

SB1671



95TH GENERAL ASSEMBLY

State of Illinois

2007 and 2008

SB1671

Introduced 2/9/2007, by Sen. Jacqueline Y. Collins

SYNOPSIS AS INTRODUCED:

205 ILCS 605/4.1 new

Amends the Consumer Deposit Account Act. Requires financial institutions with assets of more than \$100,000,000 to extend basic checking services to under-served and low-income residents for direct deposit with the institution by third parties with no service charges, minimum balance, or minimum deposit requirements. Allows institutions to charge for stop payment orders and to deny no cost services to persons who have had a checking account closed, within 3 years, by an institution for insufficient funds. Effective immediately.

LRB095 07311 MJR 27450 b

A BILL FOR

1 AN ACT concerning regulation.

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

4 Section 1. The Consumer Deposit Account Act is amended by
5 adding Section 4.1 as follows:

6 (205 ILCS 605/4.1 new)

7 Sec. 4.1. Basic checking account.

8 (a) For the purpose of extending consumer banking services
9 to previously under-served and low-income Illinois residents,
10 except as provided in subsection (e), every financial
11 institution shall offer a Basic Checking Account to any person
12 who requests the account, unless within the previous 3 years
13 the person has had a checking account that was closed by a
14 financial institution because of checks returned due to
15 insufficient funds.

16 (b) A Basic Checking Account shall be established by a
17 written agreement with the account holder requiring direct
18 deposits with the financial institution by a third party of the
19 recurring payments due to the account holder on at least a
20 monthly basis. Except as provided in subsection (c) of this
21 Section, no other service charge, minimum balance, or minimum
22 deposit requirement may be imposed on a Basic Checking Account.

23 (c) No activity charge may be imposed for the first 10

1 checks drawn on a Basic Checking Account in any calendar month;
2 however, a financial institution may charge its customary fee
3 for a stop payment order or any transaction resulting in a
4 check returned due to insufficient funds. A financial
5 institution may close a Basic Checking Account if the stop
6 payment fees charged to the account exceed its balance and the
7 account holder fails to deposit funds to cover the amount by
8 which those charges exceed the balance within 30 days of the
9 institution having sent the holder written notice of the
10 requirement and the consequences of failing to meet it.

11 (d) A financial institution may offer any person a consumer
12 deposit account with terms that are more favorable to the
13 person than the terms required under this Section and may
14 designate the account as a Basic Checking Account.

15 (e) As a matter of public policy, all financial
16 institutions are encouraged to offer a Basic Checking Account;
17 however, financial institutions with total assets of less than
18 \$100,000,000 are not subject to the mandatory provisions of
19 this Section.

20 Section 99. Effective date. This Act takes effect upon
21 becoming law.