

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 .....

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.

1

## INDEX

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.	
22	205 ILCS 205/11011 rep.	
23	205 ILCS 305/10	from Ch. 17, par. 4411