



Rep. C.D. Davidsmeyer

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1 AMENDMENT TO HOUSE BILL 5569

2 AMENDMENT NO. _____. Amend House Bill 5569 by replacing
3 everything after the enacting clause with the following:

4 "Section 5. The Illinois Banking Act is amended by changing
5 Sections 18, 48.1, and 48.3 as follows:

6 (205 ILCS 5/18) (from Ch. 17, par. 325)

7 Sec. 18. Change in control.

8 (a) Before any person, whether acting directly or
9 indirectly or through or in concert with one or more persons,
10 may cause (i) a change to ~~may~~ occur in the ownership of
11 outstanding stock of any State bank, whether by sale and
12 purchase, gift, bequest or inheritance, or any other means,
13 including the acquisition of stock of the State bank by any
14 bank holding company, which will result in control or a change
15 in the control of the bank or (ii) before a change to occur in
16 the control of a holding company having control of the

1 outstanding stock of a State bank whether by sale and purchase,
2 gift, bequest or inheritance, or any other means, including the
3 acquisition of stock of such holding company by any other bank
4 holding company, which will result in control or a change in
5 control of the bank or holding company, or (iii) ~~before~~ a
6 transfer of substantially all the assets or liabilities of the
7 State bank, the Secretary ~~Commissioner~~ shall be of the opinion
8 and find:

9 (1) that the general character of proposed management
10 or of the person desiring to purchase substantially all the
11 assets or to assume substantially all the liabilities of
12 the State bank, after the change in control, is such as to
13 assure reasonable promise of successful, safe and sound
14 operation;

15 (1.1) that depositors' interests will not be
16 jeopardized by the purchase or assumption and that adequate
17 provision has been made for all liabilities as required for
18 a voluntary liquidation under Section 68 of this Act;

19 (2) that the future earnings prospects of the person
20 desiring to purchase substantially all assets or to assume
21 substantially all the liabilities of the State bank, after
22 the proposed change in control, are favorable;

23 (2.5) that the future prospects of the institution will
24 not jeopardize the financial stability of the bank or
25 prejudice the interests of the depositors of the bank;

26 (3) that any prior involvement by the persons proposing

1 to obtain control, to purchase substantially all the
2 assets, or to assume substantially all the liabilities of
3 the State bank or by the proposed management personnel with
4 any other financial institution, whether as stockholder,
5 director, officer or customer, was conducted in a safe and
6 sound manner; and

7 (4) that if the acquisition is being made by a bank
8 holding company, the acquisition is authorized under the
9 Illinois Bank Holding Company Act of 1957.

10 (b) Any person ~~Persons~~ desiring to purchase control of an
11 existing State ~~state~~ bank, to purchase substantially all the
12 assets, or to assume substantially all the liabilities of the
13 State bank shall, prior to that purchase, submit to the
14 Secretary ~~Commissioner~~:

15 (1) a statement of financial worth;

16 (2) satisfactory evidence that any prior involvement
17 by the persons and the proposed management personnel with
18 any other financial institution, whether as stockholder,
19 director, officer or customer, was conducted in a safe and
20 sound manner; and

21 (3) such other relevant information as the Secretary
22 ~~Commissioner~~ may request to substantiate the findings
23 under subsection (a) of this Section.

24 A person who has submitted information to the Secretary
25 ~~Commissioner~~ pursuant to this subsection (b) is under a
26 continuing obligation until the Secretary ~~Commissioner~~ takes

1 action on the application to immediately supplement that
2 information if there are any material changes in the
3 information previously furnished or if there are any material
4 changes in any circumstances that may affect the Secretary's
5 ~~Commissioner's~~ opinion and findings. In addition, a person
6 submitting information under this subsection shall notify the
7 Secretary ~~Commissioner~~ of the date when the change in control
8 is finally effected.

9 The Secretary ~~Commissioner~~ may impose such terms and
10 conditions on the approval of the change in control application
11 as he deems necessary or appropriate.

12 If an applicant, whose application for a change in control
13 has been approved pursuant to subsection (a) of this Section,
14 fails to effect the change in control within 180 days after the
15 date of the Secretary's ~~Commissioner's~~ approval, the Secretary
16 ~~Commissioner~~ shall revoke that approval unless a request has
17 been submitted, in writing, to the Secretary ~~Commissioner~~ for
18 an extension and the request has been approved.

19 (b-1) Any person, whether acting directly or indirectly or
20 through or in concert with one or more persons, who obtains
21 ownership of stock of an existing State bank or stock of a
22 holding company that controls the State bank by gift, bequest,
23 or inheritance such that ownership of the stock would
24 constitute control of the State bank or holding company may
25 obtain title and ownership of the stock, but may not exercise
26 management or control of the business and affairs of the bank

1 or vote his or her shares so as to exercise management or
2 control unless and until the Secretary ~~Commissioner~~ approves an
3 application for the change of control as provided in subsection
4 (b) of this Section.

5 (b-3) The provisions of this Section do not apply to an
6 established holding company acquiring control of a State bank
7 if the transaction is subject to approval under Section 3 of
8 the federal Bank Holding Company Act, the Federal Deposit
9 Insurance Act, or the federal Home Owners' Loan Act.

10 (c) Whenever a State ~~state~~ bank makes a loan or loans,
11 secured, or to be secured, by 25% or more of the outstanding
12 stock of a State ~~state~~ bank, the president or other chief
13 executive officer of the lending bank shall promptly report
14 such fact to the Secretary ~~Commissioner~~ upon obtaining
15 knowledge of such loan or loans, except that no report need be
16 made in those cases where the borrower has been the owner of
17 record of the stock for a period of one year or more, or the
18 stock is that of a newly organized bank prior to its opening.

19 (d) The reports required by subsections (b) ~~and (c)~~ of this
20 Section 18, other than those relating to a transfer of assets
21 or assumption of liabilities, shall contain the following
22 information to the extent that it is known by the person making
23 the report: (1) the number of shares involved; (2) the names of
24 the sellers (or transferors); (3) the names of the purchasers
25 (or transferees); (4) the names of the beneficial owners if the
26 shares are registered in another name: (5) the purchase price,

1 if applicable; (6) the total number of shares owned by the
2 sellers (or transferors), the purchasers (or transferees) and
3 the beneficial owners both immediately before and after the
4 transaction; and, (7) in the case of a loan, the name of the
5 borrower, the amount of the loan, the name of the bank issuing
6 the stock securing the loan and the number of shares securing
7 the loan. In addition to the foregoing, such reports shall
8 contain such other information which is requested by the
9 Secretary Commissioner to inform the Secretary Commissioner of
10 the effect of the transaction upon control of the bank whose
11 stock is involved.

12 (d-1) The reports required by subsection (b) of this
13 Section 18 that relate to purchase of assets and assumption of
14 liabilities shall contain the following information to the
15 extent that it is known by the person making the report: (1)
16 the value, amount, and description of the assets transferred;
17 (2) the amount, type, and to whom each type of liabilities are
18 owed; (3) the names of the purchasers (or transferees); (4) the
19 names of the beneficial owners if the shares of a purchaser or
20 transferee are registered in another name; (5) the purchase
21 price, if applicable; and, (6) in the case of a loan obtained
22 to effect a purchase, the name of the borrower, the amount and
23 terms of the loan, and the description of the assets securing
24 the loan. In addition to the foregoing, these reports shall
25 contain any other information that is requested by the
26 Secretary Commissioner to inform the Secretary Commissioner of

1 the effect of the transaction upon the bank from which assets
2 are purchased or liabilities are transferred.

3 (e) Whenever such a change as described in subsection (a)
4 of this Section 18 occurs, each State ~~state~~ bank shall report
5 promptly to the Secretary ~~Commissioner~~ any changes or
6 replacement of its chief executive officer or of any director
7 occurring in the next 12 month period, including in its report
8 a statement of the past and current business and professional
9 affiliations of the new chief executive officer or directors.

10 (f) (Blank).

11 (g) (1) Except as otherwise expressly provided in this
12 subsection (g), the Secretary ~~Commissioners~~ shall not approve
13 an application for a change in control if upon consummation of
14 the change in control the persons applying for the change in
15 control, including any affiliates of the persons applying,
16 would control 30% or more of the total amount of deposits which
17 are located in this State at insured depository institutions.
18 For purposes of this subsection (g), the words "insured
19 depository institution" shall mean State banks, national
20 banks, and insured savings associations. For purposes of this
21 subsection (g), the word "deposits" shall have the meaning
22 ascribed to that word in Section 3(1) of the Federal Deposit
23 Insurance Act. For purposes of this subsection (g), the total
24 amount of deposits which are considered to be located in this
25 State at insured depository institutions shall equal the sum of
26 all deposits held at the main banking premises and branches in

1 the State of Illinois of State banks, national banks, or
2 insured savings associations. For purposes of this subsection
3 (g), the word "affiliates" shall have the meaning ascribed to
4 that word in Section 35.2 of this Act.

5 (2) Notwithstanding the provisions of paragraph (1) of this
6 subsection ~~subsection (g)(1) of this Section~~, the Secretary
7 ~~Commissioner~~ may approve an application for a change in control
8 for a bank that is in default or in danger of default. Except
9 in those instances in which an application for a change in
10 control is for a bank that is in default or in danger of
11 default, the Secretary ~~Commissioner~~ may not approve a change in
12 control which does not meet the requirements of paragraph (1)
13 of this subsection ~~subsection (g)(1) of this Section~~. The
14 Secretary ~~Commissioner~~ may not waive the provisions of
15 paragraph (1) of this subsection ~~subsection (g)(1) of this~~
16 ~~Section~~, whether pursuant to Section 3(d) of the federal Bank
17 Holding Company Act of 1956 or Section 44(d) of the Federal
18 Deposit Insurance Act, except as expressly provided in this
19 paragraph ~~subsection (g)(2) of this subsection~~.

20 (h) As used in this Section:

21 "Control", ~~the term "control"~~ means the power,
22 directly or indirectly, to direct the management or
23 policies of the bank or to vote 25% or more of the
24 outstanding stock of the bank. If there is any question as
25 to whether a change in control application should be filed,
26 the question shall be resolved in favor of filing the

1 application with the Secretary ~~Commissioner~~.

2 "Substantially ~~As used in this Section,~~ "substantially
3 all" the assets or liabilities of a State bank means that
4 portion of the assets or liabilities of a State bank such
5 that their purchase or transfer will materially impair the
6 ability of the State bank to continue successful, safe, and
7 sound operations or to continue as a going concern or would
8 cause the bank to lose its federal deposit insurance.

9 "Purchase" ~~As used in this Section,~~ "purchase"
10 includes a transfer by gift, bequest, inheritance, or any
11 other means.

12 As used in this Section, a person is acting in concert if
13 that person is acting in concert under federal laws or
14 regulations.

15 (Source: P.A. 92-483, eff. 8-23-01; 92-811, eff. 8-21-02.)

16 (205 ILCS 5/48.1) (from Ch. 17, par. 360)

17 Sec. 48.1. Customer financial records; confidentiality.

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

20 (1) a document granting signature authority over a
21 deposit or account;

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

25 (3) a check, draft or money order drawn on a bank or

1 issued and payable by a bank; or

2 (4) any other item containing information pertaining
3 to any relationship established in the ordinary course of a
4 bank's business between a bank and its customer, including
5 financial statements or other financial information
6 provided by the customer.

7 (b) This Section does not prohibit:

8 (1) The preparation, examination, handling or
9 maintenance of any financial records by any officer,
10 employee or agent of a bank having custody of the records,
11 or the examination of the records by a certified public
12 accountant engaged by the bank to perform an independent
13 audit.

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

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

26 (4) The making of reports or returns required under

1 Chapter 61 of the Internal Revenue Code of 1986.

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

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

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

17 (8) The furnishing of information under the Revised
18 Uniform Unclaimed Property Act.

19 (9) The furnishing of information under the Illinois
20 Income Tax Act and the Illinois Estate and
21 Generation-Skipping Transfer Tax Act.

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

25 (11) The furnishing of information under any other
26 statute that by its terms or by regulations promulgated

1 thereunder requires the disclosure of financial records
2 other than by subpoena, summons, warrant, or court order.

3 (12) The furnishing of information about the existence
4 of an account of a person to a judgment creditor of that
5 person who has made a written request for that information.

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

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

1 administrative order, lien, or levy.

2 (15) The exchange in the regular course of business of
3 information between a bank and any commonly owned affiliate
4 of the bank, subject to the provisions of the Financial
5 Institutions Insurance Sales Law.

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

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

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

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

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

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

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

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

24 (19)(a) The disclosure of financial records or
25 information related to a private label credit program
26 between a financial institution and a private label party

1 in connection with that private label credit program. Such
2 information is limited to outstanding balance, available
3 credit, payment and performance and account history,
4 product references, purchase information, and information
5 related to the identity of the customer.

6 (b) (1) For purposes of this paragraph (19) of
7 subsection (b) of Section 48.1, a "private label credit
8 program" means a credit program involving a financial
9 institution and a private label party that is used by a
10 customer of the financial institution and the private label
11 party primarily for payment for goods or services sold,
12 manufactured, or distributed by a private label 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 (c) Except as otherwise provided by this Act, a bank may
20 not disclose to any person, except to the customer or his duly
21 authorized agent, any financial records or financial
22 information obtained from financial records relating to that
23 customer of that bank unless:

24 (1) the customer has authorized disclosure to the
25 person;

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

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

4 (3) the bank is attempting to collect an obligation
5 owed to the bank and the bank complies with the provisions
6 of Section 2I of the Consumer Fraud and Deceptive Business
7 Practices Act.

8 (d) A bank shall disclose financial records under paragraph
9 (2) of subsection (c) of this Section under a lawful subpoena,
10 summons, warrant, citation to discover assets, or court order
11 only after the bank mails a copy of the subpoena, summons,
12 warrant, citation to discover assets, or court order to the
13 person establishing the relationship with the bank, if living,
14 and, otherwise his personal representative, if known, at his
15 last known address by first class mail, postage prepaid, unless
16 the bank is specifically prohibited from notifying the person
17 by order of court or by applicable State or federal law. A bank
18 shall not mail a copy of a subpoena to any person pursuant to
19 this subsection if the subpoena was issued by a grand jury
20 under the Statewide Grand Jury Act.

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

25 (f) Any person who knowingly and willfully induces or
26 attempts to induce any officer or employee of a bank to

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

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

12 (Source: P.A. 99-143, eff. 7-27-15; 100-22, eff. 1-1-18.)

13 (205 ILCS 5/48.3) (from Ch. 17, par. 360.2)

14 Sec. 48.3. Disclosure of reports of examinations and
15 confidential supervisory information; limitations.

16 (a) Any report of examination, visitation, or
17 investigation prepared by the Secretary under this Act, the
18 Electronic Fund Transfer Act, the Corporate Fiduciary Act, the
19 Illinois Bank Holding Company Act of 1957, and the Foreign
20 Banking Office Act, any report of examination, visitation, or
21 investigation prepared by the state regulatory authority of
22 another state that examines a branch of an Illinois State bank
23 in that state, any document or record prepared or obtained in
24 connection with or relating to any examination, visitation, or
25 investigation, and any record prepared or obtained by the

1 Secretary to the extent that the record summarizes or contains
2 information derived from any report, document, or record
3 described in this subsection shall be deemed "confidential
4 supervisory information". Confidential supervisory information
5 shall not include any information or record routinely prepared
6 by a bank or other financial institution and maintained in the
7 ordinary course of business or any information or record that
8 is required to be made publicly available pursuant to State or
9 federal law or rule. Confidential supervisory information
10 shall be the property of the Secretary and shall only be
11 disclosed under the circumstances and for the purposes set
12 forth in this Section.

13 The Secretary may disclose confidential supervisory
14 information only under the following circumstances:

15 (1) The Secretary may furnish confidential supervisory
16 information to the Board of Governors of the Federal
17 Reserve System, the federal reserve bank of the federal
18 reserve district in which the State bank is located or in
19 which the parent or other affiliate of the State bank is
20 located, any official or examiner thereof duly accredited
21 for the purpose, or any other state regulator, federal
22 regulator, or in the case of a foreign bank possessing a
23 certificate of authority pursuant to the Foreign Banking
24 Office Act or a license pursuant to the Foreign Bank
25 Representative Office Act, the bank regulator in the
26 country where the foreign bank is chartered, that the

1 Secretary determines to have an appropriate regulatory
2 interest. Nothing contained in this Act shall be construed
3 to limit the obligation of any member State bank to comply
4 with the requirements relative to examinations and reports
5 of the Federal Reserve Act and of the Board of Governors of
6 the Federal Reserve System or the federal reserve bank of
7 the federal reserve district in which the bank is located,
8 nor to limit in any way the powers of the Secretary with
9 reference to examinations and reports.

10 (2) The Secretary may furnish confidential supervisory
11 information to the United States, any agency thereof that
12 has insured a bank's deposits in whole or in part, or any
13 official or examiner thereof duly accredited for the
14 purpose. Nothing contained in this Act shall be construed
15 to limit the obligation relative to examinations and
16 reports of any State bank, deposits in which are to any
17 extent insured by the United States, any agency thereof,
18 nor to limit in any way the powers of the Secretary with
19 reference to examination and reports of such bank.

20 (2.5) The Secretary may furnish confidential
21 supervisory information to a Federal Home Loan Bank in
22 connection with any bank that is a member of the Federal
23 Home Loan Bank or in connection with any application by the
24 bank before the Federal Home Loan Bank. The confidential
25 supervisory information shall remain the property of the
26 Secretary and may not be further disclosed without the

1 Secretary's permission.

2 (3) The Secretary may furnish confidential supervisory
3 information to the appropriate law enforcement authorities
4 when the Secretary reasonably believes a bank, which the
5 Secretary has caused to be examined, has been a victim of a
6 crime.

7 (4) The Secretary may furnish confidential supervisory
8 information relating to a bank or other financial
9 institution, which the Secretary has caused to be examined,
10 to be sent to the administrator of the Revised Uniform
11 Unclaimed Property Act.

12 (5) The Secretary may furnish confidential supervisory
13 information relating to a bank or other financial
14 institution, which the Secretary has caused to be examined,
15 relating to its performance of obligations under the
16 Illinois Income Tax Act and the Illinois Estate and
17 Generation-Skipping Transfer Tax Act to the Illinois
18 Department of Revenue.

19 (6) The Secretary may furnish confidential supervisory
20 information relating to a bank or other financial
21 institution, which the Secretary has caused to be examined,
22 under the federal Currency and Foreign Transactions
23 Reporting Act, Title 31, United States Code, Section 1051
24 et seq.

25 (6.5) The Secretary may furnish confidential
26 supervisory information to any other agency or entity that

1 the Secretary determines to have a legitimate regulatory
2 interest.

3 (7) The Secretary may furnish confidential supervisory
4 information under any other statute that by its terms or by
5 regulations promulgated thereunder requires the disclosure
6 of financial records other than by subpoena, summons,
7 warrant, or court order.

8 (8) At the request of the affected bank or other
9 financial institution, the Secretary may furnish
10 confidential supervisory information relating to a bank or
11 other financial institution, which the Secretary has
12 caused to be examined, in connection with the obtaining of
13 insurance coverage or the pursuit of an insurance claim for
14 or on behalf of the bank or other financial institution;
15 provided that, when possible, the Secretary shall disclose
16 only relevant information while maintaining the
17 confidentiality of financial records not relevant to such
18 insurance coverage or claim and, when appropriate, may
19 delete identifying data relating to any person or
20 individual.

21 (9) The Secretary may furnish a copy of a report of any
22 examination performed by the Secretary of the condition and
23 affairs of any electronic data processing entity to the
24 banks serviced by the electronic data processing entity.

25 (10) In addition to the foregoing circumstances, the
26 Secretary may, but is not required to, furnish confidential

1 supervisory information under the same circumstances
2 authorized for the bank or financial institution pursuant
3 to subsection (b) of this Section, except that the
4 Secretary shall provide confidential supervisory
5 information under circumstances described in paragraph (3)
6 of subsection (b) of this Section only upon the request of
7 the bank or other financial institution.

8 (b) A bank or other financial institution or its officers,
9 agents, and employees may disclose confidential supervisory
10 information only under the following circumstances:

11 (1) to the board of directors of the bank or other
12 financial institution, as well as the president,
13 vice-president, cashier, and other officers of the bank or
14 other financial institution to whom the board of directors
15 may delegate duties with respect to compliance with
16 recommendations for action, and to the board of directors
17 of a bank holding company that owns at least 80% of the
18 outstanding stock of the bank or other financial
19 institution;

20 (2) to attorneys for the bank or other financial
21 institution and to a certified public accountant engaged by
22 the State bank or financial institution to perform an
23 independent audit provided that the attorney or certified
24 public accountant shall not permit the confidential
25 supervisory information to be further disseminated;

26 (3) to any person who seeks to acquire a controlling

1 interest in, or who seeks to merge with, the bank or
2 financial institution, provided that all attorneys,
3 certified public accountants, officers, agents, or
4 employees of that person shall agree to be bound to respect
5 the confidentiality of the confidential supervisory
6 information and to not further disseminate the information
7 therein contained;

8 (3.5) to a Federal Home Loan Bank of which it is a
9 member;

10 (4) (blank); ~~or~~

11 (4.5) to any attorney, accountant, consultant, or
12 other professional as needed to comply with any enforcement
13 action issued by the Secretary; or

14 (5) to the bank's insurance company in relation to an
15 insurance claim or the effort by the bank to procure
16 insurance coverage, provided that, when possible, the bank
17 shall disclose only information that is relevant to the
18 insurance claim or that is necessary to procure the
19 insurance coverage, while maintaining the confidentiality
20 of financial information pertaining to customers. When
21 appropriate, the bank may delete identifying data relating
22 to any person.

23 The disclosure of confidential supervisory information by
24 a bank or other financial institution pursuant to this
25 subsection (b) and the disclosure of information to the
26 Secretary or other regulatory agency in connection with any

1 examination, visitation, or investigation shall not constitute
2 a waiver of any legal privilege otherwise available to the bank
3 or other financial institution with respect to the information.

4 (c) (1) Notwithstanding any other provision of this Act or
5 any other law, confidential supervisory information shall be
6 the property of the Secretary and shall be privileged from
7 disclosure to any person except as provided in this Section. No
8 person in possession of confidential supervisory information
9 may disclose that information for any reason or under any
10 circumstances not specified in this Section without the prior
11 authorization of the Secretary. Any person upon whom a demand
12 for production of confidential supervisory information is
13 made, whether by subpoena, order, or other judicial or
14 administrative process, must withhold production of the
15 confidential supervisory information and must notify the
16 Secretary of the demand, at which time the Secretary is
17 authorized to intervene for the purpose of enforcing the
18 limitations of this Section or seeking the withdrawal or
19 termination of the attempt to compel production of the
20 confidential supervisory information.

21 (2) Any request for discovery or disclosure of confidential
22 supervisory information, whether by subpoena, order, or other
23 judicial or administrative process, shall be made to the
24 Secretary, and the Secretary shall determine within 15 days
25 whether to disclose the information pursuant to procedures and
26 standards that the Secretary shall establish by rule. If the

1 Secretary determines that such information will not be
2 disclosed, the Secretary's decision shall be subject to
3 judicial review under the provisions of the Administrative
4 Review Law, and venue shall be in either Sangamon County or
5 Cook County.

6 (3) Any court order that compels disclosure of confidential
7 supervisory information may be immediately appealed by the
8 Secretary, and the order shall be automatically stayed pending
9 the outcome of the appeal.

10 (d) If any officer, agent, attorney, or employee of a bank
11 or financial institution knowingly and willfully furnishes
12 confidential supervisory information in violation of this
13 Section, the Secretary may impose a civil monetary penalty up
14 to \$1,000 for the violation against the officer, agent,
15 attorney, or employee.

16 (Source: P.A. 100-22, eff 1-1-18; 100-64, eff. 8-11-17; revised
17 10-5-17.)

18 Section 10. The Savings Bank Act is amended by changing
19 Sections 8015 and 9012 as follows:

20 (205 ILCS 205/8015) (from Ch. 17, par. 7308-15)

21 Sec. 8015. Change in control.

22 (a) No person, whether acting directly or indirectly or
23 through or in concert with one or more persons, may acquire
24 control of a savings bank operating under this Act without

1 prior approval of the Secretary. The provisions of this Section
2 do not apply to an established holding company acquiring
3 control of a state savings bank if the transaction is subject
4 to approval under the Federal Deposit Insurance Act, the
5 federal Home Owners' Loan Act, or Section 3 of the federal Bank
6 Holding Company Act.

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

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

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

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

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

25 (3) The business plans of the applicant are consistent
26 with the safe and sound operation of the savings bank and

1 the purposes of this Act.

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

4 (5) The applicant and proposed management have
5 complied with subsection (f) of this Section.

6 (6) The future prospects of the institution will not
7 jeopardize the financial stability of the savings bank or
8 prejudice the interests of the members of the savings bank.

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

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

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

1 (2) obtaining, directly or indirectly, the power to
2 cast more than five percent of the member votes of a
3 savings bank or savings bank holding company.

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

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

10 (h) As used in this Section, a person is acting in concert
11 if that person is acting in concert under federal laws or
12 regulations.

13 (Source: P.A. 96-585, eff. 8-18-09; 97-492, eff. 1-1-12.)

14 (205 ILCS 205/9012) (from Ch. 17, par. 7309-12)

15 Sec. 9012. Disclosure of reports of examinations and
16 confidential supervisory information; limitations.

17 (a) Any report of examination, visitation, or
18 investigation prepared by the Secretary under this Act, any
19 report of examination, visitation, or investigation prepared
20 by the state regulatory authority of another state that
21 examines a branch of an Illinois State savings bank in that
22 state, any document or record prepared or obtained in
23 connection with or relating to any examination, visitation, or
24 investigation, and any record prepared or obtained by the
25 Secretary to the extent that the record summarizes or contains

1 information derived from any report, document, or record
2 described in this subsection shall be deemed confidential
3 supervisory information. "Confidential supervisory
4 information" shall not include any information or record
5 routinely prepared by a savings bank and maintained in the
6 ordinary course of business or any information or record that
7 is required to be made publicly available pursuant to State or
8 federal law or rule. Confidential supervisory information
9 shall be the property of the Secretary and shall only be
10 disclosed under the circumstances and for the purposes set
11 forth in this Section.

12 The Secretary may disclose confidential supervisory
13 information only under the following circumstances:

14 (1) The Secretary may furnish confidential supervisory
15 information to federal and state depository institution
16 regulators, or any official or examiner thereof duly
17 accredited for the purpose. Nothing contained in this Act
18 shall be construed to limit the obligation of any savings
19 bank to comply with the requirements relative to
20 examinations and reports nor to limit in any way the powers
21 of the Secretary relative to examinations and reports.

22 (2) The Secretary may furnish confidential supervisory
23 information to the United States or any agency thereof that
24 to any extent has insured a savings bank's deposits, or any
25 official or examiner thereof duly accredited for the
26 purpose. Nothing contained in this Act shall be construed

1 to limit the obligation relative to examinations and
2 reports of any savings bank in which deposits are to any
3 extent insured by the United States or any agency thereof
4 nor to limit in any way the powers of the Secretary with
5 reference to examination and reports of the savings bank.

6 (2.5) The Secretary may furnish confidential
7 supervisory information to a Federal Home Loan Bank in
8 connection with any savings bank that is a member of the
9 Federal Home Loan Bank or in connection with any
10 application by the savings bank before the Federal Home
11 Loan Bank. The confidential supervisory information shall
12 remain the property of the Secretary and may not be further
13 disclosed without the Secretary's permission.

14 (3) The Secretary may furnish confidential supervisory
15 information to the appropriate law enforcement authorities
16 when the Secretary reasonably believes a savings bank,
17 which the Secretary has caused to be examined, has been a
18 victim of a crime.

19 (4) The Secretary may furnish confidential supervisory
20 information related to a savings bank, which the Secretary
21 has caused to be examined, to the administrator of the
22 Revised Uniform Unclaimed Property Act.

23 (5) The Secretary may furnish confidential supervisory
24 information relating to a savings bank, which the Secretary
25 has caused to be examined, relating to its performance of
26 obligations under the Illinois Income Tax Act and the

1 Illinois Estate and Generation-Skipping Transfer Tax Act
2 to the Illinois Department of Revenue.

3 (6) The Secretary may furnish confidential supervisory
4 information relating to a savings bank, which the Secretary
5 has caused to be examined, under the federal Currency and
6 Foreign Transactions Reporting Act, 31 United States Code,
7 Section 1051 et seq.

8 (7) The Secretary may furnish confidential supervisory
9 information to any other agency or entity that the
10 Secretary determines to have a legitimate regulatory
11 interest.

12 (8) The Secretary may furnish confidential supervisory
13 information as otherwise permitted or required by this Act
14 and may furnish confidential supervisory information under
15 any other statute that by its terms or by regulations
16 promulgated thereunder requires the disclosure of
17 financial records other than by subpoena, summons,
18 warrant, or court order.

19 (9) At the request of the affected savings bank, the
20 Secretary may furnish confidential supervisory information
21 relating to the savings bank, which the Secretary has
22 caused to be examined, in connection with the obtaining of
23 insurance coverage or the pursuit of an insurance claim for
24 or on behalf of the savings bank; provided that, when
25 possible, the Secretary shall disclose only relevant
26 information while maintaining the confidentiality of

1 financial records not relevant to such insurance coverage
2 or claim and, when appropriate, may delete identifying data
3 relating to any person.

4 (10) The Secretary may furnish a copy of a report of
5 any examination performed by the Secretary of the condition
6 and affairs of any electronic data processing entity to the
7 savings banks serviced by the electronic data processing
8 entity.

9 (11) In addition to the foregoing circumstances, the
10 Secretary may, but is not required to, furnish confidential
11 supervisory information under the same circumstances
12 authorized for the savings bank pursuant to subsection (b)
13 of this Section, except that the Secretary shall provide
14 confidential supervisory information under circumstances
15 described in paragraph (3) of subsection (b) of this
16 Section only upon the request of the savings bank.

17 (b) A savings bank or its officers, agents, and employees
18 may disclose confidential supervisory information only under
19 the following circumstances:

20 (1) to the board of directors of the savings bank, as
21 well as the president, vice-president, cashier, and other
22 officers of the savings bank to whom the board of directors
23 may delegate duties with respect to compliance with
24 recommendations for action, and to the board of directors
25 of a savings bank holding company that owns at least 80% of
26 the outstanding stock of the savings bank or other

1 financial institution.

2 (2) to attorneys for the savings bank and to a
3 certified public accountant engaged by the savings bank to
4 perform an independent audit; provided that the attorney or
5 certified public accountant shall not permit the
6 confidential supervisory information to be further
7 disseminated.

8 (3) to any person who seeks to acquire a controlling
9 interest in, or who seeks to merge with, the savings bank;
10 provided that the person shall agree to be bound to respect
11 the confidentiality of the confidential supervisory
12 information and to not further disseminate the information
13 other than to attorneys, certified public accountants,
14 officers, agents, or employees of that person who likewise
15 shall agree to be bound to respect the confidentiality of
16 the confidential supervisory information and to not
17 further disseminate the information.

18 (4) to the savings bank's insurance company, if the
19 supervisory information contains information that is
20 otherwise unavailable and is strictly necessary to
21 obtaining insurance coverage or pursuing an insurance
22 claim for or on behalf of the savings bank; provided that,
23 when possible, the savings bank shall disclose only
24 information that is relevant to obtaining insurance
25 coverage or pursuing an insurance claim, while maintaining
26 the confidentiality of financial information pertaining to

1 customers; and provided further that, when appropriate,
2 the savings bank may delete identifying data relating to
3 any person.

4 (5) to a Federal Home Loan Bank of which it is a
5 member.

6 (6) to any attorney, account, consultant, or other
7 professional as needed to comply with an enforcement action
8 issued by the Secretary.

9 The disclosure of confidential supervisory information by
10 a savings bank pursuant to this subsection (b) and the
11 disclosure of information to the Secretary or other regulatory
12 agency in connection with any examination, visitation, or
13 investigation shall not constitute a waiver of any legal
14 privilege otherwise available to the savings bank with respect
15 to the information.

16 (c) (1) Notwithstanding any other provision of this Act or
17 any other law, confidential supervisory information shall be
18 the property of the Secretary and shall be privileged from
19 disclosure to any person except as provided in this Section. No
20 person in possession of confidential supervisory information
21 may disclose that information for any reason or under any
22 circumstances not specified in this Section without the prior
23 authorization of the Secretary. Any person upon whom a demand
24 for production of confidential supervisory information is
25 made, whether by subpoena, order, or other judicial or
26 administrative process, must withhold production of the

1 confidential supervisory information and must notify the
2 Secretary of the demand, at which time the Secretary is
3 authorized to intervene for the purpose of enforcing the
4 limitations of this Section or seeking the withdrawal or
5 termination of the attempt to compel production of the
6 confidential supervisory information.

7 (2) Any request for discovery or disclosure of confidential
8 supervisory information, whether by subpoena, order, or other
9 judicial or administrative process, shall be made to the
10 Secretary, and the Secretary shall determine within 15 days
11 whether to disclose the information pursuant to procedures and
12 standards that the Secretary shall establish by rule. If the
13 Secretary determines that such information will not be
14 disclosed, the Secretary's decision shall be subject to
15 judicial review under the provisions of the Administrative
16 Review Law, and venue shall be in either Sangamon County or
17 Cook County.

18 (3) Any court order that compels disclosure of confidential
19 supervisory information may be immediately appealed by the
20 Secretary, and the order shall be automatically stayed pending
21 the outcome of the appeal.

22 (d) If any officer, agent, attorney, or employee of a
23 savings bank knowingly and willfully furnishes confidential
24 supervisory information in violation of this Section, the
25 Secretary may impose a civil monetary penalty up to \$1,000 for
26 the violation against the officer, agent, attorney, or

1 employee.

2 (e) Subject to the limits of this Section, the Secretary
3 also may promulgate regulations to set procedures and standards
4 for disclosure of the following items:

5 (1) All fixed orders and opinions made in cases of
6 appeals of the Secretary's actions.

7 (2) Statements of policy and interpretations adopted
8 by the Secretary's office, but not otherwise made public.

9 (3) Nonconfidential portions of application files,
10 including applications for new charters. The Secretary
11 shall specify by rule as to what part of the files are
12 confidential.

13 (4) Quarterly reports of income, deposits, and
14 financial condition.

15 (Source: P.A. 100-22, eff. 1-1-18; 100-64, eff. 8-11-17;
16 revised 10-5-17.)

17 Section 99. Effective date. This Act takes effect upon
18 becoming law."