~~
20 ~~shall cause to be provided to the Commissioner a certificate of~~
21 ~~publication from the publishing newspaper in such form as the~~
22 ~~Commissioner shall require. When the corporate fiduciary is a~~
23 ~~State bank, qualified under this Act, the statements published~~
24 ~~in compliance with the Illinois Banking Act may be accepted by~~
25 ~~the Commissioner in compliance with the publication~~
26 ~~requirements of this Section although an annual statement of~~

1 ~~condition may still be required.~~

2 (d) Any corporate fiduciary which fails to file an accurate
3 statement of condition on or before the date it is due, ~~to~~
4 ~~publish the report if required to be published, or which fails~~
5 ~~to provide evidence of such publication~~ may be fined \$100 for
6 each day of noncompliance.

7 (e) Any corporate fiduciary which is the victim of a
8 robbery or experiences a shortage of funds in excess of
9 \$10,000, an apparent misapplication of the corporate
10 fiduciary's funds by an officer, employee, director, or agent,
11 a charge-off of assets of the corporate fiduciary, or any
12 adverse legal action in an amount in excess of 10% of total
13 capital and surplus of the corporate fiduciary, including but
14 not limited to, the entry of an adverse money judgment against
15 the corporate fiduciary shall report that information in
16 writing to the Commissioner within 7 days. Neither the
17 corporate fiduciary, its directors, officers, employees or
18 agents, in the preparation or filing of the reports required by
19 this subsection, shall be subject to any liability for libel,
20 slander or other charges resulting from information supplied in
21 such reports, except when the supplying of such information is
22 done in a corrupt or malicious manner or otherwise not in good
23 faith.

24 (Source: P.A. 89-364, eff. 8-18-95.)

25 (205 ILCS 620/6-13.5)

1 Sec. 6-13.5. Pledging requirements.

2 (a) The Commissioner may require a trust company holding a
3 certificate of authority under this Act to pledge to the
4 Commissioner securities or a surety bond which shall run to the
5 Commissioner in an amount, not to exceed \$2,000,000 ~~\$1,000,000~~,
6 that the Commissioner deems appropriate for costs associated
7 with the receivership of the trust company. In the event of a
8 receivership of a trust company, the Commissioner may, without
9 regard to any priorities, preferences, or adverse claims,
10 reduce the pledged securities or the surety bond to cash and,
11 as soon as practicable, utilize the cash to cover costs
12 associated with the receivership.

13 (b) If the trust company chooses to pledge securities to
14 satisfy the provisions of this Section, the securities shall be
15 held at a depository institution or a Federal Reserve Bank
16 approved by the Commissioner. The Commissioner may specify the
17 types of securities that may be pledged in accordance with this
18 Section. Any fees associated with holding such securities shall
19 be the responsibility of the trust company.

20 (c) If the trust company chooses to purchase a surety bond
21 to satisfy the provisions of this Section, the bond shall be
22 issued by a bonding company, approved by the Commissioner, that
23 is authorized to do business in this State and that has a
24 rating in one of the 3 highest grades as determined by a
25 national rating service. The bond shall be in a form approved
26 by the Commissioner. The trust company may not obtain a surety

1 bond from any entity in which the trust company has a financial
2 interest.

3 (Source: P.A. 92-485, eff. 8-23-01.)

4 (205 ILCS 620/Art. IX heading)

5 ARTICLE IX. MISCELLANEOUS PROVISIONS~~7~~

6 ~~FIDUCIARY ADVISORY COMMITTEE~~

7 (205 ILCS 105/7-11 rep.)

8 (205 ILCS 105/7-12 rep.)

9 (205 ILCS 105/7-13 rep.)

10 (205 ILCS 105/7-14 rep.)

11 (205 ILCS 105/7-16 rep.)

12 (205 ILCS 105/7-17 rep.)

13 (205 ILCS 105/7-18 rep.)

14 (205 ILCS 105/7-19 rep.)

15 Section 28. The Illinois Savings and Loan Act of 1985 is
16 amended by repealing Sections 7-11, 7-12, 7-13, 7-14, 7-16,
17 7-17, 7-18, and 7-19.

18 (205 ILCS 205/9010 rep.)

19 Section 30. The Savings Bank Act is amended by repealing
20 Section 9010.

21 (205 ILCS 616/70 rep.)

22 (205 ILCS 616/75 rep.)

1 Section 35. The Electronic Fund Transfer Act is amended by
2 repealing Sections 70 and 75.

3 (205 ILCS 620/1-5.04 rep.)

4 (205 ILCS 620/9-1 rep.)

5 (205 ILCS 620/9-2 rep.)

6 (205 ILCS 620/9-3 rep.)

7 (205 ILCS 620/9-4 rep.)

8 Section 40. The Corporate Fiduciary Act is amended by
9 repealing Sections 1-5.04, 9-1, 9-2, 9-3, and 9-4.