



## 104TH GENERAL ASSEMBLY

### State of Illinois

2025 and 2026

SB2765

Introduced 1/13/2026, by Sen. Julie A. Morrison

#### SYNOPSIS AS INTRODUCED:

205 ILCS 5/48.7 new  
815 ILCS 505/2MMMM new

Amends the Illinois Banking Act. Provides that a financial institution offering a certificate of deposit shall, before account opening, provide the consumer with a clear and conspicuous written disclosure and a specified statement. Establishes provisions concerning disclosure requirements for an automatically renewing certificate of deposit; requirements for financial institutions before processing any early withdrawal of a certificate of deposit; and enforcement provisions. Provides that a violation of the provisions concerning mandatory disclosures related to certificates of deposit is an unlawful practice under the Consumer Fraud and Deceptive Business Practices Act. Amends the Consumer Fraud and Deceptive Business Practices Act to make a corresponding change. Effective January 1, 2027.

LRB104 16685 BAB 30089 b

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 adding  
5 Section 48.7 as follows:

6 (205 ILCS 5/48.7 new)

7 Sec. 48.7. Certificates of deposit; mandatory disclosure  
8 of principal-reducing penalties.

9 (a) In this Section:

10 "Certificate of deposit" or "CD" means any time-deposit  
11 account with a fixed maturity date offered by a financial  
12 institution.

13 "Penalty" includes any monetary charge, loss of interest,  
14 adverse change in terms, or reclamation of bonuses imposed for  
15 early withdrawal of funds from a time account, consistent with  
16 federal regulations. "Penalty" also includes:

17 (1) Monetary penalties, such as a flat fee or a  
18 specified number of days' interest.

19 (2) Adverse changes to account terms, including  
20 reductions in the interest rate, annual percentage yield,  
21 or compounding frequency.

22 (3) Reclamation of bonuses offered at account opening.

23 (b) A financial institution offering a certificate of

1 deposit shall, before opening an account, provide the consumer  
2 with a clear and conspicuous written disclosure stating:

3 "Early withdrawal penalties may exceed the amount of  
4 interest earned and may reduce the principal amount you  
5 originally deposited."

6 (c) The written disclosure provided to the consumer shall:

7 (1) be included on the CD agreement or signature card;

8 (2) be printed in at least 12-point bold type; and

9 (3) appear immediately adjacent to any description of  
10 early withdrawal penalties.

11 (d) For any certificate of deposit that renews  
12 automatically, the financial institution shall include the  
13 disclosure required under subsection (b) in the renewal notice  
14 sent prior to the start of the grace period.

15 (e) Before processing any early withdrawal of a  
16 certificate of deposit, the financial institution shall  
17 provide the consumer with a written statement of:

18 (1) the total early withdrawal penalty;

19 (2) any applicable fees; and

20 (3) the net amount the consumer will receive if the  
21 withdrawal is completed.

22 The consumer shall affirmatively acknowledge receipt of  
23 this statement, electronically or in writing, prior to  
24 finalizing the withdrawal.

25 (f) A violation of this Section constitutes an unlawful  
26 practice under the Consumer Fraud and Deceptive Business

1 Practices Act.

2 (g) The Department may adopt rules necessary to administer  
3 and enforce this Section.

4 Section 10. The Consumer Fraud and Deceptive Business  
5 Practices Act is amended by adding Section 2MMMM as follows:

6 (815 ILCS 505/2MMMM new)

7 Sec. 2MMMM. Violations of the Illinois Banking Act. Any  
8 person who violates Section 48.7 of the Illinois Banking Act  
9 commits an unlawful practice within the meaning of this Act.

10 Section 99. Effective date. This Act takes effect January  
11 1, 2027.