



104TH GENERAL ASSEMBLY

State of Illinois

2025 and 2026

HB3467

Introduced 2/18/2025, by Rep. Dagmara Avelar

SYNOPSIS AS INTRODUCED:

See Index

Amends the Illinois Banking Act. Makes changes to the membership of the State Banking Board of Illinois. Provides that a bank may borrow or incur an obligation and pledge assets to secure deposits. Provides that a bank may provide data processing services to a person for profit. Provides that a bank may invest in financial futures or options transactions. Provides that the board of directors of a bank may provide by resolution that stockholders may attend, participate in, act in, and vote at any annual meeting or special meeting through the use of a conference telephone or interactive technology if specified conditions are satisfied. Provides that a person who makes, or causes to be made, a false statement or false entry with intent to deceive any person or persons authorized to examine into the affairs of the bank or the subsidiary or holding company of that bank, the branch of an out-of-state bank with intent to deceive the Commissioner of Banks and Real Estate or his administrative officers in the performance of their duties under the Act shall be subject to civil penalties imposed by the Commissioner (rather than be guilty of a Class 3 felony). Provides that the Board may authorize the transfer of funds from the Bank and Trust Company Fund. Amends the Savings Bank Act. Provides that the board of directors of a savings bank may provide by resolution that members or stockholders may attend, participate in, act in, and vote at any annual meeting or special meeting through the use of a conference telephone or interactive technology if specified conditions are satisfied. Provides that a savings bank may loan funds through the purchase of fixed rate annuity contracts. Provides that a savings bank may accept deposits made by a minor and may open an account in the name of the minor, and the rules and regulations of the savings bank with respect to each deposit and account shall be as binding upon the minor as if the minor were of full age and legal capacity. Makes changes to various provisions concerning notice to allow for electronic notice. Makes other changes. Amends the Illinois Credit Union Act. Does not prohibit the furnishing of financial records of a deceased member to a public administrator of any county or other governmental jurisdiction for the purpose of facilitating burial of the customer. Makes other changes. Effective immediately.

LRB104 10334 BAB 20408 b

A BILL FOR

1 AN ACT concerning regulation.

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

4 Section 5. The Illinois Banking Act is amended by changing
5 Sections 2, 5, 13, 15, 16, 16.5, 32.1, 48, 48.1, and 48.2 as
6 follows:

7 (205 ILCS 5/2) (from Ch. 17, par. 302)

8 Sec. 2. General definitions. In this Act, unless the
9 context otherwise requires, the following words and phrases
10 shall have the following meanings:

11 "Accommodation party" shall have the meaning ascribed to
12 that term in Section 3-419 of the Uniform Commercial Code.

13 "Action" in the sense of a judicial proceeding includes
14 recoupments, counterclaims, set-off, and any other proceeding
15 in which rights are determined.

16 "Affiliate facility" of a bank means a main banking
17 premises or branch of another commonly owned bank. The main
18 banking premises or any branch of a bank may be an "affiliate
19 facility" with respect to one or more other commonly owned
20 banks.

21 "Appropriate federal banking agency" means the Federal
22 Deposit Insurance Corporation, the Federal Reserve Bank of
23 Chicago, or the Federal Reserve Bank of St. Louis, as

1 determined by federal law.

2 "Bank" means any person doing a banking business whether
3 subject to the laws of this or any other jurisdiction.

4 A "banking house", "branch", "branch bank", l or "branch
5 office" shall mean any place of business of a bank at which
6 deposits are received, checks paid, or loans made, but shall
7 not include any place at which only records thereof are made,
8 posted, or kept. A place of business at which deposits are
9 received, checks paid, or loans made shall not be deemed to be
10 a branch, branch bank, or branch office if the place of
11 business is adjacent to and connected with the main banking
12 premises, or if it is separated from the main banking premises
13 by not more than an alley; provided always that (i) if the
14 place of business is separated by an alley from the main
15 banking premises there is a connection between the 2 ~~two~~ by
16 public or private way or by subterranean or overhead passage,
17 and (ii) if the place of business is in a building not wholly
18 occupied by the bank, the place of business shall not be within
19 any office or room in which any other business or service of
20 any kind or nature other than the business of the bank is
21 conducted or carried on. A place of business at which deposits
22 are received, checks paid, or loans made shall not be deemed to
23 be a branch, branch bank, or branch office (i) of any bank if
24 the place is a terminal established and maintained in
25 accordance with paragraph (17) of Section 5 of this Act, or
26 (ii) of a commonly owned bank by virtue of transactions

1 conducted at that place on behalf of the other commonly owned
2 bank under paragraph (23) of Section 5 of this Act if the place
3 is an affiliate facility with respect to the other bank.

4 "Branch of an out-of-state bank" means a branch
5 established or maintained in Illinois by an out-of-state bank
6 as a result of a merger between an Illinois bank and the
7 out-of-state bank that occurs on or after May 31, 1997, or any
8 branch established by the out-of-state bank following the
9 merger.

10 "Bylaws" means the bylaws of a bank that are adopted by the
11 bank's board of directors or shareholders for the regulation
12 and management of the bank's affairs. If the bank operates as a
13 limited liability company, however, "bylaws" means the
14 operating agreement of the bank.

15 "Call report fee" means the fee to be paid to the
16 Commissioner by each State bank pursuant to paragraph (a) of
17 subsection (3) of Section 48 of this Act.

18 "Capital" includes the aggregate of outstanding capital
19 stock and preferred stock.

20 "Cash flow reserve account" means the account within the
21 books and records of the Commissioner of Banks and Real Estate
22 used to record funds designated to maintain a reasonable Bank
23 and Trust Company Fund operating balance to meet agency
24 obligations on a timely basis.

25 "Charter" includes the original charter and all amendments
26 thereto and articles of merger or consolidation.

1 "Commissioner" means the Commissioner of Banks and Real
2 Estate, except that beginning on April 6, 2009 (the effective
3 date of Public Act 95-1047), all references in this Act to the
4 Commissioner of Banks and Real Estate are deemed, in
5 appropriate contexts, to be references to the Secretary of
6 Financial and Professional Regulation.

7 "Commonly owned banks" means 2 or more banks that each
8 qualify as a bank subsidiary of the same bank holding company
9 pursuant to Section 18 of the Federal Deposit Insurance Act;
10 "commonly owned bank" refers to one of a group of commonly
11 owned banks but only with respect to one or more of the other
12 banks in the same group.

13 "Community" means a city, village, or incorporated town
14 and also includes the area served by the banking offices of a
15 bank, but need not be limited or expanded to conform to the
16 geographic boundaries of units of local government.

17 "Company" means a corporation, limited liability company,
18 partnership, business trust, association, or similar
19 organization and, unless specifically excluded, includes a
20 "State bank" and a "bank".

21 "Consolidating bank" means a party to a consolidation.

22 "Consolidation" takes place when 2 or more banks, or a
23 trust company and a bank, are extinguished and by the same
24 process a new bank is created, taking over the assets and
25 assuming the liabilities of the banks or trust company passing
26 out of existence.

1 "Continuing bank" means a merging bank, the charter of
2 which becomes the charter of the resulting bank.

3 "Converting bank" means a State bank converting to become
4 a national bank, or a national bank converting to become a
5 State bank.

6 "Converting trust company" means a trust company
7 converting to become a State bank.

8 "Court" means a court of competent jurisdiction.

9 "Director" means a member of the board of directors of a
10 bank. In the case of a manager-managed limited liability
11 company, however, "director" means a manager of the bank and,
12 in the case of a member-managed limited liability company,
13 "director" means a member of the bank. The term "director"
14 does not include an advisory director, honorary director,
15 director emeritus, or similar person, unless the person is
16 otherwise performing functions similar to those of a member of
17 the board of directors.

18 "Director of Banking" means the Director of the Division
19 of Banking of the Department of Financial and Professional
20 Regulation.

21 "Eligible depository institution" means an insured savings
22 association that is in default, an insured savings association
23 that is in danger of default, a State or national bank that is
24 in default or a State or national bank that is in danger of
25 default, as those terms are defined in this Section, or a new
26 bank as that term is defined in Section 11(m) of the Federal

1 Deposit Insurance Act or a bridge bank as that term is defined
2 in Section 11(n) of the Federal Deposit Insurance Act or a new
3 federal savings association authorized under Section
4 11(d) (2) (f) of the Federal Deposit Insurance Act.

5 "Fiduciary" means trustee, agent, executor, administrator,
6 committee, guardian for a minor or for a person under legal
7 disability, receiver, trustee in bankruptcy, assignee for
8 creditors, or any holder of similar position of trust.

9 "Financial institution" means a bank, savings bank,
10 savings and loan association, credit union, or any licensee
11 under the Consumer Installment Loan Act or the Sales Finance
12 Agency Act and, for purposes of Section 48.3, any proprietary
13 network, funds transfer corporation, or other entity providing
14 electronic funds transfer services, or any corporate
15 fiduciary, its subsidiaries, affiliates, parent company, or
16 contractual service provider that is examined by the
17 Commissioner. For purposes of Section 5c and subsection (b) of
18 Section 13 of this Act, "financial institution" includes any
19 proprietary network, funds transfer corporation, or other
20 entity providing electronic funds transfer services, and any
21 corporate fiduciary.

22 "Foundation" means the Illinois Bank Examiners' Education
23 Foundation.

24 "General obligation" means a bond, note, debenture,
25 security, or other instrument evidencing an obligation of the
26 government entity that is the issuer that is supported by the

1 full available resources of the issuer, the principal and
2 interest of which is payable in whole or in part by taxation.

3 "Guarantee" means an undertaking or promise to answer for
4 payment of another's debt or performance of another's duty,
5 liability, or obligation whether "payment guaranteed" or
6 "collection guaranteed".

7 "In danger of default" means a State or national bank, a
8 federally chartered insured savings association, or an
9 Illinois state chartered insured savings association with
10 respect to which the Commissioner or the appropriate federal
11 banking agency has advised the Federal Deposit Insurance
12 Corporation that:

13 (1) in the opinion of the Commissioner or the
14 appropriate federal banking agency,

15 (A) the State or national bank or insured savings
16 association is not likely to be able to meet the
17 demands of the State or national bank's or savings
18 association's obligations in the normal course of
19 business; and

20 (B) there is no reasonable prospect that the State
21 or national bank or insured savings association will
22 be able to meet those demands or pay those obligations
23 without federal assistance; or

24 (2) in the opinion of the Commissioner or the
25 appropriate federal banking agency,

26 (A) the State or national bank or insured savings

1 association has incurred or is likely to incur losses
2 that will deplete all or substantially all of its
3 capital; and

4 (B) there is no reasonable prospect that the
5 capital of the State or national bank or insured
6 savings association will be replenished without
7 federal assistance.

8 "In default" means, with respect to a State or national
9 bank or an insured savings association, any adjudication or
10 other official determination by any court of competent
11 jurisdiction, the Commissioner, the appropriate federal
12 banking agency, or other public authority pursuant to which a
13 conservator, receiver, or other legal custodian is appointed
14 for a State or national bank or an insured savings
15 association.

16 "Insured savings association" means any federal savings
17 association chartered under Section 5 of the federal Home
18 Owners' Loan Act and any State savings association chartered
19 under the Illinois Savings and Loan Act of 1985 or a
20 predecessor Illinois statute, the deposits of which are
21 insured by the Federal Deposit Insurance Corporation. The term
22 also includes a savings bank organized or operating under the
23 Savings Bank Act.

24 "Insured savings association in recovery" means an insured
25 savings association that is not an eligible depository
26 institution and that does not meet the minimum capital

1 requirements applicable with respect to the insured savings
2 association.

3 "Issuer" means for purposes of Section 33 every person who
4 shall have issued or proposed to issue any security; except
5 that (1) with respect to certificates of deposit, voting trust
6 certificates, collateral-trust certificates, and certificates
7 of interest or shares in an unincorporated investment trust
8 not having a board of directors (or persons performing similar
9 functions), "issuer" means the person or persons performing
10 the acts and assuming the duties of depositor or manager
11 pursuant to the provisions of the trust, agreement, or
12 instrument under which the securities are issued; (2) with
13 respect to trusts other than those specified in clause (1)
14 above, where the trustee is a corporation authorized to accept
15 and execute trusts, "issuer" means the entrusters, depositors,
16 or creators of the trust and any manager or committee charged
17 with the general direction of the affairs of the trust
18 pursuant to the provisions of the agreement or instrument
19 creating the trust; and (3) with respect to equipment trust
20 certificates or like securities, "issuer" means the person to
21 whom the equipment or property is or is to be leased or
22 conditionally sold.

23 "Letter of credit" ~~and "customer"~~ shall have the same
24 meaning as that term is given ~~meanings ascribed to those terms~~
25 in Section 5-102 of the Uniform Commercial Code.

26 "Main banking premises" means the location that is

1 designated in a bank's charter as its main office.

2 "Maker or obligor" means for purposes of Section 33 the
3 issuer of a security, the promisor in a debenture or other debt
4 security, or the mortgagor or grantor of a trust deed or
5 similar conveyance of a security interest in real or personal
6 property.

7 "Merged bank" means a merging bank that is not the
8 continuing, resulting, or surviving bank in a consolidation or
9 merger.

10 "Merger" includes consolidation.

11 "Merging bank" means a party to a bank merger.

12 "Merging trust company" means a trust company party to a
13 merger with a State bank.

14 "Mid-tier bank holding company" means a corporation that
15 (a) owns 100% of the issued and outstanding shares of each
16 class of stock of a State bank, (b) has no other subsidiaries,
17 and (c) 100% of the issued and outstanding shares of the
18 corporation are owned by a parent bank holding company.

19 "Municipality" means any municipality, political
20 subdivision, school district, taxing district, or agency.

21 "National bank" means a national banking association
22 located in this State and after May 31, 1997, means a national
23 banking association without regard to its location.

24 "Out-of-state bank" means a bank chartered under the laws
25 of a state other than Illinois, a territory of the United
26 States, or the District of Columbia.

1 "Parent bank holding company" means a corporation that is
2 a bank holding company as that term is defined in the Illinois
3 Bank Holding Company Act of 1957 and owns 100% of the issued
4 and outstanding shares of a mid-tier bank holding company.

5 "Person" means an individual, corporation, limited
6 liability company, partnership, joint venture, trust, estate,
7 or unincorporated association.

8 "Public agency" means the State of Illinois, the various
9 counties, townships, cities, towns, villages, school
10 districts, educational service regions, special road
11 districts, public water supply districts, fire protection
12 districts, drainage districts, levee districts, sewer
13 districts, housing authorities, the Illinois Bank Examiners'
14 Education Foundation, the Chicago Park District, and all other
15 political corporations or subdivisions of the State of
16 Illinois, whether now or hereafter created, whether herein
17 specifically mentioned or not, and shall also include any
18 other state or any political corporation or subdivision of
19 another state.

20 "Public funds" or "public money" means current operating
21 funds, special funds, interest and sinking funds, and funds of
22 any kind or character belonging to, in the custody of, or
23 subject to the control or regulation of the United States or a
24 public agency. "Public funds" or "public money" shall include
25 funds held by any of the officers, agents, or employees of the
26 United States or of a public agency in the course of their

1 official duties and, with respect to public money of the
2 United States, shall include Postal Savings funds.

3 "Published" means, ~~unless the context requires otherwise,~~
4 the publishing of the notice ~~or instrument~~ referred to in some
5 newspaper of general circulation in the community in which the
6 bank is located at least once each week for 3 successive weeks.
7 Publishing shall be accomplished by, and at the expense of,
8 the bank required to publish. Where publishing is required,
9 the bank shall submit to the Commissioner that evidence of the
10 publication as the Commissioner shall deem appropriate.

11 "Qualified financial contract" means any security
12 contract, commodity contract, forward contract, including spot
13 and forward foreign exchange contracts, repurchase agreement,
14 swap agreement, and any similar agreement, any option to enter
15 into any such agreement, including any combination of the
16 foregoing, and any master agreement for such agreements. A
17 master agreement, together with all supplements thereto, shall
18 be treated as one qualified financial contract. The contract,
19 option, agreement, or combination of contracts, options, or
20 agreements shall be reflected upon the books, accounts, or
21 records of the bank, or a party to the contract shall provide
22 documentary evidence of such agreement.

23 "Recorded" means the filing or recording of the notice or
24 instrument referred to in the office of the Recorder of the
25 county wherein the bank is located.

26 "Resulting bank" means the bank resulting from a merger or

1 conversion.

2 "Secretary" means the Secretary of Financial and
3 Professional Regulation, or a person authorized by the
4 Secretary or by this Act to act in the Secretary's stead.

5 "Securities" means stocks, bonds, debentures, notes, or
6 other similar obligations.

7 "Stand-by letter of credit" means a letter of credit under
8 which drafts are payable upon the condition the customer has
9 defaulted in performance of a duty, liability, or obligation.

10 "State bank" means any banking corporation that has a
11 banking charter issued by the Commissioner under this Act.

12 "State Banking Board" means the State Banking Board of
13 Illinois.

14 "Subsidiary" with respect to a specified company means a
15 company that is controlled by the specified company. For
16 purposes of paragraphs (8) and (12) of Section 5 of this Act,
17 "control" means the exercise of operational or managerial
18 control of a corporation by the bank, either alone or together
19 with other affiliates of the bank.

20 "Surplus" means the aggregate of (i) amounts paid in
21 excess of the par value of capital stock and preferred stock;
22 (ii) amounts contributed other than for capital stock and
23 preferred stock and allocated to the surplus account; and
24 (iii) amounts transferred from undivided profits.

25 "Tier 1 Capital" and "Tier 2 Capital" have the meanings
26 assigned to those terms in regulations promulgated for the

1 appropriate federal banking agency of a state bank, as those
2 regulations are now or hereafter amended.

3 "Trust company" means a limited liability company or
4 corporation incorporated in this State for the purpose of
5 accepting and executing trusts.

6 "Undivided profits" means undistributed earnings less
7 discretionary transfers to surplus.

8 "Unimpaired capital and unimpaired surplus", for the
9 purposes of paragraph (21) of Section 5 and Sections 32, 33,
10 34, 35.1, 35.2, and 47 of this Act means the sum of the state
11 bank's Tier 1 Capital and Tier 2 Capital plus such other
12 shareholder equity as may be included by regulation of the
13 Commissioner. Unimpaired capital and unimpaired surplus shall
14 be calculated on the basis of the date of the last quarterly
15 call report filed with the Commissioner preceding the date of
16 the transaction for which the calculation is made, provided
17 that: (i) when a material event occurs after the date of the
18 last quarterly call report filed with the Commissioner that
19 reduces or increases the bank's unimpaired capital and
20 unimpaired surplus by 10% or more, then the unimpaired capital
21 and unimpaired surplus shall be calculated from the date of
22 the material event for a transaction conducted after the date
23 of the material event; and (ii) if the Commissioner determines
24 for safety and soundness reasons that a state bank should
25 calculate unimpaired capital and unimpaired surplus more
26 frequently than provided by this paragraph, the Commissioner

1 may by written notice direct the bank to calculate unimpaired
2 capital and unimpaired surplus at a more frequent interval. In
3 the case of a state bank newly chartered under Section 13 or a
4 state bank resulting from a merger, consolidation, or
5 conversion under Sections 21 through 26 for which no preceding
6 quarterly call report has been filed with the Commissioner,
7 unimpaired capital and unimpaired surplus shall be calculated
8 for the first calendar quarter on the basis of the effective
9 date of the charter, merger, consolidation, or conversion.

10 (Source: P.A. 95-924, eff. 8-26-08; 95-1047, eff. 4-6-09;
11 96-1000, eff. 7-2-10; 96-1163, eff. 1-1-11; revised 8-6-24.)

12 (205 ILCS 5/5) (from Ch. 17, par. 311)

13 Sec. 5. General corporate powers. A bank organized under
14 this Act or subject hereto shall be a body corporate and
15 politic and shall, without specific mention thereof in the
16 charter, have all the powers conferred by this Act and the
17 following additional general corporate powers:

18 (1) To sue and be sued, complain, and defend in its
19 corporate name.

20 (2) To have a corporate seal, which may be altered at
21 pleasure, and to use the same by causing it or a facsimile
22 thereof to be impressed or affixed or in any manner
23 reproduced, provided that the affixing of a corporate seal
24 to an instrument shall not give the instrument additional
25 force or effect, or change the construction thereof, and

1 the use of a corporate seal is not mandatory.

2 (3) To make, alter, amend, and repeal bylaws, not
3 inconsistent with its charter or with law, for the
4 administration of the affairs of the bank. If this Act
5 does not provide specific guidance in matters of corporate
6 governance, the provisions of the Business Corporation Act
7 of 1983 may be used if so provided in the bylaws, and if
8 the bank is a limited liability company, the provisions of
9 the Limited Liability Company Act shall be used.

10 (4) To elect or appoint and remove officers and agents
11 of the bank and define their duties and fix their
12 compensation.

13 (5) To adopt and operate reasonable bonus plans,
14 profit-sharing plans, stock-bonus plans, stock-option
15 plans, pension plans, and similar incentive plans for its
16 directors, officers and employees.

17 (5.1) To manage, operate, and administer a fund for
18 the investment of funds by a public agency or agencies,
19 including any unit of local government or school district,
20 or any person. The fund for a public agency shall invest in
21 the same type of investments and be subject to the same
22 limitations provided for the investment of public funds.
23 The fund for public agencies shall maintain a separate
24 ledger showing the amount of investment for each public
25 agency in the fund. "Public funds" and "public agency" as
26 used in this Section shall have the meanings ascribed to

1 them in Section 1 of the Public Funds Investment Act.

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

5 (7) To borrow or incur an obligation; and to pledge
6 its assets:

7 (a) to secure its borrowings, its lease of
8 personal or real property or its other nondeposit
9 obligations;

10 (b) to enable it to act as agent for the sale of
11 obligations of the United States;

12 (c) to secure deposits of public money of the
13 United States, whenever required by the laws of the
14 United States, including, without being limited to,
15 revenues and funds the deposit of which is subject to
16 the control or regulation of the United States or any
17 of its officers, agents, or employees and Postal
18 Savings funds;

19 (d) to secure deposits of public money of any
20 state or of any political corporation or subdivision
21 thereof, including, without being limited to, revenues
22 and funds the deposit of which is subject to the
23 control or regulation of any state or of any political
24 corporation or subdivisions thereof or of any of their
25 officers, agents, or employees;

26 (e) to secure deposits of money whenever required

1 by the National Bankruptcy Act;

2 (f) (blank); ~~and~~

3 (g) to secure trust funds commingled with the
4 bank's funds, whether deposited by the bank or an
5 affiliate of the bank, pursuant to Section 2-8 of the
6 Corporate Fiduciary Act; ~~and-~~

7 (h) to secure deposits.

8 (8) To own, possess, and carry as assets all or part of
9 the real estate necessary in or with which to do its
10 banking business, either directly or indirectly through
11 the ownership of all or part of the capital stock, shares
12 or interests in any corporation, association, trust
13 engaged in holding any part or parts or all of the bank
14 premises, engaged in such business and in conducting a
15 safe deposit business in the premises or part of them, or
16 engaged in any activity that the bank is permitted to
17 conduct in a subsidiary pursuant to paragraph (12) of this
18 Section 5.

19 (9) To own, possess, and carry as assets other real
20 estate to which it may obtain title in the collection of
21 its debts or that was formerly used as a part of the bank
22 premises, but title to any real estate except as herein
23 permitted may only ~~shall not~~ be retained by the bank,
24 either directly or by or through a subsidiary, as
25 permitted by subsection (12) of this Section for a total
26 period of ~~more than~~ 10 years after acquiring title or for a

1 total period equal to the maximum period, including the
2 maximum extensions, permitted to a national bank under
3 federal law after acquiring title, whichever is greater,
4 either directly or indirectly.

5 (10) To do any act, including the acquisition of
6 stock, necessary to obtain insurance of its deposits, or
7 part thereof, and any act necessary to obtain a guaranty,
8 in whole or in part, of any of its loans or investments by
9 the United States or any agency thereof, and any act
10 necessary to sell or otherwise dispose of any of its loans
11 or investments to the United States or any agency thereof,
12 and to acquire and hold membership in the Federal Reserve
13 System.

14 (11) Notwithstanding any other provisions of this Act
15 or any other law, to do any act and to own, possess, and
16 carry as assets property of the character, including
17 stock, that is at the time authorized or permitted to
18 national banks by an Act of Congress, but subject always
19 to the same limitations and restrictions as are applicable
20 to national banks by the pertinent federal law and subject
21 to applicable provisions of the Financial Institutions
22 Insurance Sales Law.

23 (12) To own, possess, and carry as assets stock of one
24 or more corporations that is, or are, engaged in one or
25 more of the following businesses:

26 (a) holding title to and administering assets

1 acquired as a result of the collection or liquidating
2 of loans, investments, or discounts; or

3 (b) holding title to and administering personal
4 property acquired by the bank, directly or indirectly
5 through a subsidiary, for the purpose of leasing to
6 others, provided the lease or leases and the
7 investment of the bank, directly or through a
8 subsidiary, in that personal property otherwise comply
9 with Section 35.1 of this Act; or

10 (c) carrying on or administering any of the
11 activities excepting the receipt of deposits or the
12 payment of checks or other orders for the payment of
13 money in which a bank may engage in carrying on its
14 general banking business; provided, however, that
15 nothing contained in this paragraph (c) shall be
16 deemed to permit a bank organized under this Act or
17 subject hereto to do, either directly or indirectly
18 through any subsidiary, any act, including the making
19 of any loan or investment, or to own, possess, or carry
20 as assets any property that if done by or owned,
21 possessed, or carried by the State bank would be in
22 violation of or prohibited by any provision of this
23 Act.

24 The provisions of this subsection (12) shall not apply
25 to and shall not be deemed to limit the powers of a State
26 bank with respect to the ownership, possession, and

1 carrying of stock that a State bank is permitted to own,
2 possess, or carry under this Act.

3 Any bank intending to establish a subsidiary under
4 this subsection (12) shall give written notice to the
5 Commissioner 60 days prior to the subsidiary's commencing
6 of business or, as the case may be, prior to acquiring
7 stock in a corporation that has already commenced
8 business. After receiving the notice, the Commissioner may
9 waive or reduce the balance of the 60-day notice period.
10 The Commissioner may specify the form of the notice, may
11 designate the types of subsidiaries not subject to this
12 notice requirement, and may promulgate rules and
13 regulations to administer this subsection (12).

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

19 (14) To own and lease personal property acquired by
20 the bank at the request of a prospective lessee and upon
21 the agreement of that person to lease the personal
22 property provided that the lease, the agreement with
23 respect thereto, and the amount of the investment of the
24 bank in the property comply with Section 35.1 of this Act.

25 (15) (a) To establish and maintain, in addition to the
26 main banking premises, branches offering any banking

1 services permitted at the main banking premises of a State
2 bank.

3 (b) To establish and maintain, after May 31, 1997,
4 branches in another state that may conduct any activity in
5 that state that is authorized or permitted for any bank
6 that has a banking charter issued by that state, subject
7 to the same limitations and restrictions that are
8 applicable to banks chartered by that state.

9 (16) (Blank).

10 (17) To establish and maintain terminals, as
11 authorized by the Electronic Fund Transfer Act.

12 (18) To establish and maintain temporary service
13 booths at any International Fair held in this State which
14 is approved by the United States Department of Commerce,
15 for the duration of the international fair for the sole
16 purpose of providing a convenient place for foreign trade
17 customers at the fair to exchange their home countries'
18 currency into United States currency or the converse. This
19 power shall not be construed as establishing a new place
20 or change of location for the bank providing the service
21 booth.

22 (19) To indemnify its officers, directors, employees,
23 and agents, as authorized for corporations under Section
24 8.75 of the Business Corporation Act of 1983.

25 (20) To own, possess, and carry as assets stock of, or
26 be or become a member of, any corporation, mutual company,

1 association, trust, or other entity formed exclusively for
2 the purpose of providing directors' and officers'
3 liability and bankers' blanket bond insurance or
4 reinsurance to and for the benefit of the stockholders,
5 members, or beneficiaries, or their assets or businesses,
6 or their officers, directors, employees, or agents, and
7 not to or for the benefit of any other person or entity or
8 the public generally.

9 (21) To make debt or equity investments in
10 corporations or projects, whether for profit or not for
11 profit, designed to promote the development of the
12 community and its welfare, provided that the aggregate
13 investment in all of these corporations and in all of
14 these projects does not exceed 10% of the unimpaired
15 capital and unimpaired surplus of the bank and provided
16 that this limitation shall not apply to creditworthy loans
17 by the bank to those corporations or projects. Upon
18 written application to the Commissioner, a bank may make
19 an investment that would, when aggregated with all other
20 such investments, exceed 10% of the unimpaired capital and
21 unimpaired surplus of the bank. The Commissioner may
22 approve the investment if he is of the opinion and finds
23 that the proposed investment will not have a material
24 adverse effect on the safety and soundness of the bank.

25 (22) To own, possess, and carry as assets the stock of
26 a corporation engaged in the ownership or operation of a

1 travel agency or to operate a travel agency as a part of
2 its business.

3 (23) With respect to affiliate facilities:

4 (a) to conduct at affiliate facilities for and on
5 behalf of another commonly owned bank, if so
6 authorized by the other bank, all transactions that
7 the other bank is authorized or permitted to perform;
8 and

9 (b) to authorize a commonly owned bank to conduct
10 for and on behalf of it any of the transactions it is
11 authorized or permitted to perform at one or more
12 affiliate facilities.

13 Any bank intending to conduct or to authorize a
14 commonly owned bank to conduct at an affiliate facility
15 any of the transactions specified in this paragraph (23)
16 shall give written notice to the Commissioner at least 30
17 days before any such transaction is conducted at the
18 affiliate facility.

19 (24) To act as the agent for any fire, life, or other
20 insurance company authorized by the State of Illinois, by
21 soliciting and selling insurance and collecting premiums
22 on policies issued by such company; and to receive for
23 services so rendered such fees or commissions as may be
24 agreed upon between the bank and the insurance company for
25 which it may act as agent; provided, however, that no such
26 bank shall in any case assume or guarantee the payment of

1 any premium on insurance policies issued through its
2 agency by its principal; and provided further, that the
3 bank shall not guarantee the truth of any statement made
4 by an assured in filing his application for insurance.

5 (25) Notwithstanding any other provisions of this Act
6 or any other law, to offer any product or service that is
7 at the time authorized or permitted to any insured savings
8 association or out-of-state bank by applicable law,
9 provided that powers conferred only by this subsection

10 (25):

11 (a) shall always be subject to the same
12 limitations and restrictions that are applicable to
13 the insured savings association or out-of-state bank
14 for the product or service by such applicable law;

15 (b) shall be subject to applicable provisions of
16 the Financial Institutions Insurance Sales Law;

17 (c) shall not include the right to own or conduct a
18 real estate brokerage business for which a license
19 would be required under the laws of this State; and

20 (d) shall not be construed to include the
21 establishment or maintenance of a branch, nor shall
22 they be construed to limit the establishment or
23 maintenance of a branch pursuant to subsection (11).

24 Not less than 30 days before engaging in any activity
25 under the authority of this subsection, a bank shall
26 provide written notice to the Commissioner of its intent

1 to engage in the activity. The notice shall indicate the
2 specific federal or state law, rule, regulation, or
3 interpretation the bank intends to use as authority to
4 engage in the activity.

5 (26) To provide data processing services to others on
6 a for-profit basis. The total revenue attributable to the
7 bank's data processing activities must be derived
8 predominantly from processing banking, financial, or
9 economic data, and other types of data if the derivative
10 or resultant product is banking, financial, or economic
11 data.

12 (27) To invest in commodities derivatives, with the
13 management and controls necessary to ensure that such
14 activities are carried out according to safe and sound
15 banking practices.

16 Nothing in this Section shall be construed to require the
17 filing of a notice or application for approval with the United
18 States Office of the Comptroller of the Currency or a bank
19 supervisor of another state as a condition to the right of a
20 State bank to exercise any of the powers conferred by this
21 Section in this State.

22 (Source: P.A. 99-362, eff. 8-13-15; 100-863, eff. 8-14-18.)

23 (205 ILCS 5/13) (from Ch. 17, par. 320)

24 Sec. 13. Issuance of charter.

25 (a) When the directors have organized as provided in

1 Section 12 of this Act, and the capital stock and the preferred
2 stock, if any, together with a surplus of not less than 50% of
3 the capital, has been all fully paid in and a record of the
4 same filed with the Commissioner, the Commissioner or some
5 competent person of the Commissioner's appointment shall make
6 a thorough examination into the affairs of the proposed bank,
7 and if satisfied (i) that all the requirements of this Act have
8 been complied with, (ii) that no intervening circumstance has
9 occurred to change the Commissioner's findings made pursuant
10 to Section 10 of this Act, and (iii) that the prior involvement
11 by any stockholder who will own a sufficient amount of stock to
12 have control, as defined in Section 18 of this Act, of the
13 proposed bank with any other financial institution, whether as
14 stockholder, director, officer, or customer, was conducted in
15 a safe and sound manner, upon payment into the Commissioner's
16 office of the reasonable expenses of the examination, as
17 determined by the Commissioner, the Commissioner shall issue a
18 charter authorizing the bank to commence business as
19 authorized in this Act. All charters issued by the
20 Commissioner or any predecessor agency which chartered State
21 banks, including any charter outstanding as of September 1,
22 1989, shall be perpetual. For the 2 years after the
23 Commissioner has issued a charter to a bank, the bank shall
24 request and obtain from the Commissioner prior written
25 approval before it may change senior management personnel or
26 directors.

1 The original charter, duly certified by the Commissioner,
2 or a certified copy shall be evidence in all courts and places
3 of the existence and authority of the bank to do business. Upon
4 the issuance of the charter by the Commissioner, the bank
5 shall be deemed fully organized and may proceed to do
6 business. The Commissioner may, in the Commissioner's
7 discretion, withhold the issuing of the charter when the
8 Commissioner has reason to believe that the bank is organized
9 for any purpose other than that contemplated by this Act. The
10 Commissioner shall revoke the charter and order liquidation in
11 the event that the bank does not commence a general banking
12 business within one year from the date of the issuance of the
13 charter, unless a request has been submitted, in writing, to
14 the Commissioner for an extension and the request has been
15 approved. After commencing a general banking business, a bank
16 may change its name by filing written notice with the
17 Commissioner at least 30 days prior to the effective date of
18 such change. A bank chartered under this Act may change its
19 main banking premises by filing written notice ~~application~~
20 with the Commissioner, on forms prescribed by the
21 Commissioner, provided (i) the change shall not be a removal
22 to a new location without complying with the capital
23 requirements of Section 7 and of subsection (1) of Section 10
24 of this Act; and (ii) ~~the Commissioner approves the relocation~~
25 ~~or change; and (iii)~~ the bank complies with any applicable
26 federal law or regulation. ~~The application shall be deemed to~~

1 ~~be approved if the Commissioner has not acted on the~~
2 ~~application within 30 days after receipt of the application,~~
3 ~~unless within the 30 day time frame the Commissioner informs~~
4 ~~the bank that an extension of time is necessary prior to the~~
5 ~~Commissioner's action on the application.~~

6 (b) (1) The Commissioner may also issue a charter to a bank
7 that is owned exclusively by other depository institutions or
8 depository institution holding companies and is organized to
9 engage exclusively in providing services to or for other
10 financial institutions, their holding companies, and the
11 officers, directors, and employees of such institutions and
12 companies, and in providing services at the request of other
13 financial institutions or their holding companies (also
14 referred to as a "bankers' bank"). The bank may also provide
15 products and services to its officers, directors, and
16 employees.

17 (2) A bank chartered pursuant to paragraph (1) shall,
18 except as otherwise specifically determined or limited by the
19 Commissioner in an order or pursuant to a rule, be vested with
20 the same rights and privileges and subject to the same duties,
21 restrictions, penalties, and liabilities now or hereafter
22 imposed under this Act.

23 (c) A bank chartered under this Act shall, at all times
24 while it accepts or retains deposits, maintain with the
25 Federal Deposit Insurance Corporation, or such other
26 instrumentality of or corporation chartered by the United

1 States, deposit insurance as authorized under federal law.

2 (d)(i) A bank that has a banking charter issued by the
3 Commissioner under this Act may, pursuant to a written
4 purchase and assumption agreement, transfer substantially all
5 of its assets to another State bank or national bank in
6 consideration, in whole or in part, for the transferee banks'
7 assumption of any part or all of its liabilities. Such a
8 transfer shall in no way be deemed to impair the charter of the
9 transferor bank or cause the transferor bank to forfeit any of
10 its rights, powers, interests, franchises, or privileges as a
11 State bank, nor shall any voluntary reduction in the
12 transferor bank's activities resulting from the transfer have
13 any such effect; provided, however, that a State bank that
14 transfers substantially all of its assets pursuant to this
15 subsection (d) and following the transfer does not accept
16 deposits and make loans, shall not have any rights, powers,
17 interests, franchises, or privileges under subsection (15) of
18 Section 5 of this Act until the bank has resumed accepting
19 deposits and making loans.

20 (ii) The fact that a State bank does not resume accepting
21 deposits and making loans for a period of 24 months commencing
22 on September 11, 1989 or on a date of the transfer of
23 substantially all of a State bank's assets, whichever is
24 later, or such longer period as the Commissioner may allow in
25 writing, may be the basis for a finding by the Commissioner
26 under Section 51 of this Act that the bank is unable to

1 continue operations.

2 (iii) The authority provided by subdivision (i) of this
3 subsection (d) shall terminate on May 31, 1997, and no bank
4 that has transferred substantially all of its assets pursuant
5 to this subsection (d) shall continue in existence after May
6 31, 1997.

7 (Source: P.A. 95-924, eff. 8-26-08; 96-1365, eff. 7-28-10.)

8 (205 ILCS 5/15) (from Ch. 17, par. 322)

9 Sec. 15. Stock and stockholders. Unless otherwise provided
10 for in this Act, provisions of general application to capital
11 stock, preferred stock, and stockholders of a State bank shall
12 be as follows:

13 (1) There shall be an annual meeting of the stockholders
14 for the election of directors each year on the first business
15 day in January, unless some other date shall be fixed by the
16 by-laws. A special meeting of the stockholders may be called
17 at any time by the board of directors, and otherwise as may be
18 provided in the bylaws.

19 (2) Written or printed notice stating the place, day, and
20 hour of the meeting, and in case of a special meeting, the
21 purpose or purposes for which the meeting is called, shall be
22 delivered not less than 10 nor more than 40 days before the
23 date of the meeting either personally, electronically, or by
24 mail, by or at the direction of the president, or the
25 secretary, or the officer or persons calling the meeting, to

1 each stockholder of record entitled to vote at the meeting. If
2 mailed, the notice shall be deemed to be delivered when
3 deposited in the United States mail with postage thereon
4 prepaid addressed to the stockholder at his address as it
5 appears on the records of the bank.

6 (3) Except as provided below in this paragraph (3), each
7 outstanding share shall be entitled to one vote on each matter
8 submitted to a vote at a meeting of stockholders. Shares of its
9 own stock belonging to a bank shall not be voted, directly or
10 indirectly, at any meeting and shall not be counted in
11 determining the total number of outstanding shares at any
12 given time, but shares of its own stock held by it in a
13 fiduciary capacity may be voted and shall be counted in
14 determining the total number of outstanding shares at any
15 given time. A stockholder may vote either in person or by proxy
16 executed in writing by the stockholder or by his duly
17 authorized attorney-in-fact. No proxy shall be valid after 11
18 months from the date of its execution, unless otherwise
19 provided in the proxy. Except as provided below in this
20 paragraph (3), in all elections for directors every
21 stockholder (or subscriber to the stock prior to the issuance
22 of a charter) shall have the right to vote, in person or by
23 proxy, for the number of shares of stock owned by him, for as
24 many persons as there are directors to be elected, or to
25 cumulate the shares and give one candidate as many votes as the
26 number of directors multiplied by the number of his or her

1 shares of stock shall equal, or to distribute them on the same
2 principle among as many candidates as he or she shall think
3 fit. The bank charter of any bank organized on or after January
4 1, 1984 may limit or eliminate cumulative voting rights in all
5 or specified circumstances, or may eliminate voting rights
6 entirely, as to any class or classes or series of stock of the
7 bank; provided that one class of shares or series thereof
8 shall always have voting rights in respect of all matters in
9 the bank. A bank organized prior to January 1, 1984 may amend
10 its charter to eliminate cumulative voting rights under all or
11 specified circumstances, or to eliminate voting rights
12 entirely, as to any class or classes or series of stock of the
13 bank; provided that one class of shares or series thereof
14 shall always have voting rights in respect of all matters in
15 the bank, and provided further that the proposal to eliminate
16 the voting rights receives the approval of the holders of 70%
17 of the outstanding shares of stock entitled to vote as
18 provided in paragraph (b) (7) of Section 17. A majority of the
19 outstanding shares represented in person or by proxy shall
20 constitute a quorum at a meeting of stockholders. In the
21 absence of a quorum a meeting may be adjourned from time to
22 time without notice to the stockholders.

23 (4) Whenever additional stock of a class is offered for
24 sale, stockholders of record of the same class on the date of
25 the offer shall have the right to subscribe to the proportion
26 of the shares as the stock of the class held by them bears to

1 the total of the outstanding stock of the class, and the price
2 thereof may be in excess of par value. This right shall be
3 transferable but shall terminate if not exercised within 60
4 days of the offer, unless the Commissioner shall authorize a
5 shorter time. If the right is not exercised, the stock shall
6 not be re-offered for sale to others at a lower price without
7 the stockholders of the same class again being accorded a
8 preemptive right to subscribe at the lower price.
9 Notwithstanding any of the provisions of this paragraph (4) or
10 any other provision of law, stockholders shall not have any
11 preemptive or other right to subscribe for or to purchase or
12 acquire shares of capital stock issued or to be issued under a
13 stock-option plan or upon conversion of preferred stock or
14 convertible debentures or other convertible indebtedness that
15 has been approved by stockholders in the manner required by
16 the provisions of subsection (5) of Section 14 hereof or to
17 treasury stock acquired pursuant to subsection (6) of Section
18 14.

19 (5) For the purpose of determining stockholders entitled
20 to notice of or to vote at any meeting of stockholders, or
21 stockholders entitled to receive payment of any dividend, or
22 in order to make a determination of stockholders for any other
23 proper purpose, the board of directors of a bank may provide
24 that the stock transfer books shall be closed for a stated
25 period not to exceed, in any case, 40 days. In lieu of closing
26 the stock transfer books, the board of directors may fix in

1 advance a date as the record date for any determination of
2 stockholders, the date in any case to be not more than 40 days,
3 and in case of a meeting of stockholders, not less than 10 days
4 prior to the date on which the particular action, requiring
5 the determination of stockholders, is to be taken. If the
6 stock transfer books are not closed and no record date is fixed
7 for the determination of stockholders entitled to notice of or
8 to vote at a meeting of stockholders, or stockholders entitled
9 to receive payment of a dividend, the date on which notice of a
10 meeting is delivered ~~mailed~~ or the date on which the
11 resolution of the board of directors declaring the dividend is
12 adopted, as the case may be, shall be the record date for the
13 determination of stockholders.

14 (6) Stock standing in the name of another corporation,
15 domestic or foreign, may be voted by the officer, agent, or
16 proxy as the by-laws of the corporation may prescribe, or, in
17 the absence of such provision, as the board of directors of the
18 corporation may determine. Stock standing in the name of a
19 deceased person may be voted by his or her administrator or
20 executor, either in person or by proxy. Stock standing in the
21 name of a guardian or trustee may be voted by that fiduciary
22 either in person or by proxy. Shares standing in the name of a
23 receiver may be voted by the receiver, and shares held by or
24 under control of a receiver may be voted by the receiver
25 without the transfer thereof into his or her name if authority
26 so to do be contained in an appropriate order of the court by

1 which the receiver was appointed. A stockholder whose shares
2 of stock are pledged shall be entitled to vote those shares
3 until the shares have been transferred into the name of the
4 pledgee, and thereafter the pledgee shall be entitled to vote
5 the shares so transferred.

6 (7) Shares of stock shall be transferable in accordance
7 with the general laws of this State governing the transfer of
8 corporate shares.

9 (8) The president and any other officer designated by the
10 board of directors of every State bank shall cause to be kept
11 at all times a full and correct list of the names and
12 residences of all the shareholders in the State bank and the
13 number of shares held by each in the office where its business
14 is transacted. The list shall be subject to the inspection of
15 all the shareholders of the State bank and the officers
16 authorized to assess taxes under State authority during
17 business hours of each day in which business may be legally
18 transacted or shall be kept on a reasonably accessible
19 electronic network, at the State bank's election. A copy of
20 the list, verified by the oath of the president or cashier,
21 shall be transmitted to the Commissioner of Banks and Real
22 Estate within 10 days of any demand therefor made by the
23 Commissioner.

24 (9) Any number of shareholders of a bank may create a
25 voting trust for the purpose of conferring upon a trustee or
26 trustees the right to vote or otherwise represent their shares

1 for a period of not to exceed 10 years by entering into a
2 written voting trust agreement specifying the terms and
3 conditions of the voting trust and by transferring their
4 shares to the trustee or trustees for the purposes of the
5 agreement. The trust agreement shall not become effective
6 until a counterpart of the agreement is deposited with the
7 bank at its main banking premises. The counterpart of the
8 voting trust agreement so deposited with the bank shall be
9 subject to the same right of examination by a shareholder of
10 the bank, in person or by agent or attorney, as is the record
11 of shareholders of the bank and shall be subject to
12 examination by any holder of a beneficial interest in the
13 voting trust, either in person or by agent or attorney, at any
14 reasonable time for any proper purpose.

15 (10) Voting agreements. Shareholders may provide for the
16 voting of their shares by signing an agreement for that
17 purpose. A voting agreement created under this paragraph is
18 not subject to the provisions of paragraph (9).

19 A voting agreement created under this paragraph is
20 specifically enforceable in accordance with the principles of
21 equity.

22 (11) Unless expressly prohibited by the charter or bylaws
23 and subject to applicable requirements of this Act, the board
24 of directors may provide by resolution that stockholders may
25 attend, participate in, act in, and vote at any annual meeting
26 or special meeting through the use of a conference telephone

1 or interactive technology, including, but not limited to,
2 electronic transmission, Internet usage, or remote
3 communication, by means of which all persons participating in
4 the meeting can communicate with each other. Participation
5 through the use of a conference telephone or interactive
6 technology shall constitute attendance, presence, and
7 representation in person at the annual meeting or special
8 meeting of the person or persons so participating and count
9 toward the quorum required to conduct business at the meeting.
10 The following conditions shall apply to any virtual meeting of
11 the stockholders:

12 (a) the bank must internally possess or retain the
13 technological capacity to facilitate virtual meeting
14 attendance, participation, communication, and voting; and

15 (b) the stockholders must receive notice of the use of
16 a virtual meeting format and appropriate instructions for
17 joining, participating, and voting during the virtual
18 meeting at least 7 days before the virtual meeting.

19 (Source: P.A. 95-924, eff. 8-26-08.)

20 (205 ILCS 5/16) (from Ch. 17, par. 323)

21 Sec. 16. Directors. The business and affairs of a State
22 bank shall be managed by its board of directors that shall
23 exercise its powers as follows:

24 (1) Directors shall be elected as provided in this Act.
25 Any omission to elect a director or directors shall not impair

1 any of the rights and privileges of the bank or of any person
2 in any way interested. The existing directors shall hold
3 office until their successors are elected and qualify.

4 (2) (a) Notwithstanding the provisions of any charter
5 heretofore or hereafter issued, the number of directors,
6 not fewer than 5 nor more than 25, may be fixed from time
7 to time by the stockholders at any meeting of the
8 stockholders called for the purpose of electing directors
9 or changing the number thereof by the affirmative vote of
10 at least two-thirds of the outstanding stock entitled to
11 vote at the meeting, and the number so fixed shall be the
12 board regardless of vacancies until the number of
13 directors is thereafter changed by similar action.

14 (b) Notwithstanding the minimum number of directors
15 specified in paragraph (a) of this subsection, a State
16 bank that has been in existence for 10 years or more and
17 has less than \$20,000,000 in assets, as of the December 31
18 immediately preceding the annual meeting of shareholders
19 at which directors are elected, may, subject to the
20 approval of the Commissioner, have a minimum of 3
21 directors; provided that if a State bank has fewer than 5
22 directors, at least one director shall not be an officer
23 or employee of the bank. The Commissioner shall annually
24 review the appropriateness of the grant of authority to
25 have a reduced minimum number of directors pursuant to
26 this paragraph (b).

1 (3) Except as otherwise provided in this paragraph (3),
2 directors shall hold office until the next annual meeting of
3 the stockholders succeeding their election or until their
4 successors are elected and qualify. If the board of directors
5 consists of 6 or more members, in lieu of electing the
6 membership of the whole board of directors annually, the
7 charter or by-laws of a State bank may provide that the
8 directors shall be divided into either 2 or 3 classes, each
9 class to be as nearly equal in number as is possible. The term
10 of office of directors of the first class shall expire at the
11 first annual meeting of the stockholders after their election,
12 that of the second class shall expire at the second annual
13 meeting after their election, and that of the third class, if
14 any, shall expire at the third annual meeting after their
15 election. At each annual meeting after classification, the
16 number of directors equal to the number of the class whose
17 terms expire at the time of the meeting shall be elected to
18 hold office until the second succeeding annual meeting, if
19 there be 2 classes, or until the third succeeding annual
20 meeting, if there be 3 classes. Vacancies may be filled by
21 stockholders at a special meeting called for the purpose.

22 If authorized by the bank's by-laws or an amendment
23 thereto, the directors of a State bank may properly fill a
24 vacancy or vacancies arising between shareholders' meetings,
25 but at no time may the number of directors selected to fill a
26 vacancy in this manner during any interim period between

1 shareholders' meetings exceed 33 1/3% of the total membership
2 of the board of directors.

3 (4) The board of directors shall hold regular meetings at
4 least once each month, provided that, upon prior written
5 approval by the Commissioner, the board of directors may hold
6 regular meetings less frequently than once each month but at
7 least once each calendar quarter. A special meeting of the
8 board of directors may be held as provided by the by-laws. A
9 special meeting of the board of directors may also be held upon
10 call by the Commissioner or a bank examiner appointed under
11 the provisions of this Act upon not less than 12 hours notice
12 of the meeting by personal service of the notice, by
13 electronic delivery of the notice, or by mailing the notice to
14 each of the directors at his residence as shown by the books of
15 the bank. A majority of the board of directors shall
16 constitute a quorum for the transaction of business unless a
17 greater number is required by the charter or the by-laws. The
18 act of the majority of the directors present at a meeting at
19 which a quorum is present shall be the act of the board of
20 directors unless the act of a greater number is required by the
21 charter or by the by-laws.

22 (5) A member of the board of directors shall be elected
23 president. The board of directors may appoint other officers,
24 as the by-laws may provide, and fix their salaries to carry on
25 the business of the bank. The board of directors may make and
26 amend by-laws (not inconsistent with this Act) for the

1 government of the bank and may, by the affirmative vote of a
2 majority of the board of directors, establish reasonable
3 compensation of all directors for services to the corporation
4 as directors, officers, or otherwise. An officer, whether
5 elected or appointed by the board of directors or appointed
6 pursuant to the by-laws, may be removed by the board of
7 directors at any time.

8 (6) The board of directors shall cause suitable books and
9 records of all the bank's transactions to be kept.

10 (7) (a) In discharging the duties of their respective
11 positions, the board of directors, committees of the
12 board, and individual directors may, in considering the
13 best long-term ~~long-term~~ and short-term ~~short-term~~
14 interests of the bank, consider the effects of any action
15 (including, without limitation, action that may involve or
16 relate to a merger or potential merger or to a change or
17 potential change in control of the bank) upon employees,
18 depositors, suppliers, and customers of the corporation or
19 its subsidiaries, communities in which the main banking
20 premises, branches, offices, or other establishments of
21 the bank or its subsidiaries are located, and all
22 pertinent factors.

23 (b) In discharging the duties of their respective
24 positions, the board of directors, committees of the
25 board, and individual directors shall be entitled to rely
26 on advice, information, opinions, reports or statements,

1 including financial statements and financial data,
2 prepared or presented by: (i) one or more officers or
3 employees of the bank whom the director believes to be
4 reliable and competent in the matter presented; (ii) one
5 or more counsels, accountants, or other consultants as to
6 matters that the director believes to be within that
7 person's professional or expert competence; or (iii) a
8 committee of the board upon which the director does not
9 serve, as to matters within that committee's designated
10 authority; provided that the director's reliance under
11 this paragraph (b) is placed in good faith, after
12 reasonable inquiry if the need for such inquiry is
13 apparent under the circumstances and without knowledge
14 that would cause such reliance to be unreasonable.

15 (Source: P.A. 91-452, eff. 1-1-00; 92-476, eff. 8-23-01.)

16 (205 ILCS 5/16.5)

17 Sec. 16.5. Employment of persons with convictions. Except
18 with the prior written consent of the Commissioner, no State
19 bank shall knowingly employ or otherwise permit an individual
20 to serve as an officer, director, employee, or agent of the
21 State bank if the individual has been convicted of a felony or
22 of any criminal offense relating to dishonesty or breach of
23 trust. Notwithstanding the provisions of this Section, a State
24 bank in compliance with the provisions of 12 U.S.C. 1829 and
25 administrative regulations issued under 12 U.S.C. 1829 by the

1 State bank's primary federal financial institution regulator
2 shall be deemed in compliance with this Section.

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

4 (205 ILCS 5/32.1) (from Ch. 17, par. 340)

5 Sec. 32.1. Loans to single individuals ~~Single Females~~.

6 (a) For purposes of this Section, "single" means not
7 currently married.

8 (b) No State bank shall require that single individuals
9 who have reached the age of majority ~~females~~ to whom loans are
10 made have cosigners on promissory notes negotiated to secure
11 such loans unless such bank shall, under the same or similar
12 circumstances, also require that single males who have reached
13 the age of majority have cosigners on promissory notes
14 negotiated to secure loans.

15 (Source: P.A. 79-556.)

16 (205 ILCS 5/48)

17 Sec. 48. Secretary's powers; duties. The Secretary shall
18 have the powers and authority, and is charged with the duties
19 and responsibilities designated in this Act, and a State bank
20 shall not be subject to any other visitorial power other than
21 as authorized by this Act, except those vested in the courts,
22 or upon prior consultation with the Secretary, a foreign bank
23 regulator with an appropriate supervisory interest in the
24 parent or affiliate of a State bank. In the performance of the

1 Secretary's duties:

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

5 (2) (a) The Commissioner, as often as the Commissioner
6 shall deem necessary or proper, and no less frequently
7 than 18 months following the preceding examination, shall
8 appoint a suitable person or persons to make an
9 examination of the affairs of every State bank, except
10 that for every eligible State bank, as defined by
11 regulation, the Commissioner in lieu of the examination
12 may accept on an alternating basis the examination made by
13 the eligible State bank's appropriate federal banking
14 agency pursuant to Section 111 of the Federal Deposit
15 Insurance Corporation Improvement Act of 1991, provided
16 the appropriate federal banking agency has made such an
17 examination. A person so appointed shall not be a
18 stockholder or officer or employee of any bank which that
19 person may be directed to examine, and shall have powers
20 to make a thorough examination into all the affairs of the
21 bank and in so doing to examine any of the officers or
22 agents or employees thereof on oath and shall make a full
23 and detailed report of the condition of the bank to the
24 Commissioner. In making the examination the examiners
25 shall include an examination of the affairs of all the
26 affiliates of the bank, as defined in subsection (b) of

1 Section 35.2 of this Act, or subsidiaries of the bank as
2 shall be necessary to disclose fully the conditions of the
3 subsidiaries or affiliates, the relations between the bank
4 and the subsidiaries or affiliates and the effect of those
5 relations upon the affairs of the bank, and in connection
6 therewith shall have power to examine any of the officers,
7 directors, agents, or employees of the subsidiaries or
8 affiliates on oath. After May 31, 1997, the Commissioner
9 may enter into cooperative agreements with state
10 regulatory authorities of other states to provide for
11 examination of State bank branches in those states, and
12 the Commissioner may accept reports of examinations of
13 State bank branches from those state regulatory
14 authorities. These cooperative agreements may set forth
15 the manner in which the other state regulatory authorities
16 may be compensated for examinations prepared for and
17 submitted to the Commissioner.

18 (b) After May 31, 1997, the Commissioner is authorized
19 to examine, as often as the Commissioner shall deem
20 necessary or proper, branches of out-of-state banks. The
21 Commissioner may establish and may assess fees to be paid
22 to the Commissioner for examinations under this subsection
23 (b). The fees shall be borne by the out-of-state bank,
24 unless the fees are borne by the state regulatory
25 authority that chartered the out-of-state bank, as
26 determined by a cooperative agreement between the

1 Commissioner and the state regulatory authority that
2 chartered the out-of-state bank.

3 (2.1) Pursuant to paragraph (a) of subsection (6) of
4 this Section, the Secretary shall adopt rules that ensure
5 consistency and due process in the examination process.
6 The Secretary may also establish guidelines that (i)
7 define the scope of the examination process and (ii)
8 clarify examination items to be resolved. The rules,
9 formal guidance, interpretive letters, or opinions
10 furnished to State banks by the Secretary may be relied
11 upon by the State banks.

12 (2.5) Whenever any State bank, any subsidiary or
13 affiliate of a State bank, or after May 31, 1997, any
14 branch of an out-of-state bank causes to be performed, by
15 contract or otherwise, any bank services for itself,
16 whether on or off its premises:

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

22 (b) the bank or, after May 31, 1997, branch of the
23 out-of-state bank shall notify the Commissioner of the
24 existence of a service relationship. The notification
25 shall be submitted with the first statement of
26 condition (as required by Section 47 of this Act) due

1 after the making of the service contract or the
2 performance of the service, whichever occurs first.
3 The Commissioner shall be notified of each subsequent
4 contract in the same manner.

5 For purposes of this subsection (2.5), the term "bank
6 services" means services such as sorting and posting of
7 checks and deposits, computation and posting of interest
8 and other credits and charges, preparation and mailing of
9 checks, statements, notices, and similar items, or any
10 other clerical, bookkeeping, accounting, statistical, or
11 similar functions performed for a State bank, including,
12 but not limited to, electronic data processing related to
13 those bank services.

14 (3) The expense of administering this Act, including
15 the expense of the examinations of State banks as provided
16 in this Act, shall to the extent of the amounts resulting
17 from the fees provided for in paragraphs (a), (a-2), and
18 (b) of this subsection (3) be assessed against and borne
19 by the State banks:

20 (a) Each bank shall pay to the Secretary a Call
21 Report Fee which shall be paid in quarterly
22 installments equal to one-fourth of the sum of the
23 annual fixed fee of \$800, plus a variable fee based on
24 the assets shown on the quarterly statement of
25 condition delivered to the Secretary in accordance
26 with Section 47 for the preceding quarter according to

1 the following schedule: 16¢ per \$1,000 of the first
2 \$5,000,000 of total assets, 15¢ per \$1,000 of the next
3 \$20,000,000 of total assets, 13¢ per \$1,000 of the
4 next \$75,000,000 of total assets, 9¢ per \$1,000 of the
5 next \$400,000,000 of total assets, 7¢ per \$1,000 of
6 the next \$500,000,000 of total assets, and 5¢ per
7 \$1,000 of all assets in excess of \$1,000,000,000, of
8 the State bank. The Call Report Fee shall be
9 calculated by the Secretary and billed to the banks
10 for remittance at the time of the quarterly statements
11 of condition provided for in Section 47. The Secretary
12 may require payment of the fees provided in this
13 Section by an electronic transfer of funds or an
14 automatic debit of an account of each of the State
15 banks. In case more than one examination of any bank is
16 deemed by the Secretary to be necessary in any
17 examination frequency cycle specified in subsection
18 2(a) of this Section, and is performed at his
19 direction, the Secretary may assess a reasonable
20 additional fee to recover the cost of the additional
21 examination. In lieu of the method and amounts set
22 forth in this paragraph (a) for the calculation of the
23 Call Report Fee, the Secretary may specify by rule
24 that the Call Report Fees provided by this Section may
25 be assessed semiannually or some other period and may
26 provide in the rule the formula to be used for

1 calculating and assessing the periodic Call Report
2 Fees to be paid by State banks.

3 (a-1) If in the opinion of the Commissioner an
4 emergency exists or appears likely, the Commissioner
5 may assign an examiner or examiners to monitor the
6 affairs of a State bank with whatever frequency he
7 deems appropriate, including, but not limited to, a
8 daily basis. The reasonable and necessary expenses of
9 the Commissioner during the period of the monitoring
10 shall be borne by the subject bank. The Commissioner
11 shall furnish the State bank a statement of time and
12 expenses if requested to do so within 30 days of the
13 conclusion of the monitoring period.

14 (a-2) On and after January 1, 1990, the reasonable
15 and necessary expenses of the Commissioner during
16 examination of the performance of electronic data
17 processing services under subsection (2.5) shall be
18 borne by the banks for which the services are
19 provided. An amount, based upon a fee structure
20 prescribed by the Commissioner, shall be paid by the
21 banks or, after May 31, 1997, branches of out-of-state
22 banks receiving the electronic data processing
23 services along with the Call Report Fee assessed under
24 paragraph (a) of this subsection (3).

25 (a-3) After May 31, 1997, the reasonable and
26 necessary expenses of the Commissioner during

1 examination of the performance of electronic data
2 processing services under subsection (2.5) at or on
3 behalf of branches of out-of-state banks shall be
4 borne by the out-of-state banks, unless those expenses
5 are borne by the state regulatory authorities that
6 chartered the out-of-state banks, as determined by
7 cooperative agreements between the Commissioner and
8 the state regulatory authorities that chartered the
9 out-of-state banks.

10 (b) "Fiscal year" for purposes of this Section 48
11 is defined as a period beginning July 1 of any year and
12 ending June 30 of the next year. The Commissioner
13 shall receive for each fiscal year, commencing with
14 the fiscal year ending June 30, 1987, a contingent fee
15 equal to the lesser of the aggregate of the fees paid
16 by all State banks under paragraph (a) of subsection
17 (3) for that year, or the amount, if any, whereby the
18 aggregate of the administration expenses, as defined
19 in paragraph (c), for that fiscal year exceeds the sum
20 of the aggregate of the fees payable by all State banks
21 for that year under paragraph (a) of subsection (3),
22 plus any amounts transferred into the Bank and Trust
23 Company Fund from the State Pensions Fund for that
24 year, plus all other amounts collected by the
25 Commissioner for that year under any other provision
26 of this Act, plus the aggregate of all fees collected

1 for that year by the Commissioner under the Corporate
2 Fiduciary Act, excluding the receivership fees
3 provided for in Section 5-10 of the Corporate
4 Fiduciary Act, and subsection (b) of Section 17 of the
5 Foreign Banking Office Act. The aggregate amount of
6 the contingent fee thus arrived at for any fiscal year
7 shall be apportioned among, assessed upon, and paid by
8 the State banks and foreign banking corporations,
9 respectively, in the same proportion that the fee of
10 each under paragraph (a) of subsection (3),
11 respectively, for that year bears to the aggregate for
12 that year of the fees collected under paragraph (a) of
13 subsection (3). The aggregate amount of the contingent
14 fee, and the portion thereof to be assessed upon each
15 State bank and foreign banking corporation,
16 respectively, shall be determined by the Commissioner
17 and shall be paid by each, respectively, within 120
18 days of the close of the period for which the
19 contingent fee is computed and is payable, and the
20 Commissioner shall give 20 days' advance notice of the
21 amount of the contingent fee payable by the State bank
22 and of the date fixed by the Commissioner for payment
23 of the fee.

24 (c) The "administration expenses" for any fiscal
25 year shall mean the ordinary and contingent expenses
26 for that year incident to making the examinations

1 provided for by, and for otherwise administering, this
2 Act, the Corporate Fiduciary Act, excluding the
3 expenses paid from the Corporate Fiduciary
4 Receivership account in the Bank and Trust Company
5 Fund, the Foreign Banking Office Act, excluding the
6 expenses paid from the Foreign Banking Office
7 Non-insured Institutions Receivership account in the
8 Bank and Trust Company Fund, the Electronic Fund
9 Transfer Act, and the Illinois Bank Examiners'
10 Education Foundation Act, including all salaries and
11 other compensation paid for personal services rendered
12 for the State by officers or employees of the State,
13 including the Commissioner and the Deputy
14 Commissioners, communication equipment and services,
15 office furnishings, surety bond premiums, and travel
16 expenses of those officers and employees, employees,
17 expenditures or charges for the acquisition,
18 enlargement or improvement of, or for the use of, any
19 office space, building, or structure, or expenditures
20 for the maintenance thereof or for furnishing heat,
21 light, or power with respect thereto, all to the
22 extent that those expenditures are directly incidental
23 to such examinations or administration. The
24 Commissioner shall not be required by paragraph (c) or
25 (d-1) of this subsection (3) to maintain in any fiscal
26 year's budget appropriated reserves for accrued

1 vacation and accrued sick leave that is required to be
2 paid to employees of the Commissioner upon termination
3 of their service with the Commissioner in an amount
4 that is more than is reasonably anticipated to be
5 necessary for any anticipated turnover in employees,
6 whether due to normal attrition or due to layoffs,
7 terminations, or resignations.

8 (c-1) At the conclusion of each fiscal year,
9 beginning in fiscal year 2025, the Department shall
10 separately identify the direct administrative and
11 operational expenses and allocable indirect costs of
12 the Division of Banking of the Department incidental
13 to conducting the examinations required or authorized
14 by the Illinois Community Reinvestment Act and
15 implementing rules adopted by the Department. Pursuant
16 to Section 2105-300 of the Department of Professional
17 Regulation Law of the Civil Administrative Code of
18 Illinois, the Department shall make copies of the
19 analyses available to the banking industry in a timely
20 manner. The administrative and operational expenses of
21 the Division of Banking of the Department in
22 conducting examinations required or authorized by the
23 Illinois Community Reinvestment Act shall have the
24 same meaning and scope as the administration expenses
25 of the Division of Banking of the Department, as
26 defined in paragraph (c) of subsection (3).

1 (d) The aggregate of all fees collected by the
2 Secretary under this Act, the Corporate Fiduciary Act,
3 or the Foreign Banking Office Act on and after July 1,
4 1979, and from State banks and savings banks pursuant
5 to the Illinois Community Reinvestment Act shall be
6 paid promptly after receipt of the same, accompanied
7 by a detailed statement thereof, into the State
8 treasury and shall be set apart in a special fund to be
9 known as the Bank and Trust Company Fund, except as
10 provided in paragraph (c) of subsection (11) of this
11 Section. All earnings received from investments of
12 funds in the Bank and Trust Company Fund shall be
13 deposited into the Bank and Trust Company Fund and may
14 be used for the same purposes as fees deposited into
15 that Fund. The amount from time to time deposited into
16 the Bank and Trust Company Fund shall be used: (i) to
17 offset the ordinary administrative expenses of the
18 Secretary as defined in this Section or (ii) except
19 earnings received from investments of funds in the
20 Corporate Fiduciary Receivership account and the
21 Foreign Banking Office Non-insured Institutions
22 Receivership account, as a credit against fees under
23 paragraph (d-1) of this subsection (3). Nothing in
24 Public Act 81-131 shall prevent continuing the
25 practice of paying expenses involving salaries,
26 retirement, social security, and State-paid insurance

1 premiums of State officers by appropriations from the
2 General Revenue Fund. However, the General Revenue
3 Fund shall be reimbursed for those payments made on
4 and after July 1, 1979, by an annual transfer of funds
5 from the Bank and Trust Company Fund. Moneys in the
6 Bank and Trust Company Fund may be transferred to the
7 Professions Indirect Cost Fund, as authorized under
8 Section 2105-300 of the Department of Professional
9 Regulation Law of the Civil Administrative Code of
10 Illinois.

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

1 to be deposited into the Bank and Trust Company Fund
2 during that fiscal year. The State Treasurer and
3 Comptroller shall transfer the amounts designated
4 under this Section as soon as may be practicable after
5 receiving the direction to transfer from the Governor.

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

1 initial appropriations for the subsequent year and the
2 amount transferred is less than 5% of the total Call
3 Report Fees for the year, additional amounts needed to
4 make the transfer equal to 5% of the total Call Report
5 Fees for the year shall be apportioned among, assessed
6 upon, and paid by the State banks and foreign banking
7 corporations in the same proportion that the Call
8 Report Fees of each, respectively, for the year bear
9 to the total Call Report Fees collected for the year.
10 The additional amounts assessed shall be transferred
11 into the Cash Flow Reserve Account. For purposes of
12 this paragraph (d-1), the calculation of the fees
13 collected by the Commissioner shall exclude all fees
14 collected pursuant to the Student Loan Servicing
15 Rights Act, the Foreign Banking Office Act, and the
16 Foreign Bank Representative Office Act and the
17 receivership fees provided for in Section 5-10 of the
18 Corporate Fiduciary Act.

19 (e) The Commissioner may upon request certify to
20 any public record in his keeping and shall have
21 authority to levy a reasonable charge for issuing
22 certifications of any public record in his keeping.

23 (f) In addition to fees authorized elsewhere in
24 this Act, the Commissioner may, in connection with a
25 review, approval, or provision of a service, levy a
26 reasonable charge to recover the cost of the review,

1 approval, or service.

2 (4) Nothing contained in this Act shall be construed
3 to limit the obligation relative to examinations and
4 reports of any State bank, deposits in which are to any
5 extent insured by the United States or any agency thereof,
6 nor to limit in any way the powers of the Commissioner with
7 reference to examinations and reports of that bank.

8 (5) The nature and condition of the assets in or
9 investment of any bonus, pension, or profit sharing plan
10 for officers or employees of every State bank or, after
11 May 31, 1997, branch of an out-of-state bank shall be
12 deemed to be included in the affairs of that State bank or
13 branch of an out-of-state bank subject to examination by
14 the Commissioner under the provisions of subsection (2) of
15 this Section, and if the Commissioner shall find from an
16 examination that the condition of or operation of the
17 investments or assets of the plan is unlawful, fraudulent,
18 or unsafe, or that any trustee has abused his trust, the
19 Commissioner shall, if the situation so found by the
20 Commissioner shall not be corrected to his satisfaction
21 within 60 days after the Commissioner has given notice to
22 the board of directors of the State bank or out-of-state
23 bank of his findings, report the facts to the Attorney
24 General who shall thereupon institute proceedings against
25 the State bank or out-of-state bank, the board of
26 directors thereof, or the trustees under such plan as the

1 nature of the case may require.

2 (6) The Commissioner shall have the power:

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

5 (a-5) To impose conditions on any approval issued
6 by the Commissioner if he determines that the
7 conditions are necessary or appropriate. These
8 conditions shall be imposed in writing and shall
9 continue in effect for the period prescribed by the
10 Commissioner.

11 (b) To issue orders against any person, if the
12 Commissioner has reasonable cause to believe that an
13 unsafe or unsound banking practice has occurred, is
14 occurring, or is about to occur, if any person has
15 violated, is violating, or is about to violate any
16 law, rule, or written agreement with the Commissioner,
17 or for the purpose of administering the provisions of
18 this Act and any rule promulgated in accordance with
19 this Act.

20 (b-1) To enter into agreements with a bank
21 establishing a program to correct the condition of the
22 bank or its practices.

23 (c) To appoint hearing officers to execute any of
24 the powers granted to the Commissioner under this
25 Section for the purpose of administering this Act and
26 any rule promulgated in accordance with this Act and

1 otherwise to authorize, in writing, an officer or
2 employee of the Office of Banks and Real Estate to
3 exercise his powers under this Act.

4 (d) To subpoena witnesses, to compel their
5 attendance, to administer an oath, to examine any
6 person under oath, and to require the production of
7 any relevant books, papers, accounts, and documents in
8 the course of and pursuant to any investigation being
9 conducted, or any action being taken, by the
10 Commissioner in respect of any matter relating to the
11 duties imposed upon, or the powers vested in, the
12 Commissioner under the provisions of this Act or any
13 rule promulgated in accordance with this Act.

14 (e) To conduct hearings.

15 (7) Whenever, in the opinion of the Secretary, any
16 director, officer, employee, or agent of a State bank or
17 any subsidiary or bank holding company of the bank or,
18 after May 31, 1997, of any branch of an out-of-state bank
19 or any subsidiary or bank holding company of the bank
20 shall have violated any law, rule, or order relating to
21 that bank or any subsidiary or bank holding company of the
22 bank, shall have obstructed or impeded any examination or
23 investigation by the Secretary, shall have engaged in an
24 unsafe or unsound practice in conducting the business of
25 that bank or any subsidiary or bank holding company of the
26 bank, or shall have violated any law or engaged or

1 participated in any unsafe or unsound practice in
2 connection with any financial institution or other
3 business entity such that the character and fitness of the
4 director, officer, employee, or agent does not assure
5 reasonable promise of safe and sound operation of the
6 State bank, the Secretary may issue an order of removal.
7 If, in the opinion of the Secretary, any former director,
8 officer, employee, or agent of a State bank or any
9 subsidiary or bank holding company of the bank, prior to
10 the termination of his or her service with that bank or any
11 subsidiary or bank holding company of the bank, violated
12 any law, rule, or order relating to that State bank or any
13 subsidiary or bank holding company of the bank, obstructed
14 or impeded any examination or investigation by the
15 Secretary, engaged in an unsafe or unsound practice in
16 conducting the business of that bank or any subsidiary or
17 bank holding company of the bank, or violated any law or
18 engaged or participated in any unsafe or unsound practice
19 in connection with any financial institution or other
20 business entity such that the character and fitness of the
21 director, officer, employee, or agent would not have
22 assured reasonable promise of safe and sound operation of
23 the State bank, the Secretary may issue an order
24 prohibiting that person from further service with a bank
25 or any subsidiary or bank holding company of the bank as a
26 director, officer, employee, or agent. An order issued

1 pursuant to this subsection shall be served upon the
2 director, officer, employee, or agent. A copy of the order
3 shall be sent to each director of the bank affected by
4 registered mail. A copy of the order shall also be served
5 upon the bank of which he is a director, officer,
6 employee, or agent, whereupon he shall cease to be a
7 director, officer, employee, or agent of that bank. The
8 Secretary may institute a civil action against the
9 director, officer, or agent of the State bank or, after
10 May 31, 1997, of the branch of the out-of-state bank
11 against whom any order provided for by this subsection (7)
12 of this Section 48 has been issued, and against the State
13 bank or, after May 31, 1997, out-of-state bank, to enforce
14 compliance with or to enjoin any violation of the terms of
15 the order. Any person who has been the subject of an order
16 of removal or an order of prohibition issued by the
17 Secretary under this subsection or Section 5-6 of the
18 Corporate Fiduciary Act may not thereafter serve as
19 director, officer, employee, or agent of any State bank or
20 of any branch of any out-of-state bank, or of any
21 corporate fiduciary, as defined in Section 1-5.05 of the
22 Corporate Fiduciary Act, or of any other entity that is
23 subject to licensure or regulation by the Division of
24 Banking unless the Secretary has granted prior approval in
25 writing.

26 For purposes of this paragraph (7), "bank holding

1 company" has the meaning prescribed in Section 2 of the
2 Illinois Bank Holding Company Act of 1957.

3 (7.5) Notwithstanding the provisions of this Section,
4 the Secretary shall not:

5 (1) issue an order against a State bank or any
6 subsidiary organized under this Act for unsafe or
7 unsound banking practices solely because the entity
8 provides or has provided financial services to a
9 cannabis-related legitimate business;

10 (2) prohibit, penalize, or otherwise discourage a
11 State bank or any subsidiary from providing financial
12 services to a cannabis-related legitimate business
13 solely because the entity provides or has provided
14 financial services to a cannabis-related legitimate
15 business;

16 (3) recommend, incentivize, or encourage a State
17 bank or any subsidiary not to offer financial services
18 to an account holder or to downgrade or cancel the
19 financial services offered to an account holder solely
20 because:

21 (A) the account holder is a manufacturer or
22 producer, or is the owner, operator, or employee
23 of a cannabis-related legitimate business;

24 (B) the account holder later becomes an owner
25 or operator of a cannabis-related legitimate
26 business; or

1 (C) the State bank or any subsidiary was not
2 aware that the account holder is the owner or
3 operator of a cannabis-related legitimate
4 business; and

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

7 (A) a cannabis-related legitimate business
8 solely because the owner or operator owns or
9 operates a cannabis-related legitimate business;
10 or

11 (B) real estate or equipment that is leased to
12 a cannabis-related legitimate business solely
13 because the owner or operator of the real estate
14 or equipment leased the equipment or real estate
15 to a cannabis-related legitimate business.

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

22 (9) The Commissioner may impose civil penalties of up
23 to \$100 against any person for the first failure to comply
24 with reporting requirements set forth in the report of
25 examination of the bank and up to \$200 for the second and
26 subsequent failures to comply with those reporting

1 requirements.

2 (10) All final administrative decisions of the
3 Commissioner hereunder shall be subject to judicial review
4 pursuant to the provisions of the Administrative Review
5 Law. For matters involving administrative review, venue
6 shall be in either Sangamon County or Cook County.

7 (11) The endowment fund for the Illinois Bank
8 Examiners' Education Foundation shall be administered as
9 follows:

10 (a) (Blank).

11 (b) The Foundation is empowered to receive
12 voluntary contributions, gifts, grants, bequests, and
13 donations on behalf of the Illinois Bank Examiners'
14 Education Foundation from national banks and other
15 persons for the purpose of funding the endowment of
16 the Illinois Bank Examiners' Education Foundation.

17 (c) The aggregate of all special educational fees
18 collected by the Secretary and property received by
19 the Secretary on behalf of the Illinois Bank
20 Examiners' Education Foundation under this subsection
21 (11) on or after June 30, 1986, shall be either (i)
22 promptly paid after receipt of the same, accompanied
23 by a detailed statement thereof, into the State
24 treasury and shall be set apart in a special fund to be
25 known as the Illinois Bank Examiners' Education Fund
26 to be invested by either the Treasurer of the State of

1 Illinois in the Public Treasurers' Investment Pool or
2 in any other investment he is authorized to make or by
3 the Illinois State Board of Investment as the State
4 Banking Board of Illinois may direct or (ii) deposited
5 into an account maintained in a commercial bank or
6 corporate fiduciary in the name of the Illinois Bank
7 Examiners' Education Foundation pursuant to the order
8 and direction of the Board of Trustees of the Illinois
9 Bank Examiners' Education Foundation.

10 (12) (Blank).

11 (13) The Secretary may borrow funds from the General
12 Revenue Fund on behalf of the Bank and Trust Company Fund
13 if the Director of Banking certifies to the Governor that
14 there is an economic emergency affecting banking that
15 requires a borrowing to provide additional funds to the
16 Bank and Trust Company Fund. The borrowed funds shall be
17 paid back within 3 years and shall not exceed the total
18 funding appropriated to the Agency in the previous year.

19 (14) In addition to the fees authorized in this Act,
20 the Secretary may assess reasonable receivership fees
21 against any State bank that does not maintain insurance
22 with the Federal Deposit Insurance Corporation. All fees
23 collected under this subsection (14) shall be paid into
24 the Non-insured Institutions Receivership account in the
25 Bank and Trust Company Fund, as established by the
26 Secretary. The fees assessed under this subsection (14)

1 shall provide for the expenses that arise from the
2 administration of the receivership of any such institution
3 required to pay into the Non-insured Institutions
4 Receivership account, whether pursuant to this Act, the
5 Corporate Fiduciary Act, the Foreign Banking Office Act,
6 or any other Act that requires payments into the
7 Non-insured Institutions Receivership account. The
8 Secretary may establish by rule a reasonable manner of
9 assessing fees under this subsection (14).

10 (Source: P.A. 102-558, eff. 8-20-21; 103-154, eff. 6-30-23.)

11 (205 ILCS 5/48.1) (from Ch. 17, par. 360)

12 Sec. 48.1. Customer financial records; confidentiality.

13 (a) For the purpose of this Section, the term "financial
14 records" means any original, any copy, or any summary of:

15 (1) a document granting signature authority over a
16 deposit or account;

17 (2) a statement, ledger card or other record on any
18 deposit or account, which shows each transaction in or
19 with respect to that account;

20 (3) a check, draft or money order drawn on a bank or
21 issued and payable by a bank; or

22 (4) any other item containing information pertaining
23 to any relationship established in the ordinary course of
24 a bank's business between a bank and its customer,
25 including financial statements or other financial

1 information provided by the customer.

2 (b) This Section does not prohibit:

3 (1) The preparation, examination, handling or
4 maintenance of any financial records by any officer,
5 employee or agent of a bank having custody of the records,
6 or the examination of the records by a certified public
7 accountant engaged by the bank to perform an independent
8 audit.

9 (2) The examination of any financial records by, or
10 the furnishing of financial records by a bank to, any
11 officer, employee or agent of (i) the Commissioner of
12 Banks and Real Estate, (ii) after May 31, 1997, a state
13 regulatory authority authorized to examine a branch of a
14 State bank located in another state, (iii) the Comptroller
15 of the Currency, (iv) the Federal Reserve Board, or (v)
16 the Federal Deposit Insurance Corporation for use solely
17 in the exercise of his duties as an officer, employee, or
18 agent.

19 (3) The publication of data furnished from financial
20 records relating to customers where the data cannot be
21 identified to any particular customer or account.

22 (4) The making of reports or returns required under
23 Chapter 61 of the Internal Revenue Code of 1986.

24 (5) Furnishing information concerning the dishonor of
25 any negotiable instrument permitted to be disclosed under
26 the Uniform Commercial Code.

1 (6) The exchange in the regular course of business of
2 (i) credit information between a bank and other banks or
3 financial institutions or commercial enterprises, directly
4 or through a consumer reporting agency or (ii) financial
5 records or information derived from financial records
6 between a bank and other banks or financial institutions
7 or commercial enterprises for the purpose of conducting
8 due diligence pursuant to a purchase or sale involving the
9 bank or assets or liabilities of the bank.

10 (7) The furnishing of information to the appropriate
11 law enforcement authorities where the bank reasonably
12 believes it has been the victim of a crime.

13 (8) The furnishing of information under the Revised
14 Uniform Unclaimed Property Act.

15 (9) The furnishing of information under the Illinois
16 Income Tax Act and the Illinois Estate and
17 Generation-Skipping Transfer Tax Act.

18 (10) The furnishing of information under the federal
19 Currency and Foreign Transactions Reporting Act Title 31,
20 United States Code, Section 1051 et seq.

21 (11) The furnishing of information under any other
22 statute that by its terms or by regulations promulgated
23 thereunder requires the disclosure of financial records
24 other than by subpoena, summons, warrant, or court order.

25 (12) The furnishing of information about the existence
26 of an account of a person to a judgment creditor of that

1 person who has made a written request for that
2 information.

3 (13) The exchange in the regular course of business of
4 information between commonly owned banks in connection
5 with a transaction authorized under paragraph (23) of
6 Section 5 and conducted at an affiliate facility.

7 (14) The furnishing of information in accordance with
8 the federal Personal Responsibility and Work Opportunity
9 Reconciliation Act of 1996. Any bank governed by this Act
10 shall enter into an agreement for data exchanges with a
11 State agency provided the State agency pays to the bank a
12 reasonable fee not to exceed its actual cost incurred. A
13 bank providing information in accordance with this item
14 shall not be liable to any account holder or other person
15 for any disclosure of information to a State agency, for
16 encumbering or surrendering any assets held by the bank in
17 response to a lien or order to withhold and deliver issued
18 by a State agency, or for any other action taken pursuant
19 to this item, including individual or mechanical errors,
20 provided the action does not constitute gross negligence
21 or willful misconduct. A bank shall have no obligation to
22 hold, encumber, or surrender assets until it has been
23 served with a subpoena, summons, warrant, court or
24 administrative order, lien, or levy.

25 (15) The exchange in the regular course of business of
26 information between a bank and any commonly owned

1 affiliate of the bank, subject to the provisions of the
2 Financial Institutions Insurance Sales Law.

3 (16) The furnishing of information to law enforcement
4 authorities, the Illinois Department on Aging and its
5 regional administrative and provider agencies, the
6 Department of Human Services Office of Inspector General,
7 or public guardians: (i) upon subpoena by the
8 investigatory entity or the guardian, or (ii) if there is
9 suspicion by the bank that a customer who is an elderly
10 person or person with a disability has been or may become
11 the victim of financial exploitation. For the purposes of
12 this item (16), the term: (i) "elderly person" means a
13 person who is 60 or more years of age, (ii) "~~disabled~~
14 person with a disability" means a person who has or
15 reasonably appears to the bank to have a physical or
16 mental disability that impairs his or her ability to seek
17 or obtain protection from or prevent financial
18 exploitation, and (iii) "financial exploitation" means
19 tortious or illegal use of the assets or resources of an
20 elderly ~~or disabled~~ person or person with a disability,
21 and includes, without limitation, misappropriation of the
22 ~~elderly or disabled person's~~ assets or resources of the
23 elderly person or person with a disability by undue
24 influence, breach of fiduciary relationship, intimidation,
25 fraud, deception, extortion, or the use of assets or
26 resources in any manner contrary to law. A bank or person

1 furnishing information pursuant to this item (16) shall be
2 entitled to the same rights and protections as a person
3 furnishing information under the Adult Protective Services
4 Act and the Illinois Domestic Violence Act of 1986.

5 (17) The disclosure of financial records or
6 information as necessary to effect, administer, or enforce
7 a transaction requested or authorized by the customer, or
8 in connection with:

9 (A) servicing or processing a financial product or
10 service requested or authorized by the customer;

11 (B) maintaining or servicing a customer's account
12 with the bank; or

13 (C) a proposed or actual securitization or
14 secondary market sale (including sales of servicing
15 rights) related to a transaction of a customer.

16 Nothing in this item (17), however, authorizes the
17 sale of the financial records or information of a customer
18 without the consent of the customer.

19 (18) The disclosure of financial records or
20 information as necessary to protect against actual or
21 potential fraud, unauthorized transactions, claims, or
22 other liability.

23 (19) (A) The disclosure of financial records or
24 information related to a private label credit program
25 between a financial institution and a private label party
26 in connection with that private label credit program. Such

1 information is limited to outstanding balance, available
2 credit, payment and performance and account history,
3 product references, purchase information, and information
4 related to the identity of the customer.

5 (B) (1) For purposes of this paragraph (19) of
6 subsection (b) of Section 48.1, a "private label credit
7 program" means a credit program involving a financial
8 institution and a private label party that is used by a
9 customer of the financial institution and the private
10 label party primarily for payment for goods or services
11 sold, manufactured, or distributed by a private label
12 party.

13 (2) For purposes of this paragraph (19) of subsection
14 (b) of Section 48.1, a "private label party" means, with
15 respect to a private label credit program, any of the
16 following: a retailer, a merchant, a manufacturer, a trade
17 group, or any such person's affiliate, subsidiary, member,
18 agent, or service provider.

19 (20) (A) The furnishing of financial records of a
20 customer to the Department to aid the Department's initial
21 determination or subsequent re-determination of the
22 customer's eligibility for Medicaid and Medicaid long-term
23 care benefits for long-term care services, provided that
24 the bank receives the written consent and authorization of
25 the customer, which shall:

26 (1) have the customer's signature notarized;

1 (2) be signed by at least one witness who
2 certifies that he or she believes the customer to be of
3 sound mind and memory;

4 (3) be tendered to the bank at the earliest
5 practicable time following its execution,
6 certification, and notarization;

7 (4) specifically limit the disclosure of the
8 customer's financial records to the Department; and

9 (5) be in substantially the following form:

10 CUSTOMER CONSENT AND AUTHORIZATION
11 FOR RELEASE OF FINANCIAL RECORDS

12 I, , hereby authorize
13 (Name of Customer)

14
15 (Name of Financial Institution)

16
17 (Address of Financial Institution)

18 to disclose the following financial records:

19 any and all information concerning my deposit, savings, money
20 market, certificate of deposit, individual retirement,

1 retirement plan, 401(k) plan, incentive plan, employee benefit
2 plan, mutual fund and loan accounts (including, but not
3 limited to, any indebtedness or obligation for which I am a
4 co-borrower, co-obligor, guarantor, or surety), and any and
5 all other accounts in which I have an interest and any other
6 information regarding me in the possession of the Financial
7 Institution,

8 to the Illinois Department of Human Services or the Illinois
9 Department of Healthcare and Family Services, or both ("the
10 Department"), for the following purpose(s):

11 to aid in the initial determination or re-determination by the
12 State of Illinois of my eligibility for Medicaid long-term
13 care benefits, pursuant to applicable law.

14 I understand that this Consent and Authorization may be
15 revoked by me in writing at any time before my financial
16 records, as described above, are disclosed, and that this
17 Consent and Authorization is valid until the Financial
18 Institution receives my written revocation. This Consent and
19 Authorization shall constitute valid authorization for the
20 Department identified above to inspect all such financial
21 records set forth above, and to request and receive copies of
22 such financial records from the Financial Institution (subject
23 to such records search and reproduction reimbursement policies

1 as the Financial Institution may have in place). An executed
 2 copy of this Consent and Authorization shall be sufficient and
 3 as good as the original and permission is hereby granted to
 4 honor a photostatic or electronic copy of this Consent and
 5 Authorization. Disclosure is strictly limited to the
 6 Department identified above and no other person or entity
 7 shall receive my financial records pursuant to this Consent
 8 and Authorization. By signing this form, I agree to indemnify
 9 and hold the Financial Institution harmless from any and all
 10 claims, demands, and losses, including reasonable attorneys
 11 fees and expenses, arising from or incurred in its reliance on
 12 this Consent and Authorization. As used herein, "Customer"
 13 shall mean "Member" if the Financial Institution is a credit
 14 union.

15
 16

(Date)

(Signature of Customer)

17
 18

19
 20

(Address of Customer)

21
 22

(Customer's birth date)

(month/day/year)

1 The undersigned witness certifies that,
 2 known to me to be the same person whose name is subscribed as
 3 the customer to the foregoing Consent and Authorization,
 4 appeared before me and the notary public and acknowledged
 5 signing and delivering the instrument as his or her free and
 6 voluntary act for the uses and purposes therein set forth. I
 7 believe him or her to be of sound mind and memory. The
 8 undersigned witness also certifies that the witness is not an
 9 owner, operator, or relative of an owner or operator of a
 10 long-term care facility in which the customer is a patient or
 11 resident.

12 Dated:

13 (Signature of Witness)

14

15 (Print Name of Witness)

16

17

18 (Address of Witness)

19 State of Illinois)

20) ss.

21 County of

1 The undersigned, a notary public in and for the above county
 2 and state, certifies that, known to me to be the
 3 same person whose name is subscribed as the customer to the
 4 foregoing Consent and Authorization, appeared before me
 5 together with the witness,, in person and
 6 acknowledged signing and delivering the instrument as the free
 7 and voluntary act of the customer for the uses and purposes
 8 therein set forth.

9 Dated:

10 Notary Public:

11 My commission expires:

12 (B) In no event shall the bank distribute the
 13 customer's financial records to the long-term care
 14 facility from which the customer seeks initial or
 15 continuing residency or long-term care services.

16 (C) A bank providing financial records of a customer
 17 in good faith relying on a consent and authorization
 18 executed and tendered in accordance with this paragraph
 19 (20) shall not be liable to the customer or any other
 20 person in relation to the bank's disclosure of the
 21 customer's financial records to the Department. The
 22 customer signing the consent and authorization shall
 23 indemnify and hold the bank harmless that relies in good
 24 faith upon the consent and authorization and incurs a loss

1 because of such reliance. The bank recovering under this
2 indemnification provision shall also be entitled to
3 reasonable attorney's fees and the expenses of recovery.

4 (D) A bank shall be reimbursed by the customer for all
5 costs reasonably necessary and directly incurred in
6 searching for, reproducing, and disclosing a customer's
7 financial records required or requested to be produced
8 pursuant to any consent and authorization executed under
9 this paragraph (20). The requested financial records shall
10 be delivered to the Department within 10 days after
11 receiving a properly executed consent and authorization or
12 at the earliest practicable time thereafter if the
13 requested records cannot be delivered within 10 days, but
14 delivery may be delayed until the final reimbursement of
15 all costs is received by the bank. The bank may honor a
16 photostatic or electronic copy of a properly executed
17 consent and authorization.

18 (E) Nothing in this paragraph (20) shall impair,
19 abridge, or abrogate the right of a customer to:

20 (1) directly disclose his or her financial records
21 to the Department or any other person; or

22 (2) authorize his or her attorney or duly
23 appointed agent to request and obtain the customer's
24 financial records and disclose those financial records
25 to the Department.

26 (F) For purposes of this paragraph (20), "Department"

1 means the Department of Human Services and the Department
2 of Healthcare and Family Services or any successor
3 administrative agency of either agency.

4 (21) The furnishing of financial records of a deceased
5 customer to a public administrator of any county or other
6 governmental jurisdiction for the purpose of facilitating
7 burial of the customer.

8 (c) Except as otherwise provided by this Act, a bank may
9 not disclose to any person, except to the customer or his duly
10 authorized agent, any financial records or financial
11 information obtained from financial records relating to that
12 customer of that bank unless:

13 (1) the customer has authorized disclosure to the
14 person;

15 (2) the financial records are disclosed in response to
16 a lawful subpoena, summons, warrant, citation to discover
17 assets, or court order which meets the requirements of
18 subsection (d) of this Section; or

19 (3) the bank is attempting to collect an obligation
20 owed to the bank and the bank complies with the provisions
21 of Section 2I of the Consumer Fraud and Deceptive Business
22 Practices Act.

23 (d) A bank shall disclose financial records under
24 paragraph (2) of subsection (c) of this Section under a lawful
25 subpoena, summons, warrant, citation to discover assets, or
26 court order only after the bank sends a copy of the subpoena,

1 summons, warrant, citation to discover assets, or court order
2 to the person establishing the relationship with the bank, if
3 living, and, otherwise the person's personal representative,
4 if known, at the person's last known address by first class
5 mail, postage prepaid, through a third-party commercial
6 carrier or courier with delivery charge fully prepaid, by hand
7 delivery, or by electronic delivery at an email address on
8 file with the bank (if the person establishing the
9 relationship with the bank has consented to receive electronic
10 delivery and, if the person establishing the relationship with
11 the bank is a consumer, the person has consented under the
12 consumer consent provisions set forth in Section 7001 of Title
13 15 of the United States Code), unless the bank is specifically
14 prohibited from notifying the person by order of court or by
15 applicable State or federal law. A bank shall not mail a copy
16 of a subpoena to any person pursuant to this subsection if the
17 subpoena was issued by a grand jury ~~under the Statewide Grand~~
18 ~~Jury Act.~~

19 (e) Any officer or employee of a bank who knowingly and
20 willfully furnishes financial records in violation of this
21 Section is guilty of a business offense and, upon conviction,
22 shall be fined not more than \$1,000.

23 (f) Any person who knowingly and willfully induces or
24 attempts to induce any officer or employee of a bank to
25 disclose financial records in violation of this Section is
26 guilty of a business offense and, upon conviction, shall be

1 fined not more than \$1,000.

2 (g) A bank shall be reimbursed for costs that are
3 reasonably necessary and that have been directly incurred in
4 searching for, reproducing, or transporting books, papers,
5 records, or other data required or requested to be produced
6 pursuant to a lawful subpoena, summons, warrant, citation to
7 discover assets, or court order. The Commissioner shall
8 determine the rates and conditions under which payment may be
9 made.

10 (Source: P.A. 101-81, eff. 7-12-19; 102-873, eff. 5-13-22.)

11 (205 ILCS 5/48.2) (from Ch. 17, par. 360.1)

12 Sec. 48.2. Prohibition against certain activities.

13 (a) Any bank, subsidiary, affiliate, officer or employee
14 of such bank subject to this Act shall not:

15 (1) grant any loan on the prior condition, agreement
16 or understanding that the borrower contract with any
17 specific person or organization for the following:

18 (A) insurance services of an agent or broker;

19 (B) legal services rendered to the borrower;

20 (C) services of a real estate agent or broker; or

21 (D) real estate or property management services;

22 (2) require that insurance services, legal services,
23 real estate services or property management services be
24 placed with any subsidiary, affiliate, officer or employee
25 of any bank.

1 (b) Any bank or subsidiary, affiliate, employee, officer,
2 banking house, branch bank, branch office, additional office
3 or agency of such bank that is transacting an insurance
4 business in this State shall comply with Article XLIV of the
5 Illinois Insurance Code.

6 (c) Any officer or employee of a bank or its affiliates or
7 subsidiaries who violates this Section is guilty of a business
8 offense, and upon conviction shall be fined not more than
9 \$1,000. This Section does not create a private cause of action
10 for civil damages.

11 (d) In any contract or loan which is secured by a mortgage,
12 deed of trust, or conveyance in the nature of a mortgage, on
13 residential real estate, the interest which is computed,
14 calculated, charged, or collected pursuant to such contract or
15 loan, or pursuant to any regulation or rule promulgated
16 pursuant to this Act, may not be computed, calculated, charged
17 or collected for any period of time occurring after the date on
18 which the total indebtedness, with the exception of late
19 payment penalties, is paid in full. For purposes of this
20 subsection (d) of this Section 48.2, a prepayment shall mean
21 the payment of the total indebtedness, with the exception of
22 late payment penalties if incurred or charged, on any date
23 before the date specified in the contract or loan agreement on
24 which the total indebtedness shall be paid in full, or before
25 the date on which all payments, if timely made, shall have been
26 made. In the event of a prepayment of the indebtedness which is

1 made on a date after the date on which interest on the
2 indebtedness was last computed, calculated, charged, or
3 collected but before the next date on which interest on the
4 indebtedness was to be calculated, computed, charged, or
5 collected, the lender may calculate, charge and collect
6 interest on the indebtedness for the period which elapsed
7 between the date on which the prepayment is made and the date
8 on which interest on the indebtedness was last computed,
9 calculated, charged or collected at a rate equal to 1/360 of
10 the annual rate for each day which so elapsed, which rate shall
11 be applied to the indebtedness outstanding as of the date of
12 prepayment. The lender shall refund to the borrower any
13 interest charged or collected which exceeds that which the
14 lender may charge or collect pursuant to the preceding
15 sentence. The provisions of this amendatory Act of 1985 shall
16 apply only to contracts or loans entered into on or after
17 January 1, 1986.

18 (e) Any bank, affiliate or subsidiary of such bank which
19 shall engage in making residential mortgage financing
20 transactions, shall with respect to each such transaction,
21 provide the following:

22 (1) if a contractual obligation is intended to a
23 borrower, a mortgage commitment which shall set forth the
24 material terms, conditions and contingencies of such
25 commitment;

26 (2) if the servicing of a residential mortgage shall

1 be transferred from the original mortgagee, within 45 days
2 of such transfer, written notice sent by first-class
3 ~~certified mail, return receipt requested,~~ to the mortgagor
4 at the address of the property, unless the mortgagor shall
5 have directed correspondence from the mortgagee shall be
6 sent to another address, which notice shall set forth: the
7 name and address of the transferee; the name, address and
8 telephone number to which inquiries by the residential
9 mortgagor should be addressed; and the name and address to
10 which the next 3 monthly installments are to be submitted
11 to the transferee and the amount of each of such monthly
12 installment; and

13 (3) if the servicing of a residential mortgage shall
14 be transferred again or if the information in paragraph
15 (2) above shall change, the notice with the corrected
16 information shall be provided within 45 days of such
17 subsequent transfer or change in information by the
18 transferee of the servicing of the mortgage at that time.

19 (Source: P.A. 90-41, eff. 10-1-97.)

20 Section 10. The Savings Bank Act is amended by changing
21 Sections 1008, 4002, 4003, 4013, 6002, 7005, 8002, and 11008
22 as follows:

23 (205 ILCS 205/1008) (from Ch. 17, par. 7301-8)

24 Sec. 1008. General corporate powers.

1 (a) A savings bank operating under this Act shall be a body
2 corporate and politic and shall have all of the powers
3 conferred by this Act including, but not limited to, the
4 following powers:

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

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

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

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

23 (5) To make donations in reasonable amounts for the
24 public welfare or for charitable, scientific, religious,
25 or educational purposes.

26 (6) To adopt and operate reasonable insurance, bonus,

1 profit sharing, and retirement plans for officers and
2 employees and for directors including, but not limited to,
3 advisory, honorary, and emeritus directors, who are not
4 officers or employees.

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

10 (8) To purchase stock or membership interests in
11 service corporations and to invest in any form of
12 indebtedness of any service corporation as defined in this
13 Act, subject to regulations of the Secretary.

14 (9) To purchase stock of a corporation whose principal
15 purpose is to operate a safe deposit company or escrow
16 service company.

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

23 (11) (Blank).

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

26 (13) To borrow or incur an obligation; and to pledge

1 its assets:

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

4 (B) to secure deposits;

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

7 (D) (blank); and

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

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

17 (15) Subject to the regulations of the Secretary, to
18 own and lease personal property acquired by the savings
19 bank at the request of a prospective lessee and, upon the
20 agreement of that person, to lease the personal property.

21 (16) To establish temporary service booths at any
22 International Fair in this State that is approved by the
23 United States Department of Commerce for the duration of
24 the international fair for the purpose of providing a
25 convenient place for foreign trade customers to exchange
26 their home countries' currency into United States currency

1 or the converse. To provide temporary periodic service to
2 persons residing in a bona fide nursing home, senior
3 citizens' retirement home, or long-term care facility.
4 These powers shall not be construed as establishing a new
5 place or change of location for the savings bank providing
6 the service booth.

7 (17) To indemnify its officers, directors, employees,
8 and agents, as authorized for corporations under Section
9 8.75 of the Business Corporation Act of 1983.

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

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

14 (20) Subject to the regulations of the Secretary, to
15 enter into an agreement to act as a surety.

16 (21) Subject to the regulations of the Secretary, to
17 issue credit cards, extend credit therewith, and otherwise
18 engage in or participate in credit card operations.

19 (22) To purchase for its own account shares of stock
20 of a bankers' bank, described in Section 13(b)(1) of the
21 Illinois Banking Act, on the same terms and conditions as
22 a bank may purchase such shares. In no event shall the
23 total amount of such stock held by a savings bank in such
24 bankers' bank exceed 10% of its capital and surplus
25 (including undivided profits) and in no event shall a
26 savings bank acquire more than 15% ~~5%~~ of any class of

1 voting securities of such bankers' bank.

2 (23) With respect to affiliate facilities:

3 (A) to conduct at affiliate facilities any of the
4 following transactions for and on behalf of any
5 affiliated depository institution, if so authorized by
6 the affiliate or affiliates: receiving deposits;
7 renewing deposits; cashing and issuing checks, drafts,
8 money orders, travelers checks, or similar
9 instruments; changing money; receiving payments on
10 existing indebtedness; ~~and~~ conducting ministerial
11 functions with respect to loan applications, servicing
12 loans, and providing loan account information; and, on
13 behalf of another commonly owned bank, if so
14 authorized by the other bank, all transactions that
15 the other bank is authorized or permitted to perform;
16 and

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

21 A savings bank intending to conduct or to authorize an
22 affiliated depository institution to conduct at an
23 affiliate facility any of the transactions specified in
24 this subsection shall give written notice to the Secretary
25 at least 30 days before any such transaction is conducted
26 at an affiliate facility. All conduct under this

1 subsection shall be on terms consistent with safe and
2 sound banking practices and applicable law.

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

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

22 (26) To offer any product or service that is at the
23 time authorized or permitted to a bank by applicable law,
24 but subject always to the same limitations and
25 restrictions that are applicable to the bank for the
26 product or service by such applicable law and subject to

1 the applicable provisions of the Financial Institutions
2 Insurance Sales Law and rules of the Secretary.

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

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

20 Any filing required to be made under the Limited Liability
21 Company Act shall be made exclusively with the Secretary, and
22 the Secretary shall possess the exclusive authority to
23 regulate the savings bank as provided in this Act.

24 Any organization as, conversion to, and merger with or
25 into a limited liability company shall be subject to the prior
26 approval of the Secretary.

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

4 The Secretary may promulgate rules to ensure that a
5 savings bank that is a limited liability company (i) is
6 operating in a safe and sound manner and (ii) is subject to the
7 Secretary's authority in the same manner as a savings bank
8 that is organized in stock form.

9 (Source: P.A. 102-558, eff. 8-20-21.)

10 (205 ILCS 205/4002) (from Ch. 17, par. 7304-2)

11 Sec. 4002. Annual and special meetings. Dates of annual
12 meetings of members or stockholders shall be specified in the
13 bylaws. Failure to hold an annual meeting shall not cause a
14 forfeiture or dissolution of the savings bank. Special
15 meetings may be called by the board of directors, the holders
16 of not less than 25% of the outstanding capital stock shares,
17 or by any other person as the bylaws may designate. The
18 Commissioner may also call a special meeting with not less
19 than 12 hours written or oral notice. Every annual or special
20 meeting shall be held at the business office of the savings
21 bank ~~or, if the space is inadequate,~~ in another place within
22 the same county as shall be specifically designated in the
23 notice of the meeting, or virtually. Unless expressly
24 prohibited by the articles of incorporation or bylaws and
25 subject to applicable requirements of this Act, the board of

1 directors may provide by resolution that members or
2 stockholders may attend, participate in, act in, and vote at
3 any annual meeting or special meeting through the use of a
4 conference telephone or interactive technology, including, but
5 not limited to, electronic transmission, Internet usage, or
6 remote communication, by means of which all persons
7 participating in the meeting can communicate with each other.
8 Participation through the use of a conference telephone or
9 interactive technology shall constitute attendance, presence,
10 and representation in person at the annual meeting or special
11 meeting of the person or persons so participating and count
12 toward the quorum required to conduct business at the meeting.
13 The following conditions shall apply to any virtual meeting of
14 members or stockholders:

15 (a) the savings bank must internally possess or retain the
16 technological capacity to facilitate virtual meeting
17 attendance, participation, communication, and voting; and

18 (b) members or stockholders must receive notice of the use
19 of a virtual meeting format and appropriate instructions for
20 joining, participating, and voting during the virtual meeting
21 at least 7 days before the virtual meeting.

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

23 (205 ILCS 205/4003) (from Ch. 17, par. 7304-3)

24 Sec. 4003. Notice of meetings.

25 (a) Notice of an annual meeting shall be published once

1 not fewer than 10 days nor more than 40 days before the date of
2 the meeting. The notice shall also be displayed at the place of
3 business of the savings bank in a manner to be prescribed by
4 the Commissioner. The notice must state the time, place, and
5 purpose of the meeting.

6 (b) For any special meeting or for any annual meeting that
7 is to consider any proposition that requires an affirmative
8 vote of two-thirds of the members or stockholders or any
9 proposition to amend the articles of incorporation of the
10 savings bank, the notice must be delivered personally,
11 electronically, or by mail to the holders of stock, capital
12 accounts, and membership entitled to notice of or to vote at
13 the meeting, by mail, postmarked between 10 and 40 days before
14 the date of the meeting, ~~and must also be posted at the savings~~
15 ~~bank's offices as if for an annual meeting, beginning on the~~
16 ~~date notice is given.~~ All notices must state the time, place,
17 and purpose of the meeting. If mailed, the notice shall be
18 deemed to be delivered on the date on which it has been
19 postmarked.

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

21 (205 ILCS 205/4013) (from Ch. 17, par. 7304-13)

22 Sec. 4013. Access to books and records; communication with
23 members and shareholders.

24 (a) Every member or shareholder shall have the right to
25 inspect books and records of the savings bank that pertain to

1 his accounts. Otherwise, the right of inspection and
2 examination of the books and records shall be limited as
3 provided in this Act, and no other person shall have access to
4 the books and records nor shall be entitled to a list of the
5 members or shareholders.

6 (b) For the purpose of this Section, the term "financial
7 records" means any original, any copy, or any summary of (1) a
8 document granting signature authority over a deposit or
9 account; (2) a statement, ledger card, or other record on any
10 deposit or account that shows each transaction in or with
11 respect to that account; (3) a check, draft, or money order
12 drawn on a savings bank or issued and payable by a savings
13 bank; or (4) any other item containing information pertaining
14 to any relationship established in the ordinary course of a
15 savings bank's business between a savings bank and its
16 customer, including financial statements or other financial
17 information provided by the member or shareholder.

18 (c) This Section does not prohibit:

19 (1) The preparation, examination, handling, or
20 maintenance of any financial records by any officer,
21 employee, or agent of a savings bank having custody of
22 records or examination of records by a certified public
23 accountant engaged by the savings bank to perform an
24 independent audit.

25 (2) The examination of any financial records by, or
26 the furnishing of financial records by a savings bank to,

1 any officer, employee, or agent of the Commissioner of
2 Banks and Real Estate or the federal depository
3 institution regulator for use solely in the exercise of
4 his duties as an officer, employee, or agent.

5 (3) The publication of data furnished from financial
6 records relating to members or holders of capital where
7 the data cannot be identified to any particular member,
8 shareholder, or account.

9 (4) The making of reports or returns required under
10 Chapter 61 of the Internal Revenue Code of 1986.

11 (5) Furnishing information concerning the dishonor of
12 any negotiable instrument permitted to be disclosed under
13 the Uniform Commercial Code.

14 (6) The exchange in the regular course of business of
15 (i) credit information between a savings bank and other
16 savings banks or financial institutions or commercial
17 enterprises, directly or through a consumer reporting
18 agency or (ii) financial records or information derived
19 from financial records between a savings bank and other
20 savings banks or financial institutions or commercial
21 enterprises for the purpose of conducting due diligence
22 pursuant to a purchase or sale involving the savings bank
23 or assets or liabilities of the savings bank.

24 (7) The furnishing of information to the appropriate
25 law enforcement authorities where the savings bank
26 reasonably believes it has been the victim of a crime.

1 (8) The furnishing of information pursuant to the
2 Revised Uniform Unclaimed Property Act.

3 (9) The furnishing of information pursuant to the
4 Illinois Income Tax Act and the Illinois Estate and
5 Generation-Skipping Transfer Tax Act.

6 (10) The furnishing of information pursuant to the
7 federal Currency and Foreign Transactions Reporting Act,
8 (Title 31, United States Code, Section 1051 et seq.).

9 (11) The furnishing of information pursuant to any
10 other statute which by its terms or by regulations
11 promulgated thereunder requires the disclosure of
12 financial records other than by subpoena, summons,
13 warrant, or court order.

14 (12) The furnishing of information in accordance with
15 the federal Personal Responsibility and Work Opportunity
16 Reconciliation Act of 1996. Any savings bank governed by
17 this Act shall enter into an agreement for data exchanges
18 with a State agency provided the State agency pays to the
19 savings bank a reasonable fee not to exceed its actual
20 cost incurred. A savings bank providing information in
21 accordance with this item shall not be liable to any
22 account holder or other person for any disclosure of
23 information to a State agency, for encumbering or
24 surrendering any assets held by the savings bank in
25 response to a lien or order to withhold and deliver issued
26 by a State agency, or for any other action taken pursuant

1 to this item, including individual or mechanical errors,
2 provided the action does not constitute gross negligence
3 or willful misconduct. A savings bank shall have no
4 obligation to hold, encumber, or surrender assets until it
5 has been served with a subpoena, summons, warrant, court
6 or administrative order, lien, or levy.

7 (13) The furnishing of information to law enforcement
8 authorities, the Illinois Department on Aging and its
9 regional administrative and provider agencies, the
10 Department of Human Services Office of Inspector General,
11 or public guardians: (i) upon subpoena by the
12 investigatory entity or the guardian, or (ii) if there is
13 suspicion by the savings bank that a customer who is an
14 elderly person or person with a disability has been or may
15 become the victim of financial exploitation. For the
16 purposes of this item (13), the term: (i) "elderly person"
17 means a person who is 60 or more years of age, (ii) "person
18 with a disability" means a person who has or reasonably
19 appears to the savings bank to have a physical or mental
20 disability that impairs his or her ability to seek or
21 obtain protection from or prevent financial exploitation,
22 and (iii) "financial exploitation" means tortious or
23 illegal use of the assets or resources of an elderly
24 person or person with a disability, and includes, without
25 limitation, misappropriation of the assets or resources of
26 the elderly person or person with a disability by undue

1 influence, breach of fiduciary relationship, intimidation,
2 fraud, deception, extortion, or the use of assets or
3 resources in any manner contrary to law. A savings bank or
4 person furnishing information pursuant to this item (13)
5 shall be entitled to the same rights and protections as a
6 person furnishing information under the Adult Protective
7 Services Act and the Illinois Domestic Violence Act of
8 1986.

9 (14) The disclosure of financial records or
10 information as necessary to effect, administer, or enforce
11 a transaction requested or authorized by the member or
12 holder of capital, or in connection with:

13 (A) servicing or processing a financial product or
14 service requested or authorized by the member or
15 holder of capital;

16 (B) maintaining or servicing an account of a
17 member or holder of capital with the savings bank; or

18 (C) a proposed or actual securitization or
19 secondary market sale (including sales of servicing
20 rights) related to a transaction of a member or holder
21 of capital.

22 Nothing in this item (14), however, authorizes the
23 sale of the financial records or information of a member
24 or holder of capital without the consent of the member or
25 holder of capital.

26 (15) The exchange in the regular course of business of

1 information between a savings bank and any commonly owned
2 affiliate of the savings bank, subject to the provisions
3 of the Financial Institutions Insurance Sales Law.

4 (16) The disclosure of financial records or
5 information as necessary to protect against or prevent
6 actual or potential fraud, unauthorized transactions,
7 claims, or other liability.

8 (17) (a) The disclosure of financial records or
9 information related to a private label credit program
10 between a financial institution and a private label party
11 in connection with that private label credit program. Such
12 information is limited to outstanding balance, available
13 credit, payment and performance and account history,
14 product references, purchase information, and information
15 related to the identity of the customer.

16 (b) (1) For purposes of this paragraph (17) of
17 subsection (c) of Section 4013, a "private label credit
18 program" means a credit program involving a financial
19 institution and a private label party that is used by a
20 customer of the financial institution and the private
21 label party primarily for payment for goods or services
22 sold, manufactured, or distributed by a private label
23 party.

24 (2) For purposes of this paragraph (17) of subsection
25 (c) of Section 4013, a "private label party" means, with
26 respect to a private label credit program, any of the

1 following: a retailer, a merchant, a manufacturer, a trade
2 group, or any such person's affiliate, subsidiary, member,
3 agent, or service provider.

4 (18)(a) The furnishing of financial records of a
5 customer to the Department to aid the Department's initial
6 determination or subsequent re-determination of the
7 customer's eligibility for Medicaid and Medicaid long-term
8 care benefits for long-term care services, provided that
9 the savings bank receives the written consent and
10 authorization of the customer, which shall:

- 11 (1) have the customer's signature notarized;
- 12 (2) be signed by at least one witness who
13 certifies that he or she believes the customer to be of
14 sound mind and memory;
- 15 (3) be tendered to the savings bank at the
16 earliest practicable time following its execution,
17 certification, and notarization;
- 18 (4) specifically limit the disclosure of the
19 customer's financial records to the Department; and
- 20 (5) be in substantially the following form:

21 CUSTOMER CONSENT AND AUTHORIZATION
22 FOR RELEASE OF FINANCIAL RECORDS

23 I, , hereby authorize
24 (Name of Customer)

1
2

(Name of Financial Institution)

3
4

(Address of Financial Institution)

5 to disclose the following financial records:

6 any and all information concerning my deposit, savings, money
7 market, certificate of deposit, individual retirement,
8 retirement plan, 401(k) plan, incentive plan, employee benefit
9 plan, mutual fund and loan accounts (including, but not
10 limited to, any indebtedness or obligation for which I am a
11 co-borrower, co-obligor, guarantor, or surety), and any and
12 all other accounts in which I have an interest and any other
13 information regarding me in the possession of the Financial
14 Institution,

15 to the Illinois Department of Human Services or the Illinois
16 Department of Healthcare and Family Services, or both ("the
17 Department"), for the following purpose(s):

18 to aid in the initial determination or re-determination by the
19 State of Illinois of my eligibility for Medicaid long-term
20 care benefits, pursuant to applicable law.

1 I understand that this Consent and Authorization may be
2 revoked by me in writing at any time before my financial
3 records, as described above, are disclosed, and that this
4 Consent and Authorization is valid until the Financial
5 Institution receives my written revocation. This Consent and
6 Authorization shall constitute valid authorization for the
7 Department identified above to inspect all such financial
8 records set forth above, and to request and receive copies of
9 such financial records from the Financial Institution (subject
10 to such records search and reproduction reimbursement policies
11 as the Financial Institution may have in place). An executed
12 copy of this Consent and Authorization shall be sufficient and
13 as good as the original and permission is hereby granted to
14 honor a photostatic or electronic copy of this Consent and
15 Authorization. Disclosure is strictly limited to the
16 Department identified above and no other person or entity
17 shall receive my financial records pursuant to this Consent
18 and Authorization. By signing this form, I agree to indemnify
19 and hold the Financial Institution harmless from any and all
20 claims, demands, and losses, including reasonable attorneys
21 fees and expenses, arising from or incurred in its reliance on
22 this Consent and Authorization. As used herein, "Customer"
23 shall mean "Member" if the Financial Institution is a credit
24 union.

1

2 (Date) (Signature of Customer)

3

4

5 (Address of Customer)

6

7 (Customer's birth date)

8 (month/day/year)

9 The undersigned witness certifies that,
10 known to me to be the same person whose name is subscribed as
11 the customer to the foregoing Consent and Authorization,
12 appeared before me and the notary public and acknowledged
13 signing and delivering the instrument as his or her free and
14 voluntary act for the uses and purposes therein set forth. I
15 believe him or her to be of sound mind and memory. The
16 undersigned witness also certifies that the witness is not an
17 owner, operator, or relative of an owner or operator of a
18 long-term care facility in which the customer is a patient or
19 resident.

20 Dated:

21 (Signature of Witness)

1
2

(Print Name of Witness)

3
4

(Address of Witness)

6 State of Illinois)

7) ss.

8 County of)

9 The undersigned, a notary public in and for the above county
10 and state, certifies that, known to me to be the
11 same person whose name is subscribed as the customer to the
12 foregoing Consent and Authorization, appeared before me
13 together with the witness,, in person and
14 acknowledged signing and delivering the instrument as the free
15 and voluntary act of the customer for the uses and purposes
16 therein set forth.

17 Dated:

18 Notary Public:

19 My commission expires:

20 (b) In no event shall the savings bank distribute the
21 customer's financial records to the long-term care

1 facility from which the customer seeks initial or
2 continuing residency or long-term care services.

3 (c) A savings bank providing financial records of a
4 customer in good faith relying on a consent and
5 authorization executed and tendered in accordance with
6 this paragraph (18) shall not be liable to the customer or
7 any other person in relation to the savings bank's
8 disclosure of the customer's financial records to the
9 Department. The customer signing the consent and
10 authorization shall indemnify and hold the savings bank
11 harmless that relies in good faith upon the consent and
12 authorization and incurs a loss because of such reliance.
13 The savings bank recovering under this indemnification
14 provision shall also be entitled to reasonable attorney's
15 fees and the expenses of recovery.

16 (d) A savings bank shall be reimbursed by the customer
17 for all costs reasonably necessary and directly incurred
18 in searching for, reproducing, and disclosing a customer's
19 financial records required or requested to be produced
20 pursuant to any consent and authorization executed under
21 this paragraph (18). The requested financial records shall
22 be delivered to the Department within 10 days after
23 receiving a properly executed consent and authorization or
24 at the earliest practicable time thereafter if the
25 requested records cannot be delivered within 10 days, but
26 delivery may be delayed until the final reimbursement of

1 all costs is received by the savings bank. The savings
2 bank may honor a photostatic or electronic copy of a
3 properly executed consent and authorization.

4 (e) Nothing in this paragraph (18) shall impair,
5 abridge, or abrogate the right of a customer to:

6 (1) directly disclose his or her financial records
7 to the Department or any other person; or

8 (2) authorize his or her attorney or duly
9 appointed agent to request and obtain the customer's
10 financial records and disclose those financial records
11 to the Department.

12 (f) For purposes of this paragraph (18), "Department"
13 means the Department of Human Services and the Department
14 of Healthcare and Family Services or any successor
15 administrative agency of either agency.

16 (19) The furnishing of financial records of a deceased
17 customer to a public administrator of any county or other
18 governmental jurisdiction for the purpose of facilitating
19 burial of the customer.

20 (d) A savings bank may not disclose to any person, except
21 to the member or holder of capital or his duly authorized
22 agent, any financial records relating to that member or
23 shareholder of the savings bank unless:

24 (1) the member or shareholder has authorized
25 disclosure to the person; or

26 (2) the financial records are disclosed in response to

1 a lawful subpoena, summons, warrant, citation to discover
2 assets, or court order that meets the requirements of
3 subsection (e) of this Section.

4 (e) A savings bank shall disclose financial records under
5 subsection (d) of this Section pursuant to a lawful subpoena,
6 summons, warrant, citation to discover assets, or court order
7 only after the savings bank sends a copy of the subpoena,
8 summons, warrant, citation to discover assets, or court order
9 to the person establishing the relationship with the savings
10 bank, if living, and otherwise, the person's personal
11 representative, if known, at the person's last known address
12 by first class mail, postage prepaid, through a third-party
13 commercial carrier or courier with delivery charge fully
14 prepaid, by hand delivery, or by electronic delivery at an
15 email address on file with the savings bank (if the person
16 establishing the relationship with the savings bank has
17 consented to receive electronic delivery and, if the person
18 establishing the relationship with the savings bank is a
19 consumer, the person has consented under the consumer consent
20 provisions set forth in Section 7001 of Title 15 of the United
21 States Code), unless the savings bank is specifically
22 prohibited from notifying the person by order of court or by
23 applicable State or federal law. A savings bank shall not mail
24 a copy of a subpoena to any customer pursuant to this
25 subsection if the subpoena was issued by a grand jury.

26 (f) Any officer or employee of a savings bank who

1 knowingly and willfully furnishes financial records in
2 violation of this Section is guilty of a business offense and,
3 upon conviction, shall be fined not more than \$1,000.

4 (g) Any person who knowingly and willfully induces or
5 attempts to induce any officer or employee of a savings bank to
6 disclose financial records in violation of this Section is
7 guilty of a business offense and, upon conviction, shall be
8 fined not more than \$1,000.

9 (h) If any member or shareholder desires to communicate
10 with the other members or shareholders of the savings bank
11 with reference to any question pending or to be presented at an
12 annual or special meeting, the savings bank shall give that
13 person, upon request, a statement of the approximate number of
14 members or shareholders entitled to vote at the meeting and an
15 estimate of the cost of preparing and delivering ~~mailing~~ the
16 communication. The requesting member shall submit the
17 communication to the Commissioner who, upon finding it to be
18 appropriate and truthful, shall direct that it be prepared and
19 delivered ~~mailed~~ to the members upon the requesting member's
20 or shareholder's payment or adequate provision for payment of
21 the expenses of preparation and delivery ~~mailing~~.

22 (i) A savings bank shall be reimbursed for costs that are
23 necessary and that have been directly incurred in searching
24 for, reproducing, or transporting books, papers, records, or
25 other data ~~of a customer~~ required to be reproduced pursuant to
26 a lawful subpoena, warrant, citation to discover assets, or

1 court order.

2 (j) Notwithstanding the provisions of this Section, a
3 savings bank may sell or otherwise make use of lists of
4 ~~customers'~~ names and addresses of persons who have obtained a
5 financial product or service from the savings bank. All other
6 information ~~regarding a customer's account~~ is subject to the
7 disclosure provisions of this Section. At the request of any
8 person who has obtained a financial product or service from
9 the savings bank customer, that person's ~~customer's~~ name and
10 address shall be deleted from any list that is to be sold or
11 used in any other manner beyond identification of the person's
12 ~~customer's~~ accounts.

13 (Source: P.A. 102-873, eff. 5-13-22.)

14 (205 ILCS 205/6002) (from Ch. 17, par. 7306-2)

15 Sec. 6002. Investment in loans.

16 (a) Subject to the regulations of the Commissioner, a
17 savings bank may loan funds as follows:

18 (1) On the security of deposit accounts, but no such
19 loan shall exceed the withdrawal value of the pledged
20 account.

21 (2) On the security of real estate:

22 (A) of a value, determined in accordance with this
23 Act, sufficient to provide good and ample security for
24 the loan;

25 (B) with a fee simple title or a leasehold title;

1 (C) with the title established by evidence of
2 title as is consistent with sound lending practices in
3 the locality;

4 (D) with the security interest in the real estate
5 evidenced by an appropriate written instrument and the
6 loan evidenced by a note, bond, or similar written
7 instrument; a loan on the security of the whole of the
8 beneficial interest in a land trust satisfies the
9 requirements of this paragraph if the title to the
10 land is held by a corporate trustee and if the real
11 estate held in the land trust meets the other
12 requirements of this subsection;

13 (E) with a mortgage loan not to exceed 40 years.

14 (3) For the purpose of repair, improvement,
15 rehabilitation, furnishing, or equipment of real estate.

16 (4) For the purpose of financing or refinancing an
17 existing ownership interest in certificates of stock,
18 certificates of beneficial interest, other evidence of an
19 ownership interest in, or a proprietary lease from a
20 corporation, trust, or partnership formed for the purpose
21 of the cooperative ownership of real estate, secured by
22 the assignment or transfer of certificates or other
23 evidence of ownership of the borrower.

24 (5) Through the purchase of loans that, at the time of
25 purchase, the savings bank could make in accordance with
26 this Section and the bylaws.

1 (6) Through the purchase of installment contracts for
2 the sale of real estate and title thereto that is subject
3 to the contracts, but in each instance only if the savings
4 bank, at the time of purchase, could make a mortgage loan
5 of the same amount and for the same length of time on the
6 security of the real estate.

7 (7) Through loans guaranteed or insured, wholly or in
8 part, by the United States or any of its
9 instrumentalities.

10 (8) Subject to regulations adopted by the
11 Commissioner, through secured or unsecured loans for
12 business, corporate, commercial, or agricultural purposes;
13 provided that the total of all loans granted under this
14 paragraph shall not exceed 15% of the savings bank's total
15 assets unless a greater amount is authorized in writing by
16 the Commissioner.

17 (9) For the purpose of manufactured home financing
18 subject, however, to the regulation of the Commissioner.
19 As used in this Section, "manufactured home" means a
20 manufactured home as defined in subdivision (53) of
21 Section 9-102 of the Uniform Commercial Code.

22 (10) Through loans secured by the cash surrender value
23 of any life insurance policy or any collateral that would
24 be a legal investment under the terms of this Act if made
25 by the savings bank.

26 (11) Any provision of this Act or any other law,

1 except for paragraph (18) of Section 6003, to the contrary
2 notwithstanding, but subject to the Financial Institutions
3 Insurance Sales Law and subject to the Commissioner's
4 regulations, any savings bank may make any loan or
5 investment or engage in any activity that it could make or
6 engage in if it were organized under State law as a savings
7 and loan association or under federal law as a federal
8 savings and loan association or federal savings bank.

9 (12) A savings bank may issue letters of credit or
10 other similar arrangements only as provided for by
11 regulation of the Commissioner with regard to aggregate
12 amounts permitted, take out commitments for stand-by
13 letters of credit, underlying documentation and
14 underwriting, legal limitations on loans of the savings
15 bank, control and subsidiary records, and other procedures
16 deemed necessary by the Commissioner.

17 (13) For the purpose of automobile financing, subject
18 to the regulation of the Commissioner.

19 (14) For the purpose of financing primary, secondary,
20 undergraduate, or postgraduate education.

21 (15) Through revolving lines of credit on the security
22 of a first or junior lien on the borrower's personal
23 residence, based primarily on the borrower's equity, the
24 proceeds of which may be used for any purpose; those loans
25 being commonly referred to as home equity loans.

26 (16) As secured or unsecured credit to cover the

1 payment of checks, drafts, or other funds transfer orders
2 in excess of the available balance of an account on which
3 they are drawn, subject to the regulations of the
4 Commissioner.

5 (17) Through the purchase of fixed rate annuity
6 contracts, if:

7 (A) the savings bank's purchase of fixed rate
8 annuities from any one issuer does not exceed 25% of
9 the amount of the savings bank's unimpaired capital
10 and unimpaired surplus;

11 (B) consistent with safe and sound operation of
12 the savings bank and applicable federal regulatory
13 guidance, and prior to any purchase of fixed rate
14 annuities, the saving bank establishes reasonable
15 internal concentration limits for its combined
16 holdings from all issuers, and the savings bank's
17 purchase of annuities remains within those limits;

18 (C) consistent with safe and sound operation of
19 the savings bank and applicable federal regulatory
20 guidance, and prior to purchasing each fixed rate
21 annuity, the savings bank conducts an independent
22 analysis to determine that the annuity will meet the
23 savings bank's internal underwriting standards. At a
24 minimum, the savings bank must:

25 (i) perform a full financial statement
26 analysis on the issuer (obligor);

1 (ii) assess the issuer's industry position,
2 pricing power, and management strength;

3 (iii) assess and evaluate the issuer's source
4 of repayment and collateral value, if any;

5 (iv) gain appropriate credit approvals of the
6 savings bank's management and board of directors,
7 or a committee thereof;

8 (v) assign a risk rating; and

9 (vi) ensure their lending policy addresses the
10 type of exposure the savings bank plans to
11 acquire;

12 (D) after purchase of the annuity, the savings
13 bank reviews the credit exposure on an ongoing basis
14 and updates the risk rating as appropriate;

15 (E) the terms of the annuity contract include
16 charges or penalties for early withdrawal (surrender),
17 the savings bank conducts independent analysis of the
18 reasonableness of and associated risks of the charges
19 or penalties;

20 (F) except for payment of charges or penalties
21 that the savings bank determines reasonable under
22 subparagraph (C), the savings bank is permitted to
23 surrender (terminate) the annuity at any time before
24 maturity and receive immediate access to the full
25 value of the annuity, including principal and accrued
26 interest; and

1 (G) the savings bank does not exercise any option
2 it may have to convert its fixed rate annuity to a
3 variable return status or any other status other than
4 a fixed rate annuity as described in this Section.

5 (b) For purposes of this Section, "real estate" includes a
6 manufactured home as defined in subdivision (53) of Section
7 9-102 of the Uniform Commercial Code which is real property as
8 defined in Section 5-35 of the Conveyance and Encumbrance of
9 Manufactured Homes as Real Property and Severance Act.

10 (Source: P.A. 98-749, eff. 7-16-14.)

11 (205 ILCS 205/7005) (from Ch. 17, par. 7307-5)

12 Sec. 7005. Holders of deposit accounts.

13 (a) Deposit accounts of a savings bank may be held as
14 follows:

15 (1) by any individual in his own right, regardless of
16 age or marital status, or by 2 or more individuals;

17 (2) by a fiduciary when authorized by law;

18 (3) by a government or governmental instrumentality
19 when authorized by law; and

20 (4) by any corporation or other person when not
21 prohibited by law.

22 (b) A savings bank may accept deposits made by a minor and
23 may open an account in the name of the minor, and the rules and
24 regulations of the savings bank with respect to each deposit
25 and account of the minor shall be as binding upon the minor as

1 if the minor were of full age and legal capacity. The receipt,
2 acquittance, or order of payment of the minor on such account
3 or deposit or any part thereof shall be as binding upon the
4 minor as if the minor were of full age and legal capacity.

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

6 (205 ILCS 205/8002) (from Ch. 17, par. 7308-2)

7 Sec. 8002. Procedure to amend articles.

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

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

14 (2) The proposed amendment shall be set forth in the
15 notice of meeting delivered ~~mailed~~ as prescribed in
16 Section 4003 of this Act.

17 (3) The proposed amendment shall be adopted upon
18 receiving the affirmative vote of a majority of the votes
19 entitled to be cast, unless the articles of incorporation
20 set forth a requirement that amendments of the articles of
21 incorporation shall be adopted by an affirmative vote of
22 two-thirds of the total number of votes entitled to be
23 cast.

24 (b) A report of proceedings, including the notice given,
25 the time of delivery ~~mailing~~, the amendment adopted, the vote

1 thereon, and the total number of votes entitled to be cast,
2 verified by the president, vice president, or managing officer
3 and attested to by the secretary of the savings bank, shall be
4 filed with the Secretary within 5 business days after the
5 vote.

6 (c) Each adopted amendment shall be subject to the same
7 inquiry as the corresponding provision in the original
8 articles. If the Secretary approves an amendment he shall
9 issue to the savings bank a certificate setting forth the
10 amendment and his approval thereof. The Secretary shall
11 approve an amendment, or state any objections to an amendment,
12 within 30 days after the receipt of the amendment adopted by
13 the board. If no objections are specified by the Secretary
14 within that time frame, the amendment will be deemed to be
15 approved by the Secretary. The amendment shall become
16 effective upon issuance of the certificate.

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

22 (e) No amendment of articles of incorporation shall affect
23 any existing cause of action either in favor of or against the
24 savings bank or any pending action in which the savings bank
25 shall be a party or the existing rights of persons other than
26 members of the savings bank.

1 (Source: P.A. 97-492, eff. 1-1-12.)

2 (205 ILCS 205/11008) (from Ch. 17, par. 7311-8)

3 Sec. 11008. Unauthorized participation by convicted
4 individual.

5 (a) Except with the prior written consent of the
6 Commissioner, no person who has been convicted of any criminal
7 offense involving dishonesty or a breach of trust may own or
8 control directly or indirectly more than 0.001% of the capital
9 stock of, receive benefit directly or indirectly from, or
10 participate directly or indirectly in any manner in the
11 affairs of a savings bank.

12 (b) A savings bank may not permit participation by a
13 person described in subsection (a).

14 (c) Except with the prior written consent of the
15 Secretary, no savings bank shall knowingly employ or otherwise
16 permit an individual to serve as an officer, director,
17 employee, or agent of the savings bank if the individual has
18 been convicted of a felony or of any criminal offense relating
19 to dishonesty or breach of trust. Notwithstanding the
20 provisions of this Section, a savings bank in compliance with
21 the provisions of 12 U.S.C. 1829 and administrative
22 regulations issued under 12 U.S.C. 1829 by the savings bank's
23 primary federal financial institution regulator shall be
24 deemed in compliance with this Section.

25 (d) Whoever knowingly violates subsection (a), ~~or~~ (b), or

1 (c) is guilty of a Class 3 felony and may be fined not more
2 than \$10,000 for each day of violation.

3 (Source: P.A. 91-97, eff. 7-9-99; 92-483, eff. 8-23-01.)

4 (205 ILCS 205/1007.100 rep.)

5 (205 ILCS 205/11011 rep.)

6 Section 15. The Savings Bank Act is amended by repealing
7 Sections 1007.100 and 11011.

8 Section 20. The Illinois Credit Union Act is amended by
9 changing Section 10 as follows:

10 (205 ILCS 305/10) (from Ch. 17, par. 4411)

11 Sec. 10. Credit union records; member financial records.

12 (1) A credit union shall establish and maintain books,
13 records, accounting systems and procedures which accurately
14 reflect its operations and which enable the Department to
15 readily ascertain the true financial condition of the credit
16 union and whether it is complying with this Act.

17 (2) A photostatic or photographic reproduction of any
18 credit union records shall be admissible as evidence of
19 transactions with the credit union.

20 (3)(a) For the purpose of this Section, the term
21 "financial records" means any original, any copy, or any
22 summary of (1) a document granting signature authority over an
23 account, (2) a statement, ledger card or other record on any

1 account which shows each transaction in or with respect to
2 that account, (3) a check, draft or money order drawn on a
3 financial institution or other entity or issued and payable by
4 or through a financial institution or other entity, or (4) any
5 other item containing information pertaining to any
6 relationship established in the ordinary course of business
7 between a credit union and its member, including financial
8 statements or other financial information provided by the
9 member.

10 (b) This Section does not prohibit:

11 (1) The preparation, examination, handling or
12 maintenance of any financial records by any officer,
13 employee or agent of a credit union having custody of such
14 records, or the examination of such records by a certified
15 public accountant engaged by the credit union to perform
16 an independent audit.

17 (2) The examination of any financial records by or the
18 furnishing of financial records by a credit union to any
19 officer, employee or agent of the Department, the National
20 Credit Union Administration, Federal Reserve board or any
21 insurer of share accounts for use solely in the exercise
22 of his duties as an officer, employee or agent.

23 (3) The publication of data furnished from financial
24 records relating to members where the data cannot be
25 identified to any particular member or ~~customer~~ of
26 account.

1 (4) The making of reports or returns required under
2 Chapter 61 of the Internal Revenue Code of 1954.

3 (5) Furnishing information concerning the dishonor of
4 any negotiable instrument permitted to be disclosed under
5 the Uniform Commercial Code.

6 (6) The exchange in the regular course of business of
7 (i) credit information between a credit union and other
8 credit unions or financial institutions or commercial
9 enterprises, directly or through a consumer reporting
10 agency or (ii) financial records or information derived
11 from financial records between a credit union and other
12 credit unions or financial institutions or commercial
13 enterprises for the purpose of conducting due diligence
14 pursuant to a merger or a purchase or sale of assets or
15 liabilities of the credit union.

16 (7) The furnishing of information to the appropriate
17 law enforcement authorities where the credit union
18 reasonably believes it has been the victim of a crime.

19 (8) The furnishing of information pursuant to the
20 Revised Uniform Unclaimed Property Act.

21 (9) The furnishing of information pursuant to the
22 Illinois Income Tax Act and the Illinois Estate and
23 Generation-Skipping Transfer Tax Act.

24 (10) The furnishing of information pursuant to the
25 federal Currency and Foreign Transactions Reporting Act,
26 Title 31, United States Code, Section 1051 et sequentia.

1 (11) The furnishing of information pursuant to any
2 other statute which by its terms or by regulations
3 promulgated thereunder requires the disclosure of
4 financial records other than by subpoena, summons, warrant
5 or court order.

6 (12) The furnishing of information in accordance with
7 the federal Personal Responsibility and Work Opportunity
8 Reconciliation Act of 1996. Any credit union governed by
9 this Act shall enter into an agreement for data exchanges
10 with a State agency provided the State agency pays to the
11 credit union a reasonable fee not to exceed its actual
12 cost incurred. A credit union providing information in
13 accordance with this item shall not be liable to any
14 account holder or other person for any disclosure of
15 information to a State agency, for encumbering or
16 surrendering any assets held by the credit union in
17 response to a lien or order to withhold and deliver issued
18 by a State agency, or for any other action taken pursuant
19 to this item, including individual or mechanical errors,
20 provided the action does not constitute gross negligence
21 or willful misconduct. A credit union shall have no
22 obligation to hold, encumber, or surrender assets until it
23 has been served with a subpoena, summons, warrant, court
24 or administrative order, lien, or levy.

25 (13) The furnishing of information to law enforcement
26 authorities, the Illinois Department on Aging and its

1 regional administrative and provider agencies, the
2 Department of Human Services Office of Inspector General,
3 or public guardians: (i) upon subpoena by the
4 investigatory entity or the guardian, or (ii) if there is
5 suspicion by the credit union that a member who is an
6 elderly person or person with a disability has been or may
7 become the victim of financial exploitation. For the
8 purposes of this item (13), the term: (i) "elderly person"
9 means a person who is 60 or more years of age, (ii) "person
10 with a disability" means a person who has or reasonably
11 appears to the credit union to have a physical or mental
12 disability that impairs his or her ability to seek or
13 obtain protection from or prevent financial exploitation,
14 and (iii) "financial exploitation" means tortious or
15 illegal use of the assets or resources of an elderly
16 person or person with a disability, and includes, without
17 limitation, misappropriation of the ~~elderly or disabled~~
18 ~~person's~~ assets or resources of the elderly person or
19 person with a disability by undue influence, breach of
20 fiduciary relationship, intimidation, fraud, deception,
21 extortion, or the use of assets or resources in any manner
22 contrary to law. A credit union or person furnishing
23 information pursuant to this item (13) shall be entitled
24 to the same rights and protections as a person furnishing
25 information under the Adult Protective Services Act and
26 the Illinois Domestic Violence Act of 1986.

1 (14) The disclosure of financial records or
2 information as necessary to effect, administer, or enforce
3 a transaction requested or authorized by the member, or in
4 connection with:

5 (A) servicing or processing a financial product or
6 service requested or authorized by the member;

7 (B) maintaining or servicing a member's account
8 with the credit union; or

9 (C) a proposed or actual securitization or
10 secondary market sale (including sales of servicing
11 rights) related to a transaction of a member.

12 Nothing in this item (14), however, authorizes the
13 sale of the financial records or information of a member
14 without the consent of the member.

15 (15) The disclosure of financial records or
16 information as necessary to protect against or prevent
17 actual or potential fraud, unauthorized transactions,
18 claims, or other liability.

19 (16)(a) The disclosure of financial records or
20 information related to a private label credit program
21 between a financial institution and a private label party
22 in connection with that private label credit program. Such
23 information is limited to outstanding balance, available
24 credit, payment and performance and account history,
25 product references, purchase information, and information
26 related to the identity of the customer.

1 (b) (1) For purposes of this item (16), "private label
2 credit program" means a credit program involving a
3 financial institution and a private label party that is
4 used by a customer of the financial institution and the
5 private label party primarily for payment for goods or
6 services sold, manufactured, or distributed by a private
7 label party.

8 (2) For purposes of this item (16), "private label
9 party" means, with respect to a private label credit
10 program, any of the following: a retailer, a merchant, a
11 manufacturer, a trade group, or any such person's
12 affiliate, subsidiary, member, agent, or service provider.

13 (17) (a) The furnishing of financial records of a
14 member to the Department to aid the Department's initial
15 determination or subsequent re-determination of the
16 member's eligibility for Medicaid and Medicaid long-term
17 care benefits for long-term care services, provided that
18 the credit union receives the written consent and
19 authorization of the member, which shall:

20 (1) have the member's signature notarized;

21 (2) be signed by at least one witness who
22 certifies that he or she believes the member to be of
23 sound mind and memory;

24 (3) be tendered to the credit union at the
25 earliest practicable time following its execution,
26 certification, and notarization;

1 (4) specifically limit the disclosure of the
2 member's financial records to the Department; and

3 (5) be in substantially the following form:

4 CUSTOMER CONSENT AND AUTHORIZATION
5 FOR RELEASE OF FINANCIAL RECORDS

6 I, , hereby authorize
7 (Name of Customer)

8
9 (Name of Financial Institution)

10
11 (Address of Financial Institution)

12 to disclose the following financial records:

13 any and all information concerning my deposit, savings, money
14 market, certificate of deposit, individual retirement,
15 retirement plan, 401(k) plan, incentive plan, employee benefit
16 plan, mutual fund and loan accounts (including, but not
17 limited to, any indebtedness or obligation for which I am a
18 co-borrower, co-obligor, guarantor, or surety), and any and
19 all other accounts in which I have an interest and any other
20 information regarding me in the possession of the Financial

1 Institution,

2 to the Illinois Department of Human Services or the Illinois
3 Department of Healthcare and Family Services, or both ("the
4 Department"), for the following purpose(s):

5 to aid in the initial determination or re-determination by the
6 State of Illinois of my eligibility for Medicaid long-term
7 care benefits, pursuant to applicable law.

8 I understand that this Consent and Authorization may be
9 revoked by me in writing at any time before my financial
10 records, as described above, are disclosed, and that this
11 Consent and Authorization is valid until the Financial
12 Institution receives my written revocation. This Consent and
13 Authorization shall constitute valid authorization for the
14 Department identified above to inspect all such financial
15 records set forth above, and to request and receive copies of
16 such financial records from the Financial Institution (subject
17 to such records search and reproduction reimbursement policies
18 as the Financial Institution may have in place). An executed
19 copy of this Consent and Authorization shall be sufficient and
20 as good as the original and permission is hereby granted to
21 honor a photostatic or electronic copy of this Consent and
22 Authorization. Disclosure is strictly limited to the
23 Department identified above and no other person or entity

1 shall receive my financial records pursuant to this Consent
 2 and Authorization. By signing this form, I agree to indemnify
 3 and hold the Financial Institution harmless from any and all
 4 claims, demands, and losses, including reasonable attorneys
 5 fees and expenses, arising from or incurred in its reliance on
 6 this Consent and Authorization. As used herein, "Customer"
 7 shall mean "Member" if the Financial Institution is a credit
 8 union.

9
 10

(Date)

(Signature of Customer)

11
 12

12
 13

(Address of Customer)

14
 15

(Customer's birth date)

16
 (month/day/year)

17 The undersigned witness certifies that,
 18 known to me to be the same person whose name is subscribed as
 19 the customer to the foregoing Consent and Authorization,
 20 appeared before me and the notary public and acknowledged
 21 signing and delivering the instrument as his or her free and
 22 voluntary act for the uses and purposes therein set forth. I

1 believe him or her to be of sound mind and memory. The
 2 undersigned witness also certifies that the witness is not an
 3 owner, operator, or relative of an owner or operator of a
 4 long-term care facility in which the customer is a patient or
 5 resident.

6 Dated:

7 (Signature of Witness)

8

9 (Print Name of Witness)

10

11

12 (Address of Witness)

13 State of Illinois)

14) ss.

15 County of

16 The undersigned, a notary public in and for the above county
 17 and state, certifies that, known to me to be the
 18 same person whose name is subscribed as the customer to the
 19 foregoing Consent and Authorization, appeared before me
 20 together with the witness,, in person and
 21 acknowledged signing and delivering the instrument as the free

1 and voluntary act of the customer for the uses and purposes
2 therein set forth.

3 Dated:

4 Notary Public:

5 My commission expires:

6 (b) In no event shall the credit union distribute the
7 member's financial records to the long-term care facility
8 from which the member seeks initial or continuing
9 residency or long-term care services.

10 (c) A credit union providing financial records of a
11 member in good faith relying on a consent and
12 authorization executed and tendered in accordance with
13 this item (17) shall not be liable to the member or any
14 other person in relation to the credit union's disclosure
15 of the member's financial records to the Department. The
16 member signing the consent and authorization shall
17 indemnify and hold the credit union harmless that relies
18 in good faith upon the consent and authorization and
19 incurs a loss because of such reliance. The credit union
20 recovering under this indemnification provision shall also
21 be entitled to reasonable attorney's fees and the expenses
22 of recovery.

23 (d) A credit union shall be reimbursed by the member
24 for all costs reasonably necessary and directly incurred

1 in searching for, reproducing, and disclosing a member's
2 financial records required or requested to be produced
3 pursuant to any consent and authorization executed under
4 this item (17). The requested financial records shall be
5 delivered to the Department within 10 days after receiving
6 a properly executed consent and authorization or at the
7 earliest practicable time thereafter if the requested
8 records cannot be delivered within 10 days, but delivery
9 may be delayed until the final reimbursement of all costs
10 is received by the credit union. The credit union may
11 honor a photostatic or electronic copy of a properly
12 executed consent and authorization.

13 (e) Nothing in this item (17) shall impair, abridge,
14 or abrogate the right of a member to:

15 (1) directly disclose his or her financial records
16 to the Department or any other person; or

17 (2) authorize his or her attorney or duly
18 appointed agent to request and obtain the member's
19 financial records and disclose those financial records
20 to the Department.

21 (f) For purposes of this item (17), "Department" means
22 the Department of Human Services and the Department of
23 Healthcare and Family Services or any successor
24 administrative agency of either agency.

25 (18) The furnishing of the financial records of a
26 member to an appropriate law enforcement authority,

1 without prior notice to or consent of the member, upon
2 written request of the law enforcement authority, when
3 reasonable suspicion of an imminent threat to the personal
4 security and safety of the member exists that necessitates
5 an expedited release of the member's financial records, as
6 determined by the law enforcement authority. The law
7 enforcement authority shall include a brief explanation of
8 the imminent threat to the member in its written request
9 to the credit union. The written request shall reflect
10 that it has been authorized by a supervisory or managerial
11 official of the law enforcement authority. The decision to
12 furnish the financial records of a member to a law
13 enforcement authority shall be made by a supervisory or
14 managerial official of the credit union. A credit union
15 providing information in accordance with this item (18)
16 shall not be liable to the member or any other person for
17 the disclosure of the information to the law enforcement
18 authority.

19 (19) The furnishing of financial records of a deceased
20 member to a public administrator of any county or other
21 governmental jurisdiction for the purpose of facilitating
22 burial of the customer.

23 (c) Except as otherwise provided by this Act, a credit
24 union may not disclose to any person, except to the member or
25 his duly authorized agent, any financial records relating to
26 that member of the credit union unless:

1 (1) the member has authorized disclosure to the
2 person;

3 (2) the financial records are disclosed in response to
4 a lawful subpoena, summons, warrant, citation to discover
5 assets, or court order that meets the requirements of
6 subparagraph (3)(d) of this Section; or

7 (3) the credit union is attempting to collect an
8 obligation owed to the credit union and the credit union
9 complies with the provisions of Section 2I of the Consumer
10 Fraud and Deceptive Business Practices Act.

11 (d) A credit union shall disclose financial records under
12 item (3)(c)(2) of this Section pursuant to a lawful subpoena,
13 summons, warrant, citation to discover assets, or court order
14 only after the credit union sends a copy of the subpoena,
15 summons, warrant, citation to discover assets, or court order
16 to the person establishing the relationship with the credit
17 union, if living, and otherwise the person's personal
18 representative, if known, at the person's last known address
19 by first class mail, postage prepaid, through a third-party
20 commercial carrier or courier with delivery charge fully
21 prepaid, by hand delivery, or by electronic delivery at an
22 email address on file with the credit union (if the person
23 establishing the relationship with the credit union has
24 consented to receive electronic delivery and, if the person
25 establishing the relationship with the credit union is a
26 consumer, the person has consented under the consumer consent

1 provisions set forth in Section 7001 of Title 15 of the United
2 States Code), unless the credit union is specifically
3 prohibited from notifying the person by order of court or by
4 applicable State or federal law. In the case of a grand jury
5 subpoena, a credit union shall not mail a copy of a subpoena to
6 any person pursuant to this subsection if the subpoena was
7 issued by a grand jury ~~under the Statewide Grand Jury Act~~ or
8 notifying the person would constitute a violation of the
9 federal Right to Financial Privacy Act of 1978.

10 (e)(1) Any officer or employee of a credit union who
11 knowingly and willfully furnishes financial records in
12 violation of this Section is guilty of a business offense and
13 upon conviction thereof shall be fined not more than \$1,000.

14 (2) Any person who knowingly and willfully induces or
15 attempts to induce any officer or employee of a credit union to
16 disclose financial records in violation of this Section is
17 guilty of a business offense and upon conviction thereof shall
18 be fined not more than \$1,000.

19 (f) A credit union shall be reimbursed for costs which are
20 reasonably necessary and which have been directly incurred in
21 searching for, reproducing or transporting books, papers,
22 records or other data of a member required or requested to be
23 produced pursuant to a lawful subpoena, summons, warrant,
24 citation to discover assets, or court order. The Secretary and
25 the Director may determine, by rule, the rates and conditions
26 under which payment shall be made. Delivery of requested

1 documents may be delayed until final reimbursement of all
2 costs is received.

3 (Source: P.A. 101-81, eff. 7-12-19; 102-873, eff. 5-13-22.)

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

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2		Statutes amended in order of appearance
3	205 ILCS 5/2	from Ch. 17, par. 302
4	205 ILCS 5/5	from Ch. 17, par. 311
5	205 ILCS 5/13	from Ch. 17, par. 320
6	205 ILCS 5/15	from Ch. 17, par. 322
7	205 ILCS 5/16	from Ch. 17, par. 323
8	205 ILCS 5/16.5	
9	205 ILCS 5/32.1	from Ch. 17, par. 340
10	205 ILCS 5/48	
11	205 ILCS 5/48.1	from Ch. 17, par. 360
12	205 ILCS 5/48.2	from Ch. 17, par. 360.1
13	205 ILCS 205/1008	from Ch. 17, par. 7301-8
14	205 ILCS 205/4002	from Ch. 17, par. 7304-2
15	205 ILCS 205/4003	from Ch. 17, par. 7304-3
16	205 ILCS 205/4013	from Ch. 17, par. 7304-13
17	205 ILCS 205/6002	from Ch. 17, par. 7306-2
18	205 ILCS 205/7005	from Ch. 17, par. 7307-5
19	205 ILCS 205/8002	from Ch. 17, par. 7308-2
20	205 ILCS 205/11008	from Ch. 17, par. 7311-8
21	205 ILCS 205/1007.100 rep.	
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23	205 ILCS 305/10	from Ch. 17, par. 4411