

HB3553



104TH GENERAL ASSEMBLY

State of Illinois

2025 and 2026

HB3553

Introduced 2/18/2025, by Rep. Margaret Croke

SYNOPSIS AS INTRODUCED:

205 ILCS 5/46

from Ch. 17, par. 357

Amends the Illinois Banking Act. In provisions concerning the penalty for misleading practices and names, changes the civil penalty that may be imposed to the maximum amount otherwise permitted under specified provisions, \$100,000 for each violation (rather than \$10,000 for each violation). Provides that the remedies provided in those provisions are in addition to, not to the exclusion of, any other remedies available under the law. Defines terms. Makes other changes.

LRB104 11892 BAB 21983 b

A BILL FOR

1 AN ACT concerning regulation.

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

4 Section 5. The Illinois Banking Act is amended by changing
5 Section 46 as follows:

6 (205 ILCS 5/46) (from Ch. 17, par. 357)

7 Sec. 46. Misleading practices and names prohibited;
8 penalty.

9 (a) No person, firm, partnership, or corporation that is
10 not a bank shall transact business in this State in a manner
11 which has a substantial likelihood of misleading the public by
12 implying that the business is a bank, or shall use the word
13 "bank", "banker", or "banking" in connection with the
14 business. Any person, firm, partnership or corporation
15 violating this Section shall be deemed guilty of a Class A
16 misdemeanor, and the Attorney General or State's Attorney of
17 the county in which any such violation occurs may restrain
18 such violation by a complaint for injunctive relief.

19 (b) If the Commissioner is of the opinion and finds that a
20 person, firm, partnership, or corporation that is not a bank
21 has transacted or intends to transact business in this State
22 in a manner which has a substantial likelihood of misleading
23 the public by implying that the business is a bank, or has used

1 or intends to use the word "bank", "banker", or "banking" in
2 connection with the business, then the Commissioner may direct
3 that person, firm, partnership, or corporation to cease and
4 desist from transacting the business or using the word "bank",
5 "banker", or "banking". If that person, firm, partnership, or
6 corporation persists in transacting the business or using the
7 word "bank", "banker", or "banking", then the Commissioner may
8 impose a civil penalty of up to the maximum amount permitted
9 under paragraph (8) of Section 48 of this Act ~~\$10,000~~ for each
10 violation. Each day that the person, firm, partnership, or
11 corporation continues transacting the business or using the
12 word "bank", "banker", or "banking" in connection with the
13 business shall constitute a separate violation of these
14 provisions.

15 (c) A person, firm, partnership, or corporation that is
16 not a bank, and is not transacting or intending to transact
17 business in this State in a manner that has a substantial
18 likelihood of misleading the public by implying that such
19 business is a bank, may apply to the Commissioner for
20 permission to use the word "bank", "banker", or "banking" in
21 connection with the business. If the Commissioner determines
22 that there is no substantial likelihood of misleading the
23 public, and upon such conditions as the Commissioner may
24 impose to prevent the person, firm, partnership, or
25 corporation from holding itself out in a misleading manner,
26 then such person, firm, partnership, or corporation may use

1 the word "bank", "banker", or "banking".

2 (d) (1) Unless otherwise expressly permitted by law, no
3 person, firm, partnership, or corporation may use the name of
4 an existing bank when marketing to or soliciting business from
5 customers or prospective customers if the reference to the
6 existing bank is made without the consent of the existing
7 bank.

8 (1.5) Unless otherwise expressly permitted by law, no
9 person, firm, partnership, or corporation may use a name
10 similar to that of an existing bank when marketing to or
11 soliciting business from customers or prospective customers if
12 the similar name is used in a manner that could cause a
13 reasonable person to believe that the marketing material or
14 solicitation originated from or is endorsed by the existing
15 bank or that the existing bank is in any other way responsible
16 for the marketing material or solicitation.

17 (2) An existing State bank may, ~~in addition to any other~~
18 ~~remedies available under the law,~~ report an alleged violation
19 of this subsection (d) to the Commissioner. If the
20 Commissioner finds the marketing material or solicitation in
21 question to be in violation of this subsection, the
22 Commissioner may direct the person, firm, partnership, or
23 corporation to cease and desist from using that marketing
24 material or solicitation in Illinois. If that person, firm,
25 partnership, or corporation persists in the use of the
26 marketing material or solicitation, then the Commissioner may

1 impose a civil penalty of up to the maximum amount permitted
2 under paragraph (8) of Section 48 of this Act ~~\$10,000~~ for each
3 violation. Each instance in which the marketing material or
4 solicitation is sent to a customer or prospective customer
5 shall constitute a separate violation of these provisions. ~~The~~
6 ~~Commissioner is authorized to promulgate rules to administer~~
7 ~~these provisions.~~

8 (3) (Blank).

9 (e) The Commissioner is authorized to adopt rules to
10 implement these provisions.

11 (f) The remedies provided in this Section are in addition
12 to, not to the exclusion of, any other remedies available
13 under the law.

14 (g) For purposes of this Section, the following words and
15 phrases shall have the following meanings:

16 (1) "bank" means a State bank or an entity of which a
17 substantial portion of its operations is the business of
18 accepting deposits and which such deposits are insured, to
19 the applicable limit, by the Federal Deposit Insurance
20 Corporation or any successors thereto;

21 (2) "State bank" has the meaning stated in Section 2
22 of this Act; and

23 (3) "transact business in Illinois" means offering or
24 providing in any manner any product or service to a person
25 located in Illinois; and

26 (4) "person" has the meaning stated in Section 2 of

1 this Act.

2 (Source: P.A. 92-476, eff. 8-23-01; 92-811, eff. 8-21-02.)