

**103RD GENERAL ASSEMBLY****State of Illinois****2023 and 2024****SB3726**

Introduced 2/9/2024, by Sen. Mary Edly-Allen

**SYNOPSIS AS INTRODUCED:**

See Index

Amends the Illinois Banking Act. Makes changes to the membership of the State Banking Board of Illinois. Provides that a bank may borrow or incur an obligation and pledge assets to secure deposits. Provides that a bank may provide data processing services to a person for profit. Provides that a bank may invest in financial futures or options transactions. Provides that the board of directors of a bank may provide by resolution that stockholders may attend, participate in, act in, and vote at any annual meeting or special meeting through the use of a conference telephone or interactive technology if specified conditions are satisfied. Provides that a person who makes, or causes to be made, a false statement or false entry with intent to deceive any person or persons authorized to examine into the affairs of the bank or the subsidiary or holding company of that bank, the branch of an out-of-state bank with intent to deceive the Commissioner of Banks and Real Estate or his administrative officers in the performance of their duties under the Act shall be subject to civil penalties imposed by the Commissioner (rather than be guilty of a Class 3 felony). Provides that the Board may authorize the transfer of funds from the Bank and Trust Company Fund. Amends the Savings Bank Act. Provides that the board of directors of a savings bank may provide by resolution that members or stockholders may attend, participate in, act in, and vote at any annual meeting or special meeting through the use of a conference telephone or interactive technology if specified conditions are satisfied. Provides that a savings bank may loan funds through the purchase of fixed rate annuity contracts. Provides that a savings bank may accept deposits made by a minor and may open an account in the name of such minor and the rules and regulations of such savings bank with respect to each such deposit and account shall be as binding upon such minor as if such minor were of full age and legal capacity. Makes changes to various provisions concerning notice to allow for electronic notice. Makes other changes. Effective immediately.

LRB103 38817 RTM 68954 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 changing  
5 Sections 2, 5, 13, 14, 15, 16, 16.5, 20, 32.1, 40, 48, 48.1,  
6 48.2, 49, 78, and 80 as 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" 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 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 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 Illinois  
9 state chartered insured savings association with respect to  
10 which the Commissioner or the appropriate federal banking  
11 agency has advised the Federal Deposit Insurance Corporation  
12 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.)

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

1       the period set by federal law for national banks,  
2       whichever is greater, either directly or indirectly.

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

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

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

24           (a) holding title to and administering assets  
25       acquired as a result of the collection or liquidating  
26       of loans, investments, or discounts; or

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

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

22 The provisions of this subsection (12) shall not apply  
23 to and shall not be deemed to limit the powers of a State  
24 bank with respect to the ownership, possession, and  
25 carrying of stock that a State bank is permitted to own,  
26 possess, or carry under this Act.

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

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

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

23           (15) (a) To establish and maintain, in addition to the  
24 main banking premises, branches offering any banking  
25 services permitted at the main banking premises of a State  
26 bank.

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

7           (16) (Blank).

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

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

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

23          (20) To own, possess, and carry as assets stock of, or  
24 be or become a member of, any corporation, mutual company,  
25 association, trust, or other entity formed exclusively for  
26 the purpose of providing directors' and officers'

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

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

23 (22) To own, possess, and carry as assets the stock of  
24 a corporation engaged in the ownership or operation of a  
25 travel agency or to operate a travel agency as a part of  
26 its business.



1 (23) With respect to affiliate facilities:

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

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

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

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

1 bank shall not guarantee the truth of any statement made  
2 by an assured in filing his application for insurance.

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

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

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

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

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

22 Before ~~Not less than 30 days before~~ engaging in any  
23 activity under the authority of this subsection, a bank  
24 shall provide written notice to the Commissioner of its  
25 intent to engage in the activity. The notice shall  
26 indicate the specific federal or state law, rule,

1 regulation, or interpretation the bank intends to use as  
2 authority to engage in the activity.

3 (26) To provide data processing services to a person  
4 for profit.

5 (27) To invest in financial futures or options  
6 transactions subject to the regulations of the Secretary.

7 Nothing in this Section shall be construed to require the  
8 filing of a notice or application for approval with the United  
9 States Office of the Comptroller of the Currency or a bank  
10 supervisor of another state as a condition to the right of a  
11 State bank to exercise any of the powers conferred by this  
12 Section in this State.

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

14 (205 ILCS 5/13) (from Ch. 17, par. 320)

15 Sec. 13. Issuance of charter.

16 (a) When the directors have organized as provided in  
17 Section 12 of this Act, and the capital stock and the preferred  
18 stock, if any, together with a surplus of not less than 50% of  
19 the capital, has been all fully paid in and a record of the  
20 same filed with the Commissioner, the Commissioner or some  
21 competent person of the Commissioner's appointment shall make  
22 a thorough examination into the affairs of the proposed bank,  
23 and if satisfied (i) that all the requirements of this Act have  
24 been complied with, (ii) that no intervening circumstance has  
25 occurred to change the Commissioner's findings made pursuant

1 to Section 10 of this Act, and (iii) that the prior involvement  
2 by any stockholder who will own a sufficient amount of stock to  
3 have control, as defined in Section 18 of this Act, of the  
4 proposed bank with any other financial institution, whether as  
5 stockholder, director, officer, or customer, was conducted in  
6 a safe and sound manner, upon payment into the Commissioner's  
7 office of the reasonable expenses of the examination, as  
8 determined by the Commissioner, the Commissioner shall issue a  
9 charter authorizing the bank to commence business as  
10 authorized in this Act. All charters issued by the  
11 Commissioner or any predecessor agency which chartered State  
12 banks, including any charter outstanding as of September 1,  
13 1989, shall be perpetual. For the 2 years after the  
14 Commissioner has issued a charter to a bank, the bank shall  
15 request and obtain from the Commissioner prior written  
16 approval before it may change senior management personnel or  
17 directors.

18 The original charter, duly certified by the Commissioner,  
19 or a certified copy shall be evidence in all courts and places  
20 of the existence and authority of the bank to do business. Upon  
21 the issuance of the charter by the Commissioner, the bank  
22 shall be deemed fully organized and may proceed to do  
23 business. The Commissioner may, in the Commissioner's  
24 discretion, withhold the issuing of the charter when the  
25 Commissioner has reason to believe that the bank is organized  
26 for any purpose other than that contemplated by this Act. The

1 Commissioner shall revoke the charter and order liquidation in  
2 the event that the bank does not commence a general banking  
3 business within one year from the date of the issuance of the  
4 charter, unless a request has been submitted, in writing, to  
5 the Commissioner for an extension and the request has been  
6 approved. After commencing a general banking business, a bank  
7 may change its name by filing written notice with the  
8 Commissioner ~~at least 30 days~~ prior to the effective date of  
9 such change. A bank chartered under this Act may change its  
10 main banking premises by filing written application with the  
11 Commissioner, on forms prescribed by the Commissioner,  
12 provided (i) the change shall not be a removal to a new  
13 location without complying with the capital requirements of  
14 Section 7 and of subsection (1) of Section 10 of this Act; (ii)  
15 the Commissioner approves the relocation or change; and (iii)  
16 the bank complies with any applicable federal law or  
17 regulation. The application shall be deemed to be approved if  
18 the Commissioner has not acted on the application within 30  
19 days after receipt of the application, unless within the  
20 30-day time frame the Commissioner informs the bank that an  
21 extension of time is necessary prior to the Commissioner's  
22 action on the application.

23 (b) (1) The Commissioner may also issue a charter to a bank  
24 that is owned exclusively by other depository institutions or  
25 depository institution holding companies and is organized to  
26 engage exclusively in providing services to or for other

1 financial institutions, their holding companies, and the  
2 officers, directors, and employees of such institutions and  
3 companies, and in providing services at the request of other  
4 financial institutions or their holding companies (also  
5 referred to as a "bankers' bank"). The bank may also provide  
6 products and services to its officers, directors, and  
7 employees.

8 (2) A bank chartered pursuant to paragraph (1) shall,  
9 except as otherwise specifically determined or limited by the  
10 Commissioner in an order or pursuant to a rule, be vested with  
11 the same rights and privileges and subject to the same duties,  
12 restrictions, penalties, and liabilities now or hereafter  
13 imposed under this Act.

14 (c) A bank chartered under this Act shall, at all times  
15 while it accepts or retains deposits, maintain with the  
16 Federal Deposit Insurance Corporation, or such other  
17 instrumentality of or corporation chartered by the United  
18 States, deposit insurance as authorized under federal law.

19 (d)(i) A bank that has a banking charter issued by the  
20 Commissioner under this Act may, pursuant to a written  
21 purchase and assumption agreement, transfer substantially all  
22 of its assets to another State bank or national bank in  
23 consideration, in whole or in part, for the transferee banks'  
24 assumption of any part or all of its liabilities. Such a  
25 transfer shall in no way be deemed to impair the charter of the  
26 transferor bank or cause the transferor bank to forfeit any of

1 its rights, powers, interests, franchises, or privileges as a  
2 State bank, nor shall any voluntary reduction in the  
3 transferor bank's activities resulting from the transfer have  
4 any such effect; provided, however, that a State bank that  
5 transfers substantially all of its assets pursuant to this  
6 subsection (d) and following the transfer does not accept  
7 deposits and make loans, shall not have any rights, powers,  
8 interests, franchises, or privileges under subsection (15) of  
9 Section 5 of this Act until the bank has resumed accepting  
10 deposits and making loans.

11 (ii) The fact that a State bank does not resume accepting  
12 deposits and making loans for a period of 24 months commencing  
13 on September 11, 1989 or on a date of the transfer of  
14 substantially all of a State bank's assets, whichever is  
15 later, or such longer period as the Commissioner may allow in  
16 writing, may be the basis for a finding by the Commissioner  
17 under Section 51 of this Act that the bank is unable to  
18 continue operations.

19 (iii) The authority provided by subdivision (i) of this  
20 subsection (d) shall terminate on May 31, 1997, and no bank  
21 that has transferred substantially all of its assets pursuant  
22 to this subsection (d) shall continue in existence after May  
23 31, 1997.

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

25 (205 ILCS 5/14) (from Ch. 17, par. 321)

1           Sec. 14. Stock. Unless otherwise provided for in this Act  
2 provisions of general application to stock of a state bank  
3 shall be as follows:

4           (1) All banks shall have their capital divided into shares  
5 of a par value of not less than \$1 each and not more than \$100  
6 each, however, the par value of shares of a bank effecting a  
7 reverse stock split pursuant to item (8) of subsection (a) of  
8 Section 17 may temporarily exceed this limit provided it  
9 conforms to the limits immediately after the reverse stock  
10 split is completed. No issue of capital stock or preferred  
11 stock shall be valid until not less than the par value of all  
12 such stock so issued shall be paid in and notice thereof by the  
13 president, a vice-president or cashier of the bank has been  
14 transmitted to the Commissioner. In the case of an increase in  
15 capital stock by the declaration of a stock dividend, the  
16 capitalization of retained earnings effected by such stock  
17 dividend shall constitute the payment for such shares required  
18 by the preceding sentence, provided that the surplus of said  
19 bank after such stock dividend shall be at least equal to fifty  
20 per cent of the capital as increased. The charter shall not  
21 limit or deny the voting power of the shares of any class of  
22 stock except as provided in Section 15(3) of this Act.

23           (2) Pursuant to action taken in accordance with the  
24 requirements of Section 17, a bank may issue preferred stock  
25 of one or more classes as shall be approved by the Commissioner  
26 as hereinafter provided, and make such amendment to its



1 charter as may be necessary for this purpose; but in the case  
2 of any newly organized bank which has not yet issued capital  
3 stock the requirements of Section 17 shall not apply.

4 (3) Without limiting the authority herein contained a  
5 bank, when so provided in its charter and when approved by the  
6 Commissioner, may issue shares of preferred stock:

7 (a) Subject to the right of the bank to redeem any of  
8 such shares at not exceeding the price fixed by the  
9 charter for the redemption thereof;

10 (b) Subject to the provisions of subsection (8) of  
11 this Section 14 entitling the holders thereof to  
12 cumulative or noncumulative dividends;

13 (c) Having preference over any other class or classes  
14 of shares as to the payment of dividends;

15 (d) Having preference as to the assets of the bank  
16 over any other class or classes of shares upon the  
17 voluntary or involuntary liquidation of the bank;

18 (e) Convertible into shares of any other class of  
19 stock, provided that preferred shares shall not be  
20 converted into shares of a different par value unless that  
21 part of the capital of the bank represented by such  
22 preferred shares is at the time of the conversion equal to  
23 the aggregate par value of the shares into which the  
24 preferred shares are to be converted.

25 (4) If any part of the capital of a bank consists of  
26 preferred stock, the determination of whether or not the

1 capital of such bank is impaired and the amount of such  
2 impairment shall be based upon the par value of its stock even  
3 though the amount which the holders of such preferred stock  
4 shall be entitled to receive in the event of retirement or  
5 liquidation shall be in excess of the par value of such  
6 preferred stock.

7 (5) Pursuant to action taken in accordance with the  
8 requirements of Section 17 of this Act, a state bank may  
9 provide for a specified number of authorized but unissued  
10 shares of capital stock for one or more of the following  
11 purposes:

12 (a) Reserved for issuance under stock option plan or  
13 plans to directors, officers or employees;

14 (b) Reserved for issuance upon conversion of  
15 convertible preferred stock issued pursuant to and in  
16 compliance with the provisions of subsections (2) and (3)  
17 of this Section 14.

18 (c) Reserved for issuance upon conversion of  
19 convertible debentures or other convertible evidences of  
20 indebtedness issued by a state bank, provided always that  
21 the terms of such conversion have been approved by the  
22 Commissioner;

23 (d) Reserved for issuance by the declaration of a  
24 stock dividend. If and when any shares of capital stock  
25 are proposed to be authorized and reserved for any of the  
26 purposes set forth in subparagraphs (a), (b) or (c) above,

1 the notice of the meeting, whether special or annual, of  
2 stockholders at which such proposition is to be considered  
3 shall be accompanied by a statement setting forth or  
4 summarizing the terms upon which the shares of capital  
5 stock so reserved are to be issued, and the extent to which  
6 any preemptive rights of stockholders are inapplicable to  
7 the issuance of the shares so reserved or to the  
8 convertible preferred stock or convertible debentures or  
9 other convertible evidences of indebtedness, and the  
10 approving vote of the holders of at least two-thirds of  
11 the outstanding shares of stock entitled to vote at such  
12 meeting of the terms of such issuance shall be requisite  
13 for the adoption of any amendment providing for the  
14 reservation of authorized but unissued shares for any of  
15 said purposes. Nothing in this subsection (5) contained  
16 shall be deemed to authorize the issuance of any capital  
17 stock for a consideration less than the par value thereof.

18 (6) Upon written application to the Commissioner ~~60 days~~  
19 ~~prior to the proposed purchase~~ and receipt of the written  
20 approval of the Commissioner, a state bank may purchase and  
21 hold as treasury stock such amounts of the total number of  
22 issued and outstanding shares of its capital and preferred  
23 stock outstanding as the Commissioner determines is consistent  
24 with safety and soundness of the bank. The Commissioner may  
25 specify the manner of accounting for the treasury stock and  
26 the form of notice prior to ultimate disposition of the

1 shares. Except as authorized in this subsection, it shall not  
2 be lawful for a state bank to purchase or hold any additional  
3 such shares or securities described in subsection (2) of  
4 Section 37 unless necessary to prevent loss upon a debt  
5 previously contracted in good faith, in which event such  
6 shares or securities so purchased or acquired shall, within 6  
7 months from the time of purchase or acquisition, be sold or  
8 disposed of at public or private sale. Any state bank which  
9 intends to purchase and hold treasury stock as authorized in  
10 this subsection (6) shall file a written application with the  
11 Commissioner 60 days prior to any such proposed purchase. The  
12 application shall state the number of shares to be purchased,  
13 the consideration for the shares, the name and address of the  
14 person from whom the shares are to be purchased, if known, and  
15 the total percentage of its issued and outstanding shares to  
16 be held by the bank after the purchase. The total  
17 consideration paid by a state bank for treasury stock shall  
18 reduce capital and surplus of the bank for purposes of  
19 Sections of this Act relating to lending and investment limits  
20 which require computation of capital and surplus. After  
21 considering and approving an application to purchase and hold  
22 treasury stock under this subsection, the Commissioner may  
23 waive or reduce the balance of the 60 day application period.  
24 The Commissioner may specify the form of the application for  
25 approval to acquire treasury stock and promulgate rules and  
26 regulations for the administration of this subsection (6). A

1 state bank may acquire or resell its own shares as treasury  
2 stock pursuant to this subsection (6) without a change in its  
3 charter pursuant to Section 17. Such stock may be held for any  
4 purpose permitted in subsection (5) of this Section 14 or may  
5 be resold upon such reasonable terms as the board of directors  
6 may determine provided notice is given to the Commissioner  
7 prior to the resale of such stock.

8 (7) During the time that a state bank shall continue its  
9 banking business, it shall not withdraw or permit to be  
10 withdrawn, either in the form of dividends or otherwise, any  
11 portion of its capital, but nothing in this subsection shall  
12 prevent a reduction or change of the capital stock or the  
13 preferred stock under the provisions of Sections 17 through 30  
14 of this Act, a purchase of treasury stock under the provisions  
15 of subsection (6) of this Section 14 or a redemption of  
16 preferred stock pursuant to charter provisions therefor.

17 (8) (a) Subject to the provisions of this Act, the board of  
18 directors of a state bank from time to time may declare a  
19 dividend of so much of the net profits of such bank as it  
20 shall judge expedient, but each bank before the  
21 declaration of a dividend shall carry at least one-tenth  
22 of its net profits since the date of the declaration of the  
23 last preceding dividend, or since the issuance of its  
24 charter in the case of its first dividend, to its surplus  
25 until the same shall be equal to its capital.

26 (b) No dividends shall be paid by a state bank while it

1 continues its banking business to an amount greater than  
2 its net profits then on hand, deducting first therefrom  
3 its losses and bad debts. All debts due to a state bank on  
4 which interest is past due and unpaid for a period of 6  
5 months or more, unless the same are well secured and in the  
6 process of collection, shall be considered bad debts.

7 (9) A State bank may, but shall not be obliged to, issue a  
8 certificate for a fractional share, and, by action of its  
9 board of directors, may in lieu thereof, pay cash equal to the  
10 value of the fractional share. A certificate for a fractional  
11 share shall entitle the holder to exercise fractional voting  
12 rights, to receive dividends, and to participate in any of the  
13 assets of the bank in the event of liquidation.

14 (Source: P.A. 92-483, eff. 8-23-01; 92-651, eff. 7-11-02.)

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

16 Sec. 15. Stock and stockholders. Unless otherwise provided  
17 for in this Act, provisions of general application to capital  
18 stock, preferred stock, and stockholders of a State bank shall  
19 be as follows:

20 (1) There shall be an annual meeting of the stockholders  
21 for the election of directors each year on the first business  
22 day in January, unless some other date shall be fixed by the  
23 by-laws. A special meeting of the stockholders may be called  
24 at any time by the board of directors, and otherwise as may be  
25 provided in the bylaws.

1           (2) Written or printed notice stating the place, day, and  
2 hour of the meeting, and in case of a special meeting, the  
3 purpose or purposes for which the meeting is called, shall be  
4 delivered not less than 10 nor more than 40 days before the  
5 date of the meeting either personally, electronically, or by  
6 mail, by or at the direction of the president, or the  
7 secretary, or the officer or persons calling the meeting, to  
8 each stockholder of record entitled to vote at the meeting. If  
9 mailed, the notice shall be deemed to be delivered when  
10 deposited in the United States mail with postage thereon  
11 prepaid addressed to the stockholder at his address as it  
12 appears on the records of the bank.

13           (3) Except as provided below in this paragraph (3), each  
14 outstanding share shall be entitled to one vote on each matter  
15 submitted to a vote at a meeting of stockholders. Shares of its  
16 own stock belonging to a bank shall not be voted, directly or  
17 indirectly, at any meeting and shall not be counted in  
18 determining the total number of outstanding shares at any  
19 given time, but shares of its own stock held by it in a  
20 fiduciary capacity may be voted and shall be counted in  
21 determining the total number of outstanding shares at any  
22 given time. A stockholder may vote either in person or by proxy  
23 executed in writing by the stockholder or by his duly  
24 authorized attorney-in-fact. No proxy shall be valid after 11  
25 months from the date of its execution, unless otherwise  
26 provided in the proxy. Except as provided below in this

1 paragraph (3), in all elections for directors every  
2 stockholder (or subscriber to the stock prior to the issuance  
3 of a charter) shall have the right to vote, in person or by  
4 proxy, for the number of shares of stock owned by him, for as  
5 many persons as there are directors to be elected, or to  
6 cumulate the shares and give one candidate as many votes as the  
7 number of directors multiplied by the number of his or her  
8 shares of stock shall equal, or to distribute them on the same  
9 principle among as many candidates as he or she shall think  
10 fit. The bank charter of any bank organized on or after January  
11 1, 1984 may limit or eliminate cumulative voting rights in all  
12 or specified circumstances, or may eliminate voting rights  
13 entirely, as to any class or classes or series of stock of the  
14 bank; provided that one class of shares or series thereof  
15 shall always have voting rights in respect of all matters in  
16 the bank. A bank organized prior to January 1, 1984 may amend  
17 its charter to eliminate cumulative voting rights under all or  
18 specified circumstances, or to eliminate voting rights  
19 entirely, as to any class or classes or series of stock of the  
20 bank; provided that one class of shares or series thereof  
21 shall always have voting rights in respect of all matters in  
22 the bank, and provided further that the proposal to eliminate  
23 the voting rights receives the approval of the holders of 70%  
24 of the outstanding shares of stock entitled to vote as  
25 provided in paragraph (b) (7) of Section 17. A majority of the  
26 outstanding shares represented in person or by proxy shall



1 constitute a quorum at a meeting of stockholders. In the  
2 absence of a quorum a meeting may be adjourned from time to  
3 time without notice to the stockholders.

4 (4) Whenever additional stock of a class is offered for  
5 sale, stockholders of record of the same class on the date of  
6 the offer shall have the right to subscribe to the proportion  
7 of the shares as the stock of the class held by them bears to  
8 the total of the outstanding stock of the class, and the price  
9 thereof may be in excess of par value. This right shall be  
10 transferable but shall terminate if not exercised within 60  
11 days of the offer, unless the Commissioner shall authorize a  
12 shorter time. If the right is not exercised, the stock shall  
13 not be re-offered for sale to others at a lower price without  
14 the stockholders of the same class again being accorded a  
15 preemptive right to subscribe at the lower price.  
16 Notwithstanding any of the provisions of this paragraph (4) or  
17 any other provision of law, stockholders shall not have any  
18 preemptive or other right to subscribe for or to purchase or  
19 acquire shares of capital stock issued or to be issued under a  
20 stock-option plan or upon conversion of preferred stock or  
21 convertible debentures or other convertible indebtedness that  
22 has been approved by stockholders in the manner required by  
23 the provisions of subsection (5) of Section 14 hereof or to  
24 treasury stock acquired pursuant to subsection (6) of Section  
25 14.

26 (5) For the purpose of determining stockholders entitled

1 to notice of or to vote at any meeting of stockholders, or  
2 stockholders entitled to receive payment of any dividend, or  
3 in order to make a determination of stockholders for any other  
4 proper purpose, the board of directors of a bank may provide  
5 that the stock transfer books shall be closed for a stated  
6 period not to exceed, in any case, 40 days. In lieu of closing  
7 the stock transfer books, the board of directors may fix in  
8 advance a date as the record date for any determination of  
9 stockholders, the date in any case to be not more than 40 days,  
10 and in case of a meeting of stockholders, not less than 10 days  
11 prior to the date on which the particular action, requiring  
12 the determination of stockholders, is to be taken. If the  
13 stock transfer books are not closed and no record date is fixed  
14 for the determination of stockholders entitled to notice of or  
15 to vote at a meeting of stockholders, or stockholders entitled  
16 to receive payment of a dividend, the date on which notice of a  
17 meeting is delivered ~~mailed~~ or the date on which the  
18 resolution of the board of directors declaring the dividend is  
19 adopted, as the case may be, shall be the record date for the  
20 determination of stockholders.

21 (6) Stock standing in the name of another corporation,  
22 domestic or foreign, may be voted by the officer, agent, or  
23 proxy as the by-laws of the corporation may prescribe, or, in  
24 the absence of such provision, as the board of directors of the  
25 corporation may determine. Stock standing in the name of a  
26 deceased person may be voted by his or her administrator or

1 executor, either in person or by proxy. Stock standing in the  
2 name of a guardian or trustee may be voted by that fiduciary  
3 either in person or by proxy. Shares standing in the name of a  
4 receiver may be voted by the receiver, and shares held by or  
5 under control of a receiver may be voted by the receiver  
6 without the transfer thereof into his or her name if authority  
7 so to do be contained in an appropriate order of the court by  
8 which the receiver was appointed. A stockholder whose shares  
9 of stock are pledged shall be entitled to vote those shares  
10 until the shares have been transferred into the name of the  
11 pledgee, and thereafter the pledgee shall be entitled to vote  
12 the shares so transferred.

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

16 (8) The president and any other officer designated by the  
17 board of directors of every State bank shall cause to be kept  
18 at all times a full and correct list of the names and  
19 residences of all the shareholders in the State bank and the  
20 number of shares held by each in the office where its business  
21 is transacted. The list shall be subject to the inspection of  
22 all the shareholders of the State bank and the officers  
23 authorized to assess taxes under State authority during  
24 business hours of each day in which business may be legally  
25 transacted. A copy of the list, verified by the oath of the  
26 president or cashier, shall be transmitted to the Commissioner

1 of Banks and Real Estate within 10 days of any demand therefor  
2 made by the Commissioner.

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

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

24 A voting agreement created under this paragraph is  
25 specifically enforceable in accordance with the principles of  
26 equity.

1       (11) Unless expressly prohibited by the charter or bylaws  
2 and subject to applicable requirements of this Act, the board  
3 of directors may provide by resolution that stockholders may  
4 attend, participate in, act in, and vote at an annual meeting  
5 or special meeting through the use of a conference telephone  
6 or interactive technology, including, but not limited to,  
7 electronic transmission, internet usage, or remote  
8 communication, by means of which all persons participating in  
9 the meeting can communicate with each other. Participation  
10 through the use of a conference telephone or interactive  
11 technology shall constitute attendance, presence, and  
12 representation in person at the annual meeting or special  
13 meeting of the person or persons so participating and count  
14 towards the quorum required to conduct business at the  
15 meeting. The following conditions shall apply to any virtual  
16 meeting of the stockholders:

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

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

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

25 (205 ILCS 5/16) (from Ch. 17, par. 323)

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

4           (1) Directors shall be elected as provided in this Act.  
5 Any omission to elect a director or directors shall not impair  
6 any of the rights and privileges of the bank or of any person  
7 in any way interested. The existing directors shall hold  
8 office until their successors are elected and qualify.

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

19           (b) Notwithstanding the minimum number of directors  
20 specified in paragraph (a) of this subsection, a State  
21 bank that has been in existence for 10 years or more and  
22 has less than \$20,000,000 in assets, as of the December 31  
23 immediately preceding the annual meeting of shareholders  
24 at which directors are elected, may, subject to the  
25 approval of the Commissioner, have a minimum of 3  
26 directors; provided that if a State bank has fewer than 5

1 directors, at least one director shall not be an officer  
2 or employee of the bank. The Commissioner shall annually  
3 review the appropriateness of the grant of authority to  
4 have a reduced minimum number of directors pursuant to  
5 this paragraph (b).

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

1           If authorized by the bank's by-laws or an amendment  
2 thereto, the directors of a State bank may properly fill a  
3 vacancy or vacancies arising between shareholders' meetings,  
4 but at no time may the number of directors selected to fill a  
5 vacancy in this manner during any interim period between  
6 shareholders' meetings exceed 33 1/3% of the total membership  
7 of the board of directors.

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



1           (5) A member of the board of directors shall be elected  
2 president. The board of directors may appoint other officers,  
3 as the by-laws may provide, and fix their salaries to carry on  
4 the business of the bank. The board of directors may make and  
5 amend by-laws (not inconsistent with this Act) for the  
6 government of the bank and may, by the affirmative vote of a  
7 majority of the board of directors, establish reasonable  
8 compensation of all directors for services to the corporation  
9 as directors, officers, or otherwise. An officer, whether  
10 elected or appointed by the board of directors or appointed  
11 pursuant to the by-laws, may be removed by the board of  
12 directors at any time.

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

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

1           pertinent factors.

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

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

21           (205 ILCS 5/16.5)

22           Sec. 16.5. Employment of persons with convictions. Except  
23           with the prior written consent of the Commissioner, no State  
24           bank shall knowingly employ or otherwise permit an individual  
25           to serve as an officer, director, employee, or agent of the

1 State bank if the individual has been convicted ~~of a felony or~~  
2 of any criminal offense relating to dishonesty or breach of  
3 trust.

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

5 (205 ILCS 5/20) (from Ch. 17, par. 327)

6 Sec. 20. Resulting national bank or insured savings  
7 association. Nothing in this Act shall be construed to require  
8 the approval of any Illinois State authority as a condition to  
9 the right of a State bank, pursuant to the laws of the United  
10 States or of this State, to be converted into a national bank  
11 or insured savings association or to merge with an insured  
12 savings association or with a national bank under a national  
13 charter. The action to be taken by such merging or converting  
14 State bank and its rights and liabilities and those of its  
15 stockholders and of its dissenting stockholders shall be the  
16 same as those prescribed for a State bank merging with, or  
17 converting into, a national bank or insured savings  
18 association that has received its charter from an agency of  
19 the United States Government at the time of the action by the  
20 law of the United States and not by the law of this State  
21 unless the State bank merges with or converts to a savings and  
22 loan association or savings bank chartered under the laws of  
23 this State, except that an affirmative vote of the holders of  
24 at least two-thirds of the outstanding shares of stock of a  
25 State bank entitled to vote at a meeting called in conformity

1 with Section 23 shall be required for the merger or  
2 conversion. Upon the completion of a merger or conversion,  
3 resulting in a national bank or insured savings association,  
4 the charter of any merging or converting State bank shall  
5 automatically terminate. Approval by the Commissioner to  
6 convert a State bank to a national bank or insured savings  
7 association or to merge a State bank into a national bank or  
8 insured savings association shall not be required under this  
9 Act. However, any such converting or merging State bank shall  
10 notify the Commissioner in writing of the proposed conversion  
11 or merger ~~not less than 30 days~~ prior to such conversion or  
12 merger and shall pay all accrued or outstanding assessments  
13 pursuant to Section 48 of this Act as of the date of conversion  
14 or merger.

15 (Source: P.A. 89-567, eff. 7-26-96.)

16 (205 ILCS 5/32.1) (from Ch. 17, par. 340)

17 Sec. 32.1. Loans to single individuals ~~Single Females~~. No  
18 State bank shall require that single individuals who have  
19 reached the age of majority ~~females~~ to whom loans are made have  
20 cosigners on promissory notes negotiated to secure such loans  
21 unless such bank shall, under the same or similar  
22 circumstances, also require that single males who have reached  
23 the age of majority have cosigners on promissory notes  
24 negotiated to secure loans.

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

1 (205 ILCS 5/40) (from Ch. 17, par. 350)

2 Sec. 40. Prohibited activities. The Commissioner, deputy  
3 commissioners, and employees of the Department of Financial  
4 and Professional Regulation ~~Office of Banks and Real Estate~~  
5 shall be subject to the restrictions provided in Section 2.5  
6 of the Division of Banking Act including, without limitation,  
7 the restrictions on (i) owning shares of stock or holding any  
8 other equity interest in an entity regulated under this Act or  
9 in any corporation or company that owns or controls an entity  
10 regulated under this Act; (ii) being an officer, director,  
11 employee, or agent of an entity regulated under this Act; and  
12 (iii) obtaining a loan or accepting a gratuity from an entity  
13 regulated under this Act.

14 (Source: P.A. 96-1365, eff. 7-28-10.)

15 (205 ILCS 5/48)

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

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

4           (2) (a) The Commissioner, as often as the Commissioner  
5 shall deem necessary or proper, and no less frequently  
6 than 18 months following the preceding examination, shall  
7 appoint a suitable person or persons to make an  
8 examination of the affairs of every State bank, except  
9 that for every eligible State bank, as defined by  
10 regulation, the Commissioner in lieu of the examination  
11 may accept on an alternating basis the examination made by  
12 the eligible State bank's appropriate federal banking  
13 agency pursuant to Section 111 of the Federal Deposit  
14 Insurance Corporation Improvement Act of 1991, provided  
15 the appropriate federal banking agency has made such an  
16 examination. A person so appointed shall not be a  
17 stockholder or officer or employee of any bank which that  
18 person may be directed to examine, and shall have powers  
19 to make a thorough examination into all the affairs of the  
20 bank and in so doing to examine any of the officers or  
21 agents or employees thereof on oath and shall make a full  
22 and detailed report of the condition of the bank to the  
23 Commissioner. In making the examination the examiners  
24 shall include an examination of the affairs of all the  
25 affiliates of the bank, as defined in subsection (b) of  
26 Section 35.2 of this Act, or subsidiaries of the bank as

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

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

1 chartered the out-of-state bank.

2 (2.1) Pursuant to paragraph (a) of subsection (6) of  
3 this Section, the Secretary shall adopt rules that ensure  
4 consistency and due process in the examination process.  
5 The Secretary may also establish guidelines that (i)  
6 define the scope of the examination process and (ii)  
7 clarify examination items to be resolved. The rules,  
8 formal guidance, interpretive letters, or opinions  
9 furnished to State banks by the Secretary may be relied  
10 upon by the State banks.

11 (2.5) Whenever any State bank, any subsidiary or  
12 affiliate of a State bank, or after May 31, 1997, any  
13 branch of an out-of-state bank causes to be performed, by  
14 contract or otherwise, any bank services for itself,  
15 whether on or off its premises:

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

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



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

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

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

19 (a) Each bank shall pay to the Secretary a Call  
20 Report Fee which shall be paid in quarterly  
21 installments equal to one-fourth of the sum of the  
22 annual fixed fee of \$800, plus a variable fee based on  
23 the assets shown on the quarterly statement of  
24 condition delivered to the Secretary in accordance  
25 with Section 47 for the preceding quarter according to  
26 the following schedule: 16¢ per \$1,000 of the first

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

1 Fees to be paid by State banks.

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

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

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

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

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

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

22 (c) The "administration expenses" for any fiscal  
23 year shall mean the ordinary and contingent expenses  
24 for that year incident to making the examinations  
25 provided for by, and for otherwise administering, this  
26 Act, the Corporate Fiduciary Act, excluding the

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

1           whether due to normal attrition or due to layoffs,  
2           terminations, or resignations.

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

1 and after July 1, 1979, by an annual transfer of funds  
2 from the Bank and Trust Company Fund. Moneys in the  
3 Bank and Trust Company Fund may be transferred to the  
4 Professions Indirect Cost Fund, as authorized under  
5 Section 2105-300 of the Department of Professional  
6 Regulation Law of the Civil Administrative Code of  
7 Illinois.

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



1 under this Section as soon as may be practicable after  
2 receiving the direction to transfer from the Governor.

3 (d-1) Adequate funds shall be available in the  
4 Bank and Trust Company Fund to permit the timely  
5 payment of administration expenses. In each fiscal  
6 year the total administration expenses shall be  
7 deducted from the total fees collected by the  
8 Commissioner and the remainder transferred into the  
9 Cash Flow Reserve Account, unless the balance of the  
10 Cash Flow Reserve Account prior to the transfer equals  
11 or exceeds one-fourth of the total initial  
12 appropriations from the Bank and Trust Company Fund  
13 for the subsequent year, in which case the remainder  
14 shall be credited to State banks and foreign banking  
15 corporations and applied against their fees for the  
16 subsequent year. The amount credited to each State  
17 bank and foreign banking corporation shall be in the  
18 same proportion as the Call Report Fees paid by each  
19 for the year bear to the total Call Report Fees  
20 collected for the year. If, after a transfer to the  
21 Cash Flow Reserve Account is made or if no remainder is  
22 available for transfer, the balance of the Cash Flow  
23 Reserve Account is less than one-fourth of the total  
24 initial appropriations for the subsequent year and the  
25 amount transferred is less than 5% of the total Call  
26 Report Fees for the year, additional amounts needed to

1 make the transfer equal to 5% of the total Call Report  
2 Fees for the year shall be apportioned among, assessed  
3 upon, and paid by the State banks and foreign banking  
4 corporations in the same proportion that the Call  
5 Report Fees of each, respectively, for the year bear  
6 to the total Call Report Fees collected for the year.  
7 The additional amounts assessed shall be transferred  
8 into the Cash Flow Reserve Account. For purposes of  
9 this paragraph (d-1), the calculation of the fees  
10 collected by the Commissioner shall exclude the  
11 receivership fees provided for in Section 5-10 of the  
12 Corporate Fiduciary Act.

13 (e) The Commissioner may upon request certify to  
14 any public record in his keeping and shall have  
15 authority to levy a reasonable charge for issuing  
16 certifications of any public record in his keeping.

17 (f) In addition to fees authorized elsewhere in  
18 this Act, the Commissioner may, in connection with a  
19 review, approval, or provision of a service, levy a  
20 reasonable charge to recover the cost of the review,  
21 approval, or service.

22 (4) Nothing contained in this Act shall be construed  
23 to limit the obligation relative to examinations and  
24 reports of any State bank, deposits in which are to any  
25 extent insured by the United States or any agency thereof,  
26 nor to limit in any way the powers of the Commissioner with

1 reference to examinations and reports of that bank.

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

22 (6) The Commissioner shall have the power:

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

25 (a-5) To impose conditions on any approval issued  
26 by the Commissioner if he determines that the

1 conditions are necessary or appropriate. These  
2 conditions shall be imposed in writing and shall  
3 continue in effect for the period prescribed by the  
4 Commissioner.

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

14 (b-1) To enter into agreements with a bank  
15 establishing a program to correct the condition of the  
16 bank or its practices.

17 (c) To appoint hearing officers to execute any of  
18 the powers granted to the Commissioner under this  
19 Section for the purpose of administering this Act and  
20 any rule promulgated in accordance with this Act and  
21 otherwise to authorize, in writing, an officer or  
22 employee of the Department of Financial and  
23 Professional Regulation ~~Office of Banks and Real~~  
24 ~~Estate~~ to exercise his powers under this Act.

25 (d) To subpoena witnesses, to compel their  
26 attendance, to administer an oath, to examine any

1 person under oath, and to require the production of  
2 any relevant books, papers, accounts, and documents in  
3 the course of and pursuant to any investigation being  
4 conducted, or any action being taken, by the  
5 Commissioner in respect of any matter relating to the  
6 duties imposed upon, or the powers vested in, the  
7 Commissioner under the provisions of this Act or any  
8 rule promulgated in accordance with this Act.

9 (e) To conduct hearings.

10 (7) Whenever, in the opinion of the Secretary, any  
11 director, officer, employee, or agent of a State bank or  
12 any subsidiary or bank holding company of the bank or,  
13 after May 31, 1997, of any branch of an out-of-state bank  
14 or any subsidiary or bank holding company of the bank  
15 shall have violated any law, rule, or order relating to  
16 that bank or any subsidiary or bank holding company of the  
17 bank, shall have obstructed or impeded any examination or  
18 investigation by the Secretary, shall have engaged in an  
19 unsafe or unsound practice in conducting the business of  
20 that bank or any subsidiary or bank holding company of the  
21 bank, or shall have violated any law or engaged or  
22 participated in any unsafe or unsound practice in  
23 connection with any financial institution or other  
24 business entity such that the character and fitness of the  
25 director, officer, employee, or agent does not assure  
26 reasonable promise of safe and sound operation of the

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

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

21 For purposes of this paragraph (7), "bank holding  
22 company" has the meaning prescribed in Section 2 of the  
23 Illinois Bank Holding Company Act of 1957.

24 (7.5) Notwithstanding the provisions of this Section,  
25 the Secretary shall not:

26 (1) issue an order against a State bank or any

1 subsidiary organized under this Act for unsafe or  
2 unsound banking practices solely because the entity  
3 provides or has provided financial services to a  
4 cannabis-related legitimate business;

5 (2) prohibit, penalize, or otherwise discourage a  
6 State bank or any subsidiary from providing financial  
7 services to a cannabis-related legitimate business  
8 solely because the entity provides or has provided  
9 financial services to a cannabis-related legitimate  
10 business;

11 (3) recommend, incentivize, or encourage a State  
12 bank or any subsidiary not to offer financial services  
13 to an account holder or to downgrade or cancel the  
14 financial services offered to an account holder solely  
15 because:

16 (A) the account holder is a manufacturer or  
17 producer, or is the owner, operator, or employee  
18 of a cannabis-related legitimate business;

19 (B) the account holder later becomes an owner  
20 or operator of a cannabis-related legitimate  
21 business; or

22 (C) the State bank or any subsidiary was not  
23 aware that the account holder is the owner or  
24 operator of a cannabis-related legitimate  
25 business; and

26 (4) take any adverse or corrective supervisory



1 action on a loan made to an owner or operator of:

2 (A) a cannabis-related legitimate business  
3 solely because the owner or operator owns or  
4 operates a cannabis-related legitimate business;  
5 or

6 (B) real estate or equipment that is leased to  
7 a cannabis-related legitimate business solely  
8 because the owner or operator of the real estate  
9 or equipment leased the equipment or real estate  
10 to a cannabis-related legitimate business.

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

17 (9) The Commissioner may impose civil penalties of up  
18 to \$100 against any person for the first failure to comply  
19 with reporting requirements set forth in the report of  
20 examination of the bank and up to \$200 for the second and  
21 subsequent failures to comply with those reporting  
22 requirements.

23 (10) All final administrative decisions of the  
24 Commissioner hereunder shall be subject to judicial review  
25 pursuant to the provisions of the Administrative Review  
26 Law. For matters involving administrative review, venue

1 shall be in either Sangamon County or Cook County.

2 (11) The endowment fund for the Illinois Bank  
3 Examiners' Education Foundation shall be administered as  
4 follows:

5 (a) (Blank).

6 (b) The Foundation is empowered to receive  
7 voluntary contributions, gifts, grants, bequests, and  
8 donations on behalf of the Illinois Bank Examiners'  
9 Education Foundation from national banks and other  
10 persons for the purpose of funding the endowment of  
11 the Illinois Bank Examiners' Education Foundation.

12 (c) The aggregate of all special educational fees  
13 collected by the Secretary and property received by  
14 the Secretary on behalf of the Illinois Bank  
15 Examiners' Education Foundation under this subsection  
16 (11) on or after June 30, 1986, shall be either (i)  
17 promptly paid after receipt of the same, accompanied  
18 by a detailed statement thereof, into the State  
19 treasury and shall be set apart in a special fund to be  
20 known as the Illinois Bank Examiners' Education Fund  
21 to be invested by either the Treasurer of the State of  
22 Illinois in the Public Treasurers' Investment Pool or  
23 in any other investment he is authorized to make or by  
24 the Illinois State Board of Investment as the State  
25 Banking Board of Illinois may direct or (ii) deposited  
26 into an account maintained in a commercial bank or

1 corporate fiduciary in the name of the Illinois Bank  
2 Examiners' Education Foundation pursuant to the order  
3 and direction of the Board of Trustees of the Illinois  
4 Bank Examiners' Education Foundation.

5 (12) (Blank).

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

14 (14) In addition to the fees authorized in this Act,  
15 the Secretary may assess reasonable receivership fees  
16 against any State bank that does not maintain insurance  
17 with the Federal Deposit Insurance Corporation. All fees  
18 collected under this subsection (14) shall be paid into  
19 the Non-insured Institutions Receivership account in the  
20 Bank and Trust Company Fund, as established by the  
21 Secretary. The fees assessed under this subsection (14)  
22 shall provide for the expenses that arise from the  
23 administration of the receivership of any such institution  
24 required to pay into the Non-insured Institutions  
25 Receivership account, whether pursuant to this Act, the  
26 Corporate Fiduciary Act, the Foreign Banking Office Act,

1 or any other Act that requires payments into the  
2 Non-insured Institutions Receivership account. The  
3 Secretary may establish by rule a reasonable manner of  
4 assessing fees under this subsection (14).

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

6 (205 ILCS 5/48.1) (from Ch. 17, par. 360)

7 Sec. 48.1. Customer financial records; confidentiality.

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

10 (1) a document granting signature authority over a  
11 deposit or account;

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

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

17 (4) any other item containing information pertaining  
18 to any relationship established in the ordinary course of  
19 a bank's business between a bank and its customer,  
20 including financial statements or other financial  
21 information provided by the customer.

22 (b) This Section does not prohibit:

23 (1) The preparation, examination, handling or  
24 maintenance of any financial records by any officer,  
25 employee or agent of a bank having custody of the records,

1 or the examination of the records by a certified public  
2 accountant engaged by the bank to perform an independent  
3 audit.

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

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

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

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

22 (6) The exchange in the regular course of business of  
23 (i) credit information between a bank and other banks or  
24 financial institutions or commercial enterprises, directly  
25 or through a consumer reporting agency or (ii) financial  
26 records or information derived from financial records

1           between a bank and other banks or financial institutions  
2           or commercial enterprises for the purpose of conducting  
3           due diligence pursuant to a purchase or sale involving the  
4           bank or assets or liabilities of the bank.

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

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

10          (9) The furnishing of information under the Illinois  
11          Income Tax Act and the Illinois Estate and  
12          Generation-Skipping Transfer Tax Act.

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

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

20          (12) The furnishing of information about the existence  
21          of an account of a person to a judgment creditor of that  
22          person who has made a written request for that  
23          information.

24          (13) The exchange in the regular course of business of  
25          information between commonly owned banks in connection  
26          with a transaction authorized under paragraph (23) of

1 Section 5 and conducted at an affiliate facility.

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

20 (15) The exchange in the regular course of business of  
21 information between a bank and any commonly owned  
22 affiliate of the bank, subject to the provisions of the  
23 Financial Institutions Insurance Sales Law.

24 (16) The furnishing of information to law enforcement  
25 authorities, the Illinois Department on Aging and its  
26 regional administrative and provider agencies, the

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

26 (17) The disclosure of financial records or



1 information as necessary to effect, administer, or enforce  
2 a transaction requested or authorized by the customer, or  
3 in connection with:

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

6 (B) maintaining or servicing a customer's account  
7 with the bank; or

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

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

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

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

26 (B) (1) For purposes of this paragraph (19) of

1 subsection (b) of Section 48.1, a "private label credit  
2 program" means a credit program involving a financial  
3 institution and a private label party that is used by a  
4 customer of the financial institution and the private  
5 label party primarily for payment for goods or services  
6 sold, manufactured, or distributed by a private label  
7 party.

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

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

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

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

25 (3) be tendered to the bank at the earliest  
26 practicable time following its execution,

1 certification, and notarization;

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

4 (5) be in substantially the following form:

5 CUSTOMER CONSENT AND AUTHORIZATION  
6 FOR RELEASE OF FINANCIAL RECORDS

7 I, ..... , hereby authorize  
8 (Name of Customer)

9 .....  
10 (Name of Financial Institution)

11 .....  
12 (Address of Financial Institution)

13 to disclose the following financial records:

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

1 information regarding me in the possession of the Financial  
2 Institution,

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

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

9 I understand that this Consent and Authorization may be  
10 revoked by me in writing at any time before my financial  
11 records, as described above, are disclosed, and that this  
12 Consent and Authorization is valid until the Financial  
13 Institution receives my written revocation. This Consent and  
14 Authorization shall constitute valid authorization for the  
15 Department identified above to inspect all such financial  
16 records set forth above, and to request and receive copies of  
17 such financial records from the Financial Institution (subject  
18 to such records search and reproduction reimbursement policies  
19 as the Financial Institution may have in place). An executed  
20 copy of this Consent and Authorization shall be sufficient and  
21 as good as the original and permission is hereby granted to  
22 honor a photostatic or electronic copy of this Consent and  
23 Authorization. Disclosure is strictly limited to the

1 Department identified above and no other person or entity  
 2 shall receive my financial records pursuant to this Consent  
 3 and Authorization. By signing this form, I agree to indemnify  
 4 and hold the Financial Institution harmless from any and all  
 5 claims, demands, and losses, including reasonable attorneys  
 6 fees and expenses, arising from or incurred in its reliance on  
 7 this Consent and Authorization. As used herein, "Customer"  
 8 shall mean "Member" if the Financial Institution is a credit  
 9 union.

10 .....  
 11

(Date)

(Signature of Customer)

12 .....  
 13

13 .....  
 14

(Address of Customer)

15 .....  
 16

(Customer's birth date)

17 .....  
 (month/day/year)

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

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

7 Dated: .....

8 (Signature of Witness)

9 .....

10 (Print Name of Witness)

11 .....

12 .....

13 (Address of Witness)

14 State of Illinois)

15 ) ss.

16 County of .....)

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

1 acknowledged signing and delivering the instrument as the free  
2 and voluntary act of the customer for the uses and purposes  
3 therein set forth.

4 Dated: .....

5 Notary Public: .....

6 My commission expires: .....

7 (B) In no event shall the bank distribute the  
8 customer's financial records to the long-term care  
9 facility from which the customer seeks initial or  
10 continuing residency or long-term care services.

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

23 (D) A bank shall be reimbursed by the customer for all  
24 costs reasonably necessary and directly incurred in

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

13 (E) Nothing in this paragraph (20) shall impair,  
14 abridge, or abrogate the right of a customer 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 customer's  
19 financial records and disclose those financial records  
20 to the Department.

21 (F) For purposes of this paragraph (20), "Department"  
22 means the Department of Human Services and the Department  
23 of Healthcare and Family Services or any successor  
24 administrative agency of either agency.

25 (c) Except as otherwise provided by this Act, a bank may  
26 not disclose to any person, except to the customer or his duly



1 authorized agent, any financial records or financial  
2 information obtained from financial records relating to that  
3 customer of that bank unless:

4 (1) the customer has authorized disclosure to the  
5 person;

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

10 (3) the bank is attempting to collect an obligation  
11 owed to the bank and the bank complies with the provisions  
12 of Section 2I of the Consumer Fraud and Deceptive Business  
13 Practices Act.

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

1 bank has consented to receive electronic delivery and the  
2 customer ~~, if the person establishing the relationship with~~  
3 ~~the bank is a consumer, the person~~ has consented under the  
4 consumer consent provisions set forth in Section 7001 of Title  
5 15 of the United States Code), unless the bank is specifically  
6 prohibited from notifying the customer ~~person~~ by order of  
7 court or by applicable State or federal law. A bank shall not  
8 mail a copy of a subpoena to any customer ~~person~~ pursuant to  
9 this subsection if the subpoena was issued by a grand jury  
10 ~~under the Statewide Grand Jury Act.~~

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

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

20 (g) A bank shall be reimbursed for costs that are  
21 reasonably necessary and that have been directly incurred in  
22 searching for, reproducing, or transporting books, papers,  
23 records, or other data required or requested to be produced  
24 pursuant to a lawful subpoena, summons, warrant, citation to  
25 discover assets, or court order. The Commissioner shall  
26 determine the rates and conditions under which payment may be

1 made.

2 (h) For the purposes of this Section, the term "customer"  
3 means an individual who obtains a financial product or service  
4 primarily for personal, family, or household purposes, or that  
5 individual's legal representative.

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

7 (205 ILCS 5/48.2) (from Ch. 17, par. 360.1)

8 Sec. 48.2. Prohibition against certain activities.

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

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

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

15 (B) legal services rendered to the borrower;

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

17 (D) real estate or property management services;

18 (2) require that insurance services, legal services,  
19 real estate services or property management services be  
20 placed with any subsidiary, affiliate, officer or employee  
21 of any bank.

22 (b) Any bank or subsidiary, affiliate, employee, officer,  
23 banking house, branch bank, branch office, additional office  
24 or agency of such bank that is transacting an insurance  
25 business in this State shall comply with Article XLIV of the

1 Illinois Insurance Code.

2 (c) Any officer or employee of a bank or its affiliates or  
3 subsidiaries who violates this Section is guilty of a business  
4 offense, and upon conviction shall be fined not more than  
5 \$1,000. This Section does not create a private cause of action  
6 for civil damages.

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

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

14 (e) Any bank, affiliate or subsidiary of such bank which  
15 shall engage in making residential mortgage financing  
16 transactions, shall with respect to each such transaction,  
17 provide the following:

18 (1) if a contractual obligation is intended to a  
19 borrower, a mortgage commitment which shall set forth the  
20 material terms, conditions and contingencies of such  
21 commitment;

22 (2) if the servicing of a residential mortgage shall  
23 be transferred from the original mortgagee, within 45 days  
24 of such transfer, written notice ~~sent by certified mail,~~  
25 ~~return receipt requested,~~ to the mortgagor ~~at the address~~  
26 ~~of the property, unless the mortgagor shall have directed~~

1 ~~correspondence from the mortgagee shall be sent to another~~  
2 ~~address,~~ which notice shall set forth: the name and  
3 address of the transferee; the name, address and telephone  
4 number to which inquiries by the residential mortgagor  
5 should be addressed; and the name and address to which the  
6 next 3 monthly installments are to be submitted to the  
7 transferee and the amount of each of such monthly  
8 installment; and

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

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

16 (205 ILCS 5/49) (from Ch. 17, par. 361)

17 Sec. 49. False statements; penalty. It is unlawful for any  
18 officer, director, or employee of any State bank or subsidiary  
19 or holding company of that bank or, after May 31, 1997, branch  
20 out of an out-of-state bank subject to examination by the  
21 Commissioner or any person filing an application or notice or  
22 submitting information in connection with an application or  
23 notice with the Commissioner to willfully and knowingly  
24 subscribe to or make, or cause to be made, any false statement  
25 or false entry with intent to deceive any person or persons

1 authorized to examine into the affairs of the bank or the  
2 subsidiary or holding company of that bank, the branch of an  
3 out-of-state bank, or the applicant or with intent to deceive  
4 the Commissioner or his administrative officers in the  
5 performance of their duties under this Act. A person who  
6 violates this Section shall be subject to the provisions of  
7 Section 48. Where financial loss to a bank is caused by those  
8 statements, the penalties shall be commensurate with that loss  
9 ~~is guilty of a Class 3 felony.~~

10 (Source: P.A. 92-483, eff. 8-23-01.)

11 (205 ILCS 5/78) (from Ch. 17, par. 390)

12 Sec. 78. Board of banks and trust companies; creation,  
13 members, appointment. There is created a Board which shall be  
14 known as the State Banking Board of Illinois which shall  
15 consist of the Director of Banking, who shall be its chairman,  
16 and 12 additional members. The Board shall be comprised of  
17 individuals interested in the banking industry. One member ~~Two~~  
18 ~~members~~ shall be from State banks having total assets of not  
19 more than \$75,000,000 at the time of their appointment; one  
20 member ~~2 members~~ shall be from State banks having total assets  
21 of more than \$75,000,000, but not more than \$150,000,000 at  
22 the time of their appointment; one member ~~2 members~~ shall be  
23 from State banks having total assets of more than  
24 \$150,000,000, but not more than \$500,000,000 at the time of  
25 their appointment; one member ~~2 members~~ shall be from State

1 banks having total assets of more than \$500,000,000, but not  
2 more than \$2,000,000,000 at the time of their appointment; one  
3 member shall be from a State bank having total assets of more  
4 than \$2,000,000,000 at the time of his or her appointment;  
5 five members shall be from State banks and shall be selected by  
6 the Secretary with the advice and recommendation of the  
7 Illinois Bankers Association and the Community Bankers  
8 Association of Illinois; and one member shall be from a  
9 savings bank organized under the Savings Bank Act. There shall  
10 be one alternate member from a savings bank organized under  
11 the Savings Bank Act whose role shall be to attend a meeting of  
12 the State Banking Board if and only if the sitting member from  
13 a savings bank is unable to attend the meeting. There shall be  
14 2 public members, neither of whom shall be an officer or  
15 director of or owner, whether directly or indirectly, of more  
16 than 5% of the outstanding capital stock of any bank or savings  
17 bank. Members of the State Banking Board of Illinois cease to  
18 be eligible to serve on the Board once they no longer meet the  
19 requirements of their original appointment; however, a member  
20 from a State bank shall not be disqualified solely due to a  
21 change in the bank's asset size.

22 (Source: P.A. 99-39, eff. 1-1-16; 100-783, eff. 8-10-18.)

23 (205 ILCS 5/80) (from Ch. 17, par. 392)

24 Sec. 80. Board; powers. The Board shall have the following  
25 powers in addition to any others that may be granted to it by



1 law:

2 (a) (Blank).

3 (b) To review, consider, and make recommendations to the  
4 Director of Banking upon any banking matters.

5 (c) (Blank).

6 (d) (Blank).

7 (e) To review, consider, and submit to the Director of  
8 Banking and to the Governor proposals for amendments to this  
9 Act or for changes in or additions to the administration  
10 thereof which in the opinion of the Board are necessary or  
11 desirable in order to assure the safe and sound conduct of the  
12 banking business.

13 (f) To require the Secretary to furnish the Board space  
14 for meetings to be held by the Board as well as to require the  
15 Secretary to provide such clerical and technical assistance as  
16 the Board may require.

17 (g) To adopt its own by-laws with respect to Board  
18 meetings and procedures. Such by-laws shall provide that:

19 (i) At least half ~~A majority~~ of the whole Board  
20 constitutes a quorum.

21 (ii) A majority of the quorum shall constitute  
22 effective action except that a vote of a majority of the  
23 whole Board shall be necessary for recommendations made to  
24 the Director of Banking and to the Governor with regard to  
25 proposed amendments to this Act or to the administrative  
26 practices hereunder.

1           (iii) The Board shall meet at least once in each  
2           calendar year and upon the call of the Director of Banking  
3           or a majority of the Board. The Director of Banking or a  
4           majority of the Board may call such special or additional  
5           meetings as may be deemed necessary or desirable.

6           (h) (Blank).

7           (i) (Blank).

8           (j) (Blank).

9           (k) (Blank).

10          (l) (Blank).

11          (m) To authorize the transfer of funds from the Illinois  
12          Bank Examiners' Education Fund to the Bank and Trust Company  
13          Fund. Any amount transferred shall be retransferred to the  
14          Illinois Bank Examiners' Education Fund from the Bank and  
15          Trust Company Fund within 3 years.

16          (n) To maintain and direct the investments of the Illinois  
17          Bank Examiners' Education Fund.

18          (o) To evaluate various courses, programs, curricula, and  
19          schools of continuing education and professional training that  
20          are available from within the United States for State banking  
21          department examination personnel and develop a program known  
22          as the Illinois Bank Examiners' Education Program. The Board  
23          shall determine which courses, programs, curricula, and  
24          schools will be included in the Program to be funded by the  
25          Foundation.

26          (p) To authorize the transfer of funds from the Bank and

1 Trust Company Fund.

2 (Source: P.A. 96-1163, eff. 1-1-11.)

3 Section 10. The Savings Bank Act is amended by changing  
4 Sections 1008, 4002, 4003, 4013, 6002, 7005, 8002, 8016, and  
5 11008 as follows:

6 (205 ILCS 205/1008) (from Ch. 17, par. 7301-8)

7 Sec. 1008. General corporate powers.

8 (a) A savings bank operating under this Act shall be a body  
9 corporate and politic and shall have all of the powers  
10 conferred by this Act including, but not limited to, the  
11 following powers:

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

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

17 (3) To act as a fiscal agent for the United States, the  
18 State of Illinois or any department, branch, arm, or  
19 agency of the State or any unit of local government or  
20 school district in the State, when duly designated for  
21 that purpose, and as agent to perform reasonable functions  
22 as may be required of it.

23 (4) To become a member of or deal with any corporation  
24 or agency of the United States or the State of Illinois, to

1 the extent that the agency assists in furthering or  
2 facilitating its purposes or powers and to that end to  
3 purchase stock or securities thereof or deposit money  
4 therewith, and to comply with any other conditions of  
5 membership or credit.

6 (5) To make donations in reasonable amounts for the  
7 public welfare or for charitable, scientific, religious,  
8 or educational purposes.

9 (6) To adopt and operate reasonable insurance, bonus,  
10 profit sharing, and retirement plans for officers and  
11 employees and for directors including, but not limited to,  
12 advisory, honorary, and emeritus directors, who are not  
13 officers or employees.

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

19 (8) To purchase stock or membership interests in  
20 service corporations and to invest in any form of  
21 indebtedness of any service corporation as defined in this  
22 Act, subject to regulations of the Secretary.

23 (9) To purchase stock of a corporation whose principal  
24 purpose is to operate a safe deposit company or escrow  
25 service company.

26 (10) To exercise all the powers necessary to qualify

1 as a trustee or custodian under federal or State law,  
2 provided that the authority to accept and execute trusts  
3 is subject to the provisions of the Corporate Fiduciary  
4 Act and to the supervision of those activities by the  
5 Secretary.

6 (11) (Blank).

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

9 (13) To borrow or incur an obligation; and to pledge  
10 its assets:

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

13 (B) to secure deposits;

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

16 (D) (blank); and

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

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

26 (15) Subject to the regulations of the Secretary, to

1 own and lease personal property acquired by the savings  
2 bank at the request of a prospective lessee and, upon the  
3 agreement of that person, to lease the personal property.

4 (16) To establish temporary service booths at any  
5 International Fair in this State that is approved by the  
6 United States Department of Commerce for the duration of  
7 the international fair for the purpose of providing a  
8 convenient place for foreign trade customers to exchange  
9 their home countries' currency into United States currency  
10 or the converse. To provide temporary periodic service to  
11 persons residing in a bona fide nursing home, senior  
12 citizens' retirement home, or long-term care facility.  
13 These powers shall not be construed as establishing a new  
14 place or change of location for the savings bank providing  
15 the service booth.

16 (17) To indemnify its officers, directors, employees,  
17 and agents, as authorized for corporations under Section  
18 8.75 of the Business Corporation Act of 1983.

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

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

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

25 (21) Subject to the regulations of the Secretary, to  
26 issue credit cards, extend credit therewith, and otherwise

1 engage in or participate in credit card operations.

2 (22) To purchase for its own account shares of stock  
3 of a bankers' bank, described in Section 13(b)(1) of the  
4 Illinois Banking Act, on the same terms and conditions as  
5 a bank may purchase such shares. In no event shall the  
6 total amount of such stock held by a savings bank in such  
7 bankers' bank exceed 10% of its capital and surplus  
8 (including undivided profits) and in no event shall a  
9 savings bank acquire more than 5% of any class of voting  
10 securities of such bankers' bank.

11 (23) With respect to affiliate facilities:

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

26 (B) to authorize an affiliated depository

1 institution to conduct for and on behalf of it, any of  
2 the transactions listed in this subsection at one or  
3 more affiliate facilities.

4 A savings bank intending to conduct or to authorize an  
5 affiliated depository institution to conduct at an  
6 affiliate facility any of the transactions specified in  
7 this subsection shall give written notice to the Secretary  
8 ~~at least 30 days~~ before any such transaction is conducted  
9 at an affiliate facility. All conduct under this  
10 subsection shall be on terms consistent with safe and  
11 sound banking practices and applicable law.

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

26 (25) To become a member of the Federal Home Loan Bank



1 and to have the powers granted to a savings association  
2 organized under the Illinois Savings and Loan Act of 1985  
3 or the laws of the United States, subject to regulations  
4 of the Secretary.

5 (26) To offer any product or service that is at the  
6 time authorized or permitted to a bank by applicable law,  
7 but subject always to the same limitations and  
8 restrictions that are applicable to the bank for the  
9 product or service by such applicable law and subject to  
10 the applicable provisions of the Financial Institutions  
11 Insurance Sales Law and rules of the Secretary.

12 (b) If this Act or the regulations adopted under this Act  
13 fail to provide specific guidance in matters of corporate  
14 governance, the provisions of the Business Corporation Act of  
15 1983 may be used, or if the savings bank is a limited liability  
16 company, the provisions of the Limited Liability Company Act  
17 shall be used.

18 (c) A savings bank may be organized as a limited liability  
19 company, may convert to a limited liability company, or may  
20 merge with and into a limited liability company, under the  
21 applicable laws of this State and of the United States,  
22 including any rules promulgated thereunder. A savings bank  
23 organized as a limited liability company shall be subject to  
24 the provisions of the Limited Liability Company Act in  
25 addition to this Act, provided that if a provision of the  
26 Limited Liability Company Act conflicts with a provision of

1 this Act or with any rule of the Secretary, the provision of  
2 this Act or the rule of the Secretary shall apply.

3 Any filing required to be made under the Limited Liability  
4 Company Act shall be made exclusively with the Secretary, and  
5 the Secretary shall possess the exclusive authority to  
6 regulate the savings bank as provided in this Act.

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

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

13 The Secretary may promulgate rules to ensure that a  
14 savings bank that is a limited liability company (i) is  
15 operating in a safe and sound manner and (ii) is subject to the  
16 Secretary's authority in the same manner as a savings bank  
17 that is organized in stock form.

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

19 (205 ILCS 205/4002) (from Ch. 17, par. 7304-2)

20 Sec. 4002. Annual and special meetings. Dates of annual  
21 meetings of members or stockholders shall be specified in the  
22 bylaws. Failure to hold an annual meeting shall not cause a  
23 forfeiture or dissolution of the savings bank. Special  
24 meetings may be called by the board of directors, the holders  
25 of not less than 25% of the outstanding capital stock shares,

1 or by any other person as the bylaws may designate. The  
2 Commissioner may also call a special meeting with not less  
3 than 12 hours written or oral notice. Every annual or special  
4 meeting shall be held at the business office of the savings  
5 bank ~~or, if the space is inadequate,~~ in another place within  
6 the same county as shall be specifically designated in the  
7 notice of the meeting, or virtually. Unless expressly  
8 prohibited by the articles of incorporation or bylaws and  
9 subject to applicable requirements of this Act, the board of  
10 directors may provide by resolution that members or  
11 stockholders may attend, participate in, act in, and vote at  
12 an annual meeting or special meeting through the use of a  
13 conference telephone or interactive technology, including, but  
14 not limited to, electronic transmission, internet usage, or  
15 remote communication, by means of which all persons  
16 participating in the meeting can communicate with each other.  
17 Participation through the use of a conference telephone or  
18 interactive technology shall constitute attendance, presence,  
19 and representation in person at the annual meeting or special  
20 meeting of the person or persons so participating and count  
21 towards the quorum required to conduct business at the  
22 meeting. The following conditions shall apply to any virtual  
23 meeting of members or stockholders:

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

1       (b) members or stockholders must receive notice of the use  
2       of a virtual meeting format and appropriate instructions for  
3       joining, participating, and voting during the virtual meeting  
4       at least 7 days before the virtual meeting.

5       (Source: P.A. 86-1213.)

6               (205 ILCS 205/4003) (from Ch. 17, par. 7304-3)

7               Sec. 4003. Notice of meetings.

8               (a) Notice of an annual meeting shall ~~be published once~~  
9       ~~not fewer than 10 days nor more than 40 days before the date of~~  
10       ~~the meeting. The notice shall also be displayed at the place of~~  
11       ~~business of the savings bank in a manner to be prescribed by~~  
12       ~~the Commissioner. The notice must state the time, place, and~~  
13       ~~purpose of the meeting.~~

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

1 deemed to be delivered on the date on which it has been  
2 postmarked.

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

4 (205 ILCS 205/4013) (from Ch. 17, par. 7304-13)

5 Sec. 4013. Access to books and records; communication with  
6 members and shareholders.

7 (a) Every member or shareholder shall have the right to  
8 inspect books and records of the savings bank that pertain to  
9 his accounts. Otherwise, the right of inspection and  
10 examination of the books and records shall be limited as  
11 provided in this Act, and no other person shall have access to  
12 the books and records nor shall be entitled to a list of the  
13 members or shareholders.

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

1 (c) This Section does not prohibit:

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

8 (2) The examination of any financial records by, or  
9 the furnishing of financial records by a savings bank to,  
10 any officer, employee, or agent of the Commissioner of  
11 Banks and Real Estate or the federal depository  
12 institution regulator for use solely in the exercise of  
13 his duties as an officer, employee, or agent.

14 (3) The publication of data furnished from financial  
15 records relating to members or holders of capital where  
16 the data cannot be identified to any particular member,  
17 shareholder, or account.

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

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

23 (6) The exchange in the regular course of business of  
24 (i) credit information between a savings bank and other  
25 savings banks or financial institutions or commercial  
26 enterprises, directly or through a consumer reporting

1 agency or (ii) financial records or information derived  
2 from financial records between a savings bank and other  
3 savings banks or financial institutions or commercial  
4 enterprises for the purpose of conducting due diligence  
5 pursuant to a purchase or sale involving the savings bank  
6 or assets or liabilities of the savings bank.

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

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

12 (9) The furnishing of information pursuant to the  
13 Illinois Income Tax Act and the Illinois Estate and  
14 Generation-Skipping Transfer Tax Act.

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

18 (11) The furnishing of information pursuant to any  
19 other statute which by its terms or by regulations  
20 promulgated thereunder requires the disclosure of  
21 financial records other than by subpoena, summons,  
22 warrant, or court order.

23 (12) The furnishing of information in accordance with  
24 the federal Personal Responsibility and Work Opportunity  
25 Reconciliation Act of 1996. Any savings bank governed by  
26 this Act shall enter into an agreement for data exchanges

1 with a State agency provided the State agency pays to the  
2 savings bank a reasonable fee not to exceed its actual  
3 cost incurred. A savings bank providing information in  
4 accordance with this item shall not be liable to any  
5 account holder or other person for any disclosure of  
6 information to a State agency, for encumbering or  
7 surrendering any assets held by the savings bank in  
8 response to a lien or order to withhold and deliver issued  
9 by a State agency, or for any other action taken pursuant  
10 to this item, including individual or mechanical errors,  
11 provided the action does not constitute gross negligence  
12 or willful misconduct. A savings bank shall have no  
13 obligation to hold, encumber, or surrender assets until it  
14 has been served with a subpoena, summons, warrant, court  
15 or administrative order, lien, or levy.

16 (13) The furnishing of information to law enforcement  
17 authorities, the Illinois Department on Aging and its  
18 regional administrative and provider agencies, the  
19 Department of Human Services Office of Inspector General,  
20 or public guardians: (i) upon subpoena by the  
21 investigatory entity or the guardian, or (ii) if there is  
22 suspicion by the savings bank that a customer who is an  
23 elderly person or person with a disability has been or may  
24 become the victim of financial exploitation. For the  
25 purposes of this item (13), the term: (i) "elderly person"  
26 means a person who is 60 or more years of age, (ii) "person



1 with a disability" means a person who has or reasonably  
2 appears to the savings bank to have a physical or mental  
3 disability that impairs his or her ability to seek or  
4 obtain protection from or prevent financial exploitation,  
5 and (iii) "financial exploitation" means tortious or  
6 illegal use of the assets or resources of an elderly  
7 person or person with a disability, and includes, without  
8 limitation, misappropriation of the assets or resources of  
9 the elderly person or person with a disability by undue  
10 influence, breach of fiduciary relationship, intimidation,  
11 fraud, deception, extortion, or the use of assets or  
12 resources in any manner contrary to law. A savings bank or  
13 person furnishing information pursuant to this item (13)  
14 shall be entitled to the same rights and protections as a  
15 person furnishing information under the Adult Protective  
16 Services Act and the Illinois Domestic Violence Act of  
17 1986.

18 (14) The disclosure of financial records or  
19 information as necessary to effect, administer, or enforce  
20 a transaction requested or authorized by the member or  
21 holder of capital, or in connection with:

22 (A) servicing or processing a financial product or  
23 service requested or authorized by the member or  
24 holder of capital;

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

1           (C) a proposed or actual securitization or  
2 secondary market sale (including sales of servicing  
3 rights) related to a transaction of a member or holder  
4 of capital.

5           Nothing in this item (14), however, authorizes the  
6 sale of the financial records or information of a member  
7 or holder of capital without the consent of the member or  
8 holder of capital.

9           (15) The exchange in the regular course of business of  
10 information between a savings bank and any commonly owned  
11 affiliate of the savings bank, subject to the provisions  
12 of the Financial Institutions Insurance Sales Law.

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

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

25           (b) (1) For purposes of this paragraph (17) of  
26 subsection (c) of Section 4013, a "private label credit

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

7 (2) For purposes of this paragraph (17) of subsection  
8 (c) of Section 4013, a "private label party" means, with  
9 respect to a private label credit program, any of the  
10 following: a retailer, a merchant, a manufacturer, a trade  
11 group, or any such person's affiliate, subsidiary, member,  
12 agent, or service provider.

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

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

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

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

1                   (4) specifically limit the disclosure of the  
 2                   customer'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 savings bank distribute the  
7 customer's financial records to the long-term care  
8 facility from which the customer seeks initial or  
9 continuing residency or long-term care services.

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

23 (d) A savings bank shall be reimbursed by the customer  
24 for all costs reasonably necessary and directly incurred



1 in searching for, reproducing, and disclosing a customer's  
2 financial records required or requested to be produced  
3 pursuant to any consent and authorization executed under  
4 this paragraph (18). The requested financial records shall  
5 be delivered to the Department within 10 days after  
6 receiving a properly executed consent and authorization or  
7 at the earliest practicable time thereafter if the  
8 requested records cannot be delivered within 10 days, but  
9 delivery may be delayed until the final reimbursement of  
10 all costs is received by the savings bank. The savings  
11 bank may honor a photostatic or electronic copy of a  
12 properly executed consent and authorization.

13 (e) Nothing in this paragraph (18) shall impair,  
14 abridge, or abrogate the right of a customer 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 customer's  
19 financial records and disclose those financial records  
20 to the Department.

21 (f) For purposes of this paragraph (18), "Department"  
22 means the Department of Human Services and the Department  
23 of Healthcare and Family Services or any successor  
24 administrative agency of either agency.

25 (d) A savings bank may not disclose to any person, except  
26 to the member or holder of capital or his duly authorized

1 agent, any financial records relating to that member or  
2 shareholder of the savings bank unless:

3 (1) the member or shareholder has authorized  
4 disclosure to the person; or

5 (2) the financial records are disclosed in response to  
6 a lawful subpoena, summons, warrant, citation to discover  
7 assets, or court order that meets the requirements of  
8 subsection (e) of this Section.

9 (e) A savings bank shall disclose financial records under  
10 subsection (d) of this Section pursuant to a lawful subpoena,  
11 summons, warrant, citation to discover assets, or court order  
12 only after the savings bank sends a copy of the subpoena,  
13 summons, warrant, citation to discover assets, or court order  
14 to the person establishing the relationship with the savings  
15 bank, if living, and otherwise, the person's personal  
16 representative, if known, at the person's last known address  
17 by first class mail, postage prepaid, through a third-party  
18 commercial carrier or courier with delivery charge fully  
19 prepaid, by hand delivery, or by electronic delivery at an  
20 email address on file with the savings bank (if the person  
21 establishing the relationship with the savings bank has  
22 consented to receive electronic delivery and, if the person  
23 establishing the relationship with the savings bank is a  
24 consumer, the person has consented under the consumer consent  
25 provisions set forth in Section 7001 of Title 15 of the United  
26 States Code), unless the savings bank is specifically

1 prohibited from notifying the person by order of court or by  
2 applicable State or federal law. A savings bank shall not mail  
3 a copy of a subpoena to any person pursuant to this subsection  
4 if the subpoena was issued by a grand jury.

5 (f) Any officer or employee of a savings bank who  
6 knowingly and willfully furnishes financial records in  
7 violation of this Section is guilty of a business offense and,  
8 upon conviction, shall be fined not more than \$1,000.

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

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

1 (i) A savings bank shall be reimbursed for costs that are  
2 necessary and that have been directly incurred in searching  
3 for, reproducing, or transporting books, papers, records, or  
4 other data of a customer required to be reproduced pursuant to  
5 a lawful subpoena, warrant, citation to discover assets, or  
6 court order.

7 (j) Notwithstanding the provisions of this Section, a  
8 savings bank may sell or otherwise make use of lists of  
9 customers' names and addresses. All other information  
10 regarding a customer's account is subject to the disclosure  
11 provisions of this Section. At the request of any customer,  
12 that customer's name and address shall be deleted from any  
13 list that is to be sold or used in any other manner beyond  
14 identification of the customer's accounts.

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

16 (205 ILCS 205/6002) (from Ch. 17, par. 7306-2)

17 Sec. 6002. Investment in loans.

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

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

23 (2) On the security of real estate:

24 (A) of a value, determined in accordance with this  
25 Act, sufficient to provide good and ample security for

1 the loan;

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

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

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

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

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

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

26 (5) Through the purchase of loans that, at the time of

1 purchase, the savings bank could make in accordance with  
2 this Section and the bylaws.

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

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

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

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

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

1 by the savings bank.

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

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

19 (13) For the purpose of automobile financing, subject  
20 to the regulation of the Commissioner.

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

23 (15) Through revolving lines of credit on the security  
24 of a first or junior lien on the borrower's personal  
25 residence, based primarily on the borrower's equity, the  
26 proceeds of which may be used for any purpose; those loans

1 being commonly referred to as home equity loans.

2 (16) As secured or unsecured credit to cover the  
3 payment of checks, drafts, or other funds transfer orders  
4 in excess of the available balance of an account on which  
5 they are drawn, subject to the regulations of the  
6 Commissioner.

7 (17) Subject to the conditions and limitations imposed  
8 in the Illinois Department of Financial and Professional  
9 Regulation Division of Banking Interpretive Letter 2017-01  
10 (May 2, 2017), through the purchase of fixed rate annuity  
11 contracts.

12 (b) For purposes of this Section, "real estate" includes a  
13 manufactured home as defined in subdivision (53) of Section  
14 9-102 of the Uniform Commercial Code which is real property as  
15 defined in Section 5-35 of the Conveyance and Encumbrance of  
16 Manufactured Homes as Real Property and Severance Act.

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

18 (205 ILCS 205/7005) (from Ch. 17, par. 7307-5)

19 Sec. 7005. Holders of deposit accounts.

20 (a) Deposit accounts of a savings bank may be held as  
21 follows:

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

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

25 (3) by a government or governmental instrumentality when



1 authorized by law; and

2 (4) by any corporation or other person when not prohibited  
3 by law.

4 (b) A savings bank may accept deposits made by a minor and  
5 may open an account in the name of such minor and the rules and  
6 regulations of such savings bank with respect to each such  
7 deposit and account shall be as binding upon such minor as if  
8 such minor were of full age and legal capacity. The receipt,  
9 acquittance or order of payment of such minor on such account  
10 or deposit or any part thereof shall be as binding upon such  
11 minor as if such minor were of full age and legal capacity.

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

13 (205 ILCS 205/8002) (from Ch. 17, par. 7308-2)

14 Sec. 8002. Procedure to amend articles.

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

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

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

24 (3) The proposed amendment shall be adopted upon  
25 receiving the affirmative vote of a majority of the votes

1 entitled to be cast, unless the articles of incorporation  
2 set forth a requirement that amendments of the articles of  
3 incorporation shall be adopted by an affirmative vote of  
4 two-thirds of the total number of votes entitled to be  
5 cast.

6 (b) A report of proceedings, including the notice given,  
7 the time of delivery mailing, the amendment adopted, the vote  
8 thereon, and the total number of votes entitled to be cast,  
9 verified by the president, vice president, or managing officer  
10 and attested to by the secretary of the savings bank, shall be  
11 filed with the Secretary within 5 business days after the  
12 vote.

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

24 (d) An amendment of the articles of incorporation approved  
25 by the board of directors, the Secretary, and members as part  
26 of merger, sale of substantially all assets, change in

1 control, holding company reorganization, or mutual to stock  
2 form conversion need not be approved under this Section.

3 (e) No amendment of articles of incorporation shall affect  
4 any existing cause of action either in favor of or against the  
5 savings bank or any pending action in which the savings bank  
6 shall be a party or the existing rights of persons other than  
7 members of the savings bank.

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

9 (205 ILCS 205/8016) (from Ch. 17, par. 7308-16)

10 Sec. 8016. Procedure for conversion from a savings bank  
11 charter.

12 (a) Nothing in this Act shall be construed to require the  
13 approval of State authority as a condition to the right of a  
14 savings bank, pursuant to the laws of the United States or of  
15 this State, to be converted into a national bank or any other  
16 depository institution chartered under the laws and  
17 regulations of this State or to merge with any other  
18 depository institution chartered under the laws and  
19 regulations of this State or with a national bank under a  
20 national charter. Any savings bank operating under this Act  
21 may convert to any other depository institution chartered  
22 under the laws and regulations of this State or under the laws  
23 and regulations of the United States in accordance with the  
24 following requirements:

25 (1) The converting savings bank shall notify the

1 Secretary of its intent to convert. Notice must ~~should~~ be  
2 submitted ~~when the savings bank first submits a request to~~  
3 ~~convert to the appropriate State or federal authorities,~~  
4 ~~but in no case less than 30 days~~ before the conversion.  
5 Approval of the conversion by the Secretary shall not be  
6 required ~~except when the savings bank converts to a~~  
7 ~~depository institution that is also chartered by the~~  
8 ~~Secretary in which case the savings bank shall comply with~~  
9 ~~State law and regulations applicable to the conversion to~~  
10 ~~such depository institution.~~

11 (2) The board of directors shall approve a plan of  
12 conversion by resolution adopted by majority vote of all  
13 of the directors.

14 (3) Upon notice prescribed by subsection (a) of  
15 Section 4003 of this Act, the plan of conversion shall be  
16 adopted upon receiving in the affirmative two-thirds or  
17 more of the total number of votes that all members of the  
18 savings bank are entitled to cast. A report of  
19 proceedings, certified by the president or a vice  
20 president and attested by the secretary of the savings  
21 bank, shall be filed promptly with the Secretary.

22 (4) The savings bank shall pay all accrued supervisory  
23 fees and other fees and assessments under this Act as of  
24 the date of conversion.

25 (5) Upon completion of the conversion, the charter of  
26 the savings bank shall automatically terminate and the

1 savings bank charter or a true copy of the charter shall be  
2 returned to the Secretary.

3 (b) (Blank).

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

5 (205 ILCS 205/11008) (from Ch. 17, par. 7311-8)

6 Sec. 11008. Unauthorized participation by convicted  
7 individual.

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

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

17 (c) (Blank). ~~Whoever knowingly violates subsection (a) or~~  
18 ~~(b) is guilty of a Class 3 felony and may be fined not more~~  
19 ~~than \$10,000 for each day of violation.~~

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

21 (205 ILCS 205/1007.100 rep.)

22 (205 ILCS 205/11011 rep.)

23 Section 15. The Savings Bank Act is amended by repealing  
24 Sections 1007.100 and 11011.

1           Section 99. Effective date. This Act takes effect upon  
2    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 5/14	from Ch. 17, par. 321
7	205 ILCS 5/15	from Ch. 17, par. 322
8	205 ILCS 5/16	from Ch. 17, par. 323
9	205 ILCS 5/16.5	
10	205 ILCS 5/20	from Ch. 17, par. 327
11	205 ILCS 5/32.1	from Ch. 17, par. 340
12	205 ILCS 5/40	from Ch. 17, par. 350
13	205 ILCS 5/48	
14	205 ILCS 5/48.1	from Ch. 17, par. 360
15	205 ILCS 5/48.2	from Ch. 17, par. 360.1
16	205 ILCS 5/49	from Ch. 17, par. 361
17	205 ILCS 5/78	from Ch. 17, par. 390
18	205 ILCS 5/80	from Ch. 17, par. 392
19	205 ILCS 205/1008	from Ch. 17, par. 7301-8
20	205 ILCS 205/4002	from Ch. 17, par. 7304-2
21	205 ILCS 205/4003	from Ch. 17, par. 7304-3
22	205 ILCS 205/4013	from Ch. 17, par. 7304-13
23	205 ILCS 205/6002	from Ch. 17, par. 7306-2
24	205 ILCS 205/7005	from Ch. 17, par. 7307-5
25	205 ILCS 205/8002	from Ch. 17, par. 7308-2

- 1 205 ILCS 205/8016 from Ch. 17, par. 7308-16
- 2 205 ILCS 205/11008 from Ch. 17, par. 7311-8
- 3 205 ILCS 205/1007.100 rep.
- 4 205 ILCS 205/11011 rep.