



98TH GENERAL ASSEMBLY

State of Illinois

2013 and 2014

SB2832

Introduced 1/30/2014, by Sen. Jacqueline Y. Collins

SYNOPSIS AS INTRODUCED:

205 ILCS 5/48.1	from Ch. 17, par. 360
205 ILCS 105/3-8	from Ch. 17, par. 3303-8
205 ILCS 205/4013	from Ch. 17, par. 7304-13
205 ILCS 305/10	from Ch. 17, par. 4411
305 ILCS 5/11-5.1	

Amends the Illinois Public Aid Code. Provides that whenever the State determines that asset verification is necessary for a determination of eligibility on the basis of being aged, blind, or disabled, the Department of Healthcare and Family Services shall require the applicant for or recipient of medical assistance and any other person whose resources are required by law to be disclosed to determine the eligibility of the applicant or recipient for such assistance to provide authorization for the State to obtain any financial records held by any financial institution with respect to the applicant's or recipient's or such other person's resources, as applicable, from any financial institution holding such records. Provides that the records shall be produced at no cost to the applicant, recipient, or such other person. Defines "financial institution" and "financial records". Amends the Illinois Banking Act, the Illinois Savings and Loan Act of 1985, the Savings Bank Act, and the Illinois Credit Union Act. Permits the financial institutions subject to those Acts to furnish information in accordance with the federal requirement of asset verification as set forth in the Social Security Act and pursuant to authorization by a medical assistance applicant or recipient or by any other person whose resources are required by law to be disclosed to determine the eligibility of the applicant or recipient for such assistance.

LRB098 15924 KTG 50971 b

FISCAL NOTE ACT
MAY APPLY

A BILL FOR

1 AN ACT concerning public aid.

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

4 Section 5. The Illinois Banking Act is amended by changing
5 Section 48.1

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 with
14 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 a
19 bank's business between a bank and its customer, including
20 financial statements or other financial information
21 provided by the customer.

22 (b) This Section does not prohibit:

23 (1) The preparation, examination, handling or

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

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

15 (3) The publication of data furnished from financial
16 records relating to customers where the data cannot be
17 identified to any particular customer 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 bank and other banks or
25 financial institutions or commercial enterprises, directly
26 or through a consumer reporting agency or (ii) financial

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

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

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

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

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

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

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

24 (17) The disclosure of financial records or
25 information as necessary to effect, administer, or enforce
26 a transaction requested or authorized by the customer, or

1 in connection with:

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

4 (B) maintaining or servicing a customer's account
5 with the bank; or

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

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

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

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

24 (b) (1) For purposes of this paragraph (19) of
25 subsection (b) of Section 48.1, a "private label credit
26 program" means a credit program involving a financial

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

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

11 (20) The furnishing of information in accordance with
12 the federal requirement of asset verification through
13 access to information held by financial institutions as set
14 forth in Section 1940 of the Social Security Act (42 U.S.C.
15 1396w) and pursuant to authorization by an applicant or
16 recipient of medical assistance under the Illinois Public
17 Aid Code or by any other person whose resources are
18 required by law to be disclosed to determine the
19 eligibility of the applicant or recipient for such
20 assistance. No bank shall charge a fee to the applicant or
21 recipient of medical assistance or to the State agency for
22 the furnishing of information under this paragraph (20). A
23 bank acting in accordance with this paragraph (20) shall
24 not be liable to any account holder or other person for any
25 disclosure of information to a State agency provided the
26 action does not constitute gross negligence or willful

1 misconduct.

2 (c) Except as otherwise provided by this Act, a bank may
3 not disclose to any person, except to the customer or his duly
4 authorized agent, any financial records or financial
5 information obtained from financial records relating to that
6 customer of that bank unless:

7 (1) the customer has authorized disclosure to the
8 person;

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

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

17 (d) A bank shall disclose financial records under paragraph
18 (2) of subsection (c) of this Section under a lawful subpoena,
19 summons, warrant, citation to discover assets, or court order
20 only after the bank mails a copy of the subpoena, summons,
21 warrant, citation to discover assets, or court order to the
22 person establishing the relationship with the bank, if living,
23 and, otherwise his personal representative, if known, at his
24 last known address by first class mail, postage prepaid, unless
25 the bank is specifically prohibited from notifying the person
26 by order of court or by applicable State or federal law. A bank

1 shall not mail a copy of a subpoena to any person pursuant to
2 this subsection if the subpoena was issued by a grand jury
3 under the Statewide Grand Jury Act.

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

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

13 (g) A bank shall be reimbursed for costs that are
14 reasonably necessary and that have been directly incurred in
15 searching for, reproducing, or transporting books, papers,
16 records, or other data of a customer required or requested to
17 be produced pursuant to a lawful subpoena, summons, warrant,
18 citation to discover assets, or court order. The Commissioner
19 shall determine the rates and conditions under which payment
20 may be made.

21 (Source: P.A. 98-49, eff. 7-1-13.)

22 Section 10. The Illinois Savings and Loan Act of 1985 is
23 amended by changing Section 3-8 as follows:

24 (205 ILCS 105/3-8) (from Ch. 17, par. 3303-8)

1 Sec. 3-8. Access to books and records; communication with
2 members.

3 (a) Every member or holder of capital shall have the right
4 to inspect the books and records of the association that
5 pertain to his account. Otherwise, the right of inspection and
6 examination of the books and records shall be limited as
7 provided in this Act, and no other person shall have access to
8 the books and records or shall be entitled to a list of the
9 members.

10 (b) For the purpose of this Section, the term "financial
11 records" means any original, any copy, or any summary of (i) a
12 document granting signature authority over a deposit or
13 account; (ii) a statement, ledger card, or other record on any
14 deposit or account that shows each transaction in or with
15 respect to that account; (iii) a check, draft, or money order
16 drawn on an association or issued and payable by an
17 association; or (iv) any other item containing information
18 pertaining to any relationship established in the ordinary
19 course of an association's business between an association and
20 its customer, including financial statements or other
21 financial information provided by the member or holder of
22 capital.

23 (c) This Section does not prohibit:

24 (1) The preparation, examination, handling, or
25 maintenance of any financial records by any officer,
26 employee, or agent of an association having custody of

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

4 (2) The examination of any financial records by, or the
5 furnishing of financial records by an association to, any
6 officer, employee, or agent of the Commissioner of Banks
7 and Real Estate or federal depository institution
8 regulator for use solely in the exercise of his duties as
9 an officer, employee, or agent.

10 (3) The publication of data furnished from financial
11 records relating to members or holders of capital where the
12 data cannot be identified to any particular member, holder
13 of capital, or account.

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

16 (5) Furnishing information concerning the dishonor of
17 any negotiable instrument permitted to be disclosed under
18 the Uniform Commercial Code.

19 (6) The exchange in the regular course of business of
20 (i) credit information between an association and other
21 associations or financial institutions or commercial
22 enterprises, directly or through a consumer reporting
23 agency or (ii) financial records or information derived
24 from financial records between an association and other
25 associations or financial institutions or commercial
26 enterprises for the purpose of conducting due diligence

1 pursuant to a purchase or sale involving the association or
2 assets or liabilities of the association.

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

6 (8) The furnishing of information pursuant to the
7 Uniform Disposition of Unclaimed Property Act.

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

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

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

19 (12) The exchange of information between an
20 association and an affiliate of the association; as used in
21 this item, "affiliate" includes any company, partnership,
22 or organization that controls, is controlled by, or is
23 under common control with an association.

24 (13) The furnishing of information in accordance with
25 the federal Personal Responsibility and Work Opportunity
26 Reconciliation Act of 1996. Any association governed by

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

17 (14) The furnishing of information to law enforcement
18 authorities, the Illinois Department on Aging and its
19 regional administrative and provider agencies, the
20 Department of Human Services Office of Inspector General,
21 or public guardians: (i) upon subpoena by the investigatory
22 entity or the guardian, or (ii) if there is suspicion by
23 the association that a customer who is an elderly or
24 disabled person has been or may become the victim of
25 financial exploitation. For the purposes of this item (14),
26 the term: (i) "elderly person" means a person who is 60 or

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

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

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

24 (B) maintaining or servicing an account of a member
25 or holder of capital with the association; or

26 (C) a proposed or actual securitization or

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

4 Nothing in this item (15), however, authorizes the sale
5 of the financial records or information of a member or
6 holder of capital without the consent of the member or
7 holder of capital.

8 (16) The disclosure of financial records or
9 information as necessary to protect against or prevent
10 actual or potential fraud, unauthorized transactions,
11 claims, or other liability.

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

20 (b) (1) For purposes of this paragraph (17) of
21 subsection (c) of Section 3-8, a "private label credit
22 program" means a credit program involving a financial
23 institution and a private label party that is used by a
24 customer of the financial institution and the private label
25 party primarily for payment for goods or services sold,
26 manufactured, or distributed by a private label party.

1 (2) For purposes of this paragraph (17) of subsection
2 (c) of Section 3-8, a "private label party" means, with
3 respect to a private label credit program, any of the
4 following: a retailer, a merchant, a manufacturer, a trade
5 group, or any such person's affiliate, subsidiary, member,
6 agent, or service provider.

7 (18) The furnishing of information in accordance with
8 the federal requirement of asset verification through
9 access to information held by financial institutions as set
10 forth in Section 1940 of the Social Security Act (42 U.S.C.
11 1396w) and pursuant to authorization by an applicant or
12 recipient of medical assistance under the Illinois Public
13 Aid Code or by any other person whose resources are
14 required by law to be disclosed to determine the
15 eligibility of the applicant or recipient for such
16 assistance. No association shall charge a fee to the
17 applicant or recipient of medical assistance or to the
18 State agency for the furnishing of information under this
19 paragraph (18). An association acting in accordance with
20 this paragraph (18) shall not be liable to any account
21 holder or other person for any disclosure of information to
22 a State agency provided the action does not constitute
23 gross negligence or willful misconduct.

24 (d) An association may not disclose to any person, except
25 to the member or holder of capital or his duly authorized
26 agent, any financial records relating to that member or holder

1 of capital of that association unless:

2 (1) The member or holder of capital has authorized
3 disclosure to the person; or

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

8 (e) An association shall disclose financial records under
9 subsection (d) of this Section pursuant to a lawful subpoena,
10 summons, warrant, citation to discover assets, or court order
11 only after the association mails a copy of the subpoena,
12 summons, warrant, citation to discover assets, or court order
13 to the person establishing the relationship with the
14 association, if living, and, otherwise, his personal
15 representative, if known, at his last known address by first
16 class mail, postage prepaid, unless the association is
17 specifically prohibited from notifying that person by order of
18 court.

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

23 (2) Any person who knowingly and willfully induces or
24 attempts to induce any officer or employee of an association to
25 disclose financial records in violation of this Section is
26 guilty of a business offense and, upon conviction, shall be

1 fined not more than \$1,000.

2 (g) However, if any member desires to communicate with the
3 other members of the association with reference to any question
4 pending or to be presented at a meeting of the members, the
5 association shall give him upon request a statement of the
6 approximate number of members entitled to vote at the meeting
7 and an estimate of the cost of preparing and mailing the
8 communication. The requesting member then shall submit the
9 communication to the Commissioner who, if he finds it to be
10 appropriate and truthful, shall direct that it be prepared and
11 mailed to the members upon the requesting member's payment or
12 adequate provision for payment of the expenses of preparation
13 and mailing.

14 (h) An association shall be reimbursed for costs that are
15 necessary and that have been directly incurred in searching
16 for, reproducing, or transporting books, papers, records, or
17 other data of a customer required to be reproduced pursuant to
18 a lawful subpoena, warrant, citation to discover assets, or
19 court order.

20 (Source: P.A. 98-49, eff. 7-1-13.)

21 Section 15. The Savings Bank Act is amended by changing
22 Section 4013 as follows:

23 (205 ILCS 205/4013) (from Ch. 17, par. 7304-13)

24 Sec. 4013. Access to books and records; communication with

1 members and shareholders.

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

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

21 (c) This Section does not prohibit:

22 (1) The preparation examination, handling, or
23 maintenance of any financial records by any officer,
24 employee, or agent of a savings bank having custody of
25 records or examination of records by a certified public
26 accountant engaged by the savings bank to perform an

1 independent audit.

2 (2) The examination of any financial records by, or the
3 furnishing of financial records by a savings bank to, any
4 officer, employee, or agent of the Commissioner of Banks
5 and Real Estate or the federal depository institution
6 regulator for use solely in the exercise of his duties as
7 an officer, employee, or agent.

8 (3) The publication of data furnished from financial
9 records relating to members or holders of capital where the
10 data cannot be identified to any particular member,
11 shareholder, or account.

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

14 (5) Furnishing information concerning the dishonor of
15 any negotiable instrument permitted to be disclosed under
16 the Uniform Commercial Code.

17 (6) The exchange in the regular course of business of
18 (i) credit information between a savings bank and other
19 savings banks or financial institutions or commercial
20 enterprises, directly or through a consumer reporting
21 agency or (ii) financial records or information derived
22 from financial records between a savings bank and other
23 savings banks or financial institutions or commercial
24 enterprises for the purpose of conducting due diligence
25 pursuant to a purchase or sale involving the savings bank
26 or assets or liabilities of the savings bank.

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

4 (8) The furnishing of information pursuant to the
5 Uniform Disposition of Unclaimed Property Act.

6 (9) The furnishing of information pursuant to the
7 Illinois Income Tax Act and the Illinois Estate and
8 Generation-Skipping Transfer Tax Act.

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

12 (11) The furnishing of information pursuant to any
13 other statute which by its terms or by regulations
14 promulgated thereunder requires the disclosure of
15 financial records other than by subpoena, summons,
16 warrant, or court order.

17 (12) The furnishing of information in accordance with
18 the federal Personal Responsibility and Work Opportunity
19 Reconciliation Act of 1996. Any savings bank governed by
20 this Act shall enter into an agreement for data exchanges
21 with a State agency provided the State agency pays to the
22 savings bank a reasonable fee not to exceed its actual cost
23 incurred. A savings bank providing information in
24 accordance with this item shall not be liable to any
25 account holder or other person for any disclosure of
26 information to a State agency, for encumbering or

1 surrendering any assets held by the savings bank in
2 response to a lien or order to withhold and deliver issued
3 by a State agency, or for any other action taken pursuant
4 to this item, including individual or mechanical errors,
5 provided the action does not constitute gross negligence or
6 willful misconduct. A savings bank shall have no obligation
7 to hold, encumber, or surrender assets until it has been
8 served with a subpoena, summons, warrant, court or
9 administrative order, lien, or levy.

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

1 limitation, misappropriation of the elderly or disabled
2 person's assets or resources by undue influence, breach of
3 fiduciary relationship, intimidation, fraud, deception,
4 extortion, or the use of assets or resources in any manner
5 contrary to law. A savings bank or person furnishing
6 information pursuant to this item (13) shall be entitled to
7 the same rights and protections as a person furnishing
8 information under the Adult Protective Services Act and the
9 Illinois Domestic Violence Act of 1986.

10 (14) The disclosure of financial records or
11 information as necessary to effect, administer, or enforce
12 a transaction requested or authorized by the member or
13 holder of capital, or in connection with:

14 (A) servicing or processing a financial product or
15 service requested or authorized by the member or holder
16 of capital;

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

19 (C) a proposed or actual securitization or
20 secondary market sale (including sales of servicing
21 rights) related to a transaction of a member or holder
22 of capital.

23 Nothing in this item (14), however, authorizes the sale
24 of the financial records or information of a member or
25 holder of capital without the consent of the member or
26 holder of capital.

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

5 (16) The disclosure of financial records or
6 information as necessary to protect against or prevent
7 actual or potential fraud, unauthorized transactions,
8 claims, or other liability.

9 (17) (a) The disclosure of financial records or
10 information related to a private label credit program
11 between a financial institution and a private label party
12 in connection with that private label credit program. Such
13 information is limited to outstanding balance, available
14 credit, payment and performance and account history,
15 product references, purchase information, and information
16 related to the identity of the customer.

17 (b) (1) For purposes of this paragraph (17) of
18 subsection (c) of Section 4013, a "private label credit
19 program" means a credit program involving a financial
20 institution and a private label party that is used by a
21 customer of the financial institution and the private label
22 party primarily for payment for goods or services sold,
23 manufactured, or distributed by a private label party.

24 (2) For purposes of this paragraph (17) of subsection
25 (c) of Section 4013, a "private label party" means, with
26 respect to a private label credit program, any of the

1 following: a retailer, a merchant, a manufacturer, a trade
2 group, or any such person's affiliate, subsidiary, member,
3 agent, or service provider.

4 (18) The furnishing of information in accordance with
5 the federal requirement of asset verification through
6 access to information held by financial institutions as set
7 forth in Section 1940 of the Social Security Act (42 U.S.C.
8 1396w) and pursuant to authorization by an applicant or
9 recipient of medical assistance under the Illinois Public
10 Aid Code or by any other person whose resources are
11 required by law to be disclosed to determine the
12 eligibility of the applicant or recipient for such
13 assistance. No savings bank shall charge a fee to the
14 applicant or recipient of medical assistance or to the
15 State agency for the furnishing of information under this
16 paragraph (18). A savings bank acting in accordance with
17 this paragraph (18) shall not be liable to any account
18 holder or other person for any disclosure of information to
19 a State agency provided the action does not constitute
20 gross negligence or willful misconduct.

21 (d) A savings bank may not disclose to any person, except
22 to the member or holder of capital or his duly authorized
23 agent, any financial records relating to that member or
24 shareholder of the savings bank unless:

25 (1) the member or shareholder has authorized
26 disclosure to the person; or

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

5 (e) A savings bank shall disclose financial records under
6 subsection (d) of this Section pursuant to a lawful subpoena,
7 summons, warrant, citation to discover assets, or court order
8 only after the savings bank mails a copy of the subpoena,
9 summons, warrant, citation to discover assets, or court order
10 to the person establishing the relationship with the savings
11 bank, if living, and otherwise, his personal representative, if
12 known, at his last known address by first class mail, postage
13 prepaid, unless the savings bank is specifically prohibited
14 from notifying the person by order of court.

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

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

24 (h) If any member or shareholder desires to communicate
25 with the other members or shareholders of the savings bank with
26 reference to any question pending or to be presented at an

1 annual or special meeting, the savings bank shall give that
2 person, upon request, a statement of the approximate number of
3 members or shareholders entitled to vote at the meeting and an
4 estimate of the cost of preparing and mailing the
5 communication. The requesting member shall submit the
6 communication to the Commissioner who, upon finding it to be
7 appropriate and truthful, shall direct that it be prepared and
8 mailed to the members upon the requesting member's or
9 shareholder's payment or adequate provision for payment of the
10 expenses of preparation and mailing.

11 (i) A savings bank shall be reimbursed for costs that are
12 necessary and that have been directly incurred in searching
13 for, reproducing, or transporting books, papers, records, or
14 other data of a customer required to be reproduced pursuant to
15 a lawful subpoena, warrant, citation to discover assets, or
16 court order.

17 (j) Notwithstanding the provisions of this Section, a
18 savings bank may sell or otherwise make use of lists of
19 customers' names and addresses. All other information
20 regarding a customer's account are subject to the disclosure
21 provisions of this Section. At the request of any customer,
22 that customer's name and address shall be deleted from any list
23 that is to be sold or used in any other manner beyond
24 identification of the customer's accounts.

25 (Source: P.A. 98-49, eff. 7-1-13.)

1 Section 20. The Illinois Credit Union Act is amended by
2 changing Section 10 as follows:

3 (205 ILCS 305/10) (from Ch. 17, par. 4411)

4 Sec. 10. Credit union records; member financial records.

5 (1) A credit union shall establish and maintain books,
6 records, accounting systems and procedures which accurately
7 reflect its operations and which enable the Department to
8 readily ascertain the true financial condition of the credit
9 union and whether it is complying with this Act.

10 (2) A photostatic or photographic reproduction of any
11 credit union records shall be admissible as evidence of
12 transactions with the credit union.

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

25 (b) This Section does not prohibit:

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

7 (2) The examination of any financial records by or the
8 furnishing of financial records by a credit union to any
9 officer, employee or agent of the Department, the National
10 Credit Union Administration, Federal Reserve board or any
11 insurer of share accounts for use solely in the exercise of
12 his duties as an officer, employee or agent.

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

16 (4) The making of reports or returns required under
17 Chapter 61 of the Internal Revenue Code of 1954.

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

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

1 credit unions or financial institutions or commercial
2 enterprises for the purpose of conducting due diligence
3 pursuant to a merger or a purchase or sale of assets or
4 liabilities of the credit union.

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

8 (8) The furnishing of information pursuant to the
9 Uniform Disposition of Unclaimed Property Act.

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

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

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

21 (12) The furnishing of information in accordance with
22 the federal Personal Responsibility and Work Opportunity
23 Reconciliation Act of 1996. Any credit union governed by
24 this Act shall enter into an agreement for data exchanges
25 with a State agency provided the State agency pays to the
26 credit union a reasonable fee not to exceed its actual cost

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

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

1 ability to seek or obtain protection from or prevent
2 financial exploitation, and (iii) "financial exploitation"
3 means tortious or illegal use of the assets or resources of
4 an elderly or disabled person, and includes, without
5 limitation, misappropriation of the elderly or disabled
6 person's assets or resources by undue influence, breach of
7 fiduciary relationship, intimidation, fraud, deception,
8 extortion, or the use of assets or resources in any manner
9 contrary to law. A credit union or person furnishing
10 information pursuant to this item (13) shall be entitled to
11 the same rights and protections as a person furnishing
12 information under the Adult Protective Services Act and the
13 Illinois Domestic Violence Act of 1986.

14 (14) The disclosure of financial records or
15 information as necessary to effect, administer, or enforce
16 a transaction requested or authorized by the member, or in
17 connection with:

18 (A) servicing or processing a financial product or
19 service requested or authorized by the member;

20 (B) maintaining or servicing a member's account
21 with the credit union; or

22 (C) a proposed or actual securitization or
23 secondary market sale (including sales of servicing
24 rights) related to a transaction of a member.

25 Nothing in this item (14), however, authorizes the sale
26 of the financial records or information of a member without

1 the consent of the member.

2 (15) The disclosure of financial records or
3 information as necessary to protect against or prevent
4 actual or potential fraud, unauthorized transactions,
5 claims, or other liability.

6 (16)(a) The disclosure of financial records or
7 information related to a private label credit program
8 between a financial institution and a private label party
9 in connection with that private label credit program. Such
10 information is limited to outstanding balance, available
11 credit, payment and performance and account history,
12 product references, purchase information, and information
13 related to the identity of the customer.

14 (b)(1) For purposes of this paragraph (16) of
15 subsection (b) of Section 10, a "private label credit
16 program" means a credit program involving a financial
17 institution and a private label party that is used by a
18 customer of the financial institution and the private label
19 party primarily for payment for goods or services sold,
20 manufactured, or distributed by a private label party.

21 (2) For purposes of this paragraph (16) of subsection
22 (b) of Section 10, a "private label party" means, with
23 respect to a private label credit program, any of the
24 following: a retailer, a merchant, a manufacturer, a trade
25 group, or any such person's affiliate, subsidiary, member,
26 agent, or service provider.

1 (17) The furnishing of information in accordance with
2 the federal requirement of asset verification through
3 access to information held by financial institutions as set
4 forth in Section 1940 of the Social Security Act (42 U.S.C.
5 1396w) and pursuant to authorization by an applicant or
6 recipient of medical assistance under the Illinois Public
7 Aid Code or by any other person whose resources are
8 required by law to be disclosed to determine the
9 eligibility of the applicant or recipient for such
10 assistance. No credit union shall charge a fee to the
11 applicant or recipient of medical assistance or to the
12 State agency for the furnishing of information under this
13 paragraph (17). A credit union acting in accordance with
14 this paragraph (17) shall not be liable to any account
15 holder or other person for any disclosure of information to
16 a State agency provided the action does not constitute
17 gross negligence or willful misconduct.

18 (c) Except as otherwise provided by this Act, a credit
19 union may not disclose to any person, except to the member or
20 his duly authorized agent, any financial records relating to
21 that member of the credit union unless:

22 (1) the member has authorized disclosure to the person;

23 (2) the financial records are disclosed in response to
24 a lawful subpoena, summons, warrant, citation to discover
25 assets, or court order that meets the requirements of
26 subparagraph (d) of this Section; or

1 (3) the credit union is attempting to collect an
2 obligation owed to the credit union and the credit union
3 complies with the provisions of Section 2I of the Consumer
4 Fraud and Deceptive Business Practices Act.

5 (d) A credit union shall disclose financial records under
6 subparagraph (c)(2) of this Section pursuant to a lawful
7 subpoena, summons, warrant, citation to discover assets, or
8 court order only after the credit union mails a copy of the
9 subpoena, summons, warrant, citation to discover assets, or
10 court order to the person establishing the relationship with
11 the credit union, if living, and otherwise his personal
12 representative, if known, at his last known address by first
13 class mail, postage prepaid unless the credit union is
14 specifically prohibited from notifying the person by order of
15 court or by applicable State or federal law. In the case of a
16 grand jury subpoena, a credit union shall not mail a copy of a
17 subpoena to any person pursuant to this subsection if the
18 subpoena was issued by a grand jury under the Statewide Grand
19 Jury Act or notifying the person would constitute a violation
20 of the federal Right to Financial Privacy Act of 1978.

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

25 (2) Any person who knowingly and wilfully induces or
26 attempts to induce any officer or employee of a credit union to

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

4 (f) A credit union shall be reimbursed for costs which are
5 reasonably necessary and which have been directly incurred in
6 searching for, reproducing or transporting books, papers,
7 records or other data of a member required or requested to be
8 produced pursuant to a lawful subpoena, summons, warrant,
9 citation to discover assets, or court order. The Secretary and
10 the Director may determine, by rule, the rates and conditions
11 under which payment shall be made. Delivery of requested
12 documents may be delayed until final reimbursement of all costs
13 is received.

14 (Source: P.A. 97-133, eff. 1-1-12; 98-49, eff. 7-1-13.)

15 Section 25. The Illinois Public Aid Code is amended by
16 adding Section 11-5.1 as follows:

17 (305 ILCS 5/11-5.1)

18 Sec. 11-5.1. Eligibility verification. Notwithstanding any
19 other provision of this Code, with respect to applications for
20 medical assistance provided under Article V of this Code,
21 eligibility shall be determined in a manner that ensures
22 program integrity and complies with federal laws and
23 regulations while minimizing unnecessary barriers to
24 enrollment. To this end, as soon as practicable, and unless the

1 Department receives written denial from the federal
2 government, this Section shall be implemented:

3 (a) The Department of Healthcare and Family Services or its
4 designees shall:

5 (1) By no later than July 1, 2011, require verification
6 of, at a minimum, one month's income from all sources
7 required for determining the eligibility of applicants for
8 medical assistance under this Code. Such verification
9 shall take the form of pay stubs, business or income and
10 expense records for self-employed persons, letters from
11 employers, and any other valid documentation of income
12 including data obtained electronically by the Department
13 or its designees from other sources as described in
14 subsection (b) of this Section.

15 (2) By no later than October 1, 2011, require
16 verification of, at a minimum, one month's income from all
17 sources required for determining the continued eligibility
18 of recipients at their annual review of eligibility for
19 medical assistance under this Code. Such verification
20 shall take the form of pay stubs, business or income and
21 expense records for self-employed persons, letters from
22 employers, and any other valid documentation of income
23 including data obtained electronically by the Department
24 or its designees from other sources as described in
25 subsection (b) of this Section. The Department shall send a
26 notice to recipients at least 60 days prior to the end of

1 their period of eligibility that informs them of the
2 requirements for continued eligibility. If a recipient
3 does not fulfill the requirements for continued
4 eligibility by the deadline established in the notice a
5 notice of cancellation shall be issued to the recipient and
6 coverage shall end on the last day of the eligibility
7 period. A recipient's eligibility may be reinstated
8 without requiring a new application if the recipient
9 fulfills the requirements for continued eligibility prior
10 to the end of the month following the last date of
11 coverage. Nothing in this Section shall prevent an
12 individual whose coverage has been cancelled from
13 reapplying for health benefits at any time.

14 (3) By no later than July 1, 2011, require verification
15 of Illinois residency.

16 (b) The Department shall establish or continue cooperative
17 arrangements with the Social Security Administration, the
18 Illinois Secretary of State, the Department of Human Services,
19 the Department of Revenue, the Department of Employment
20 Security, and any other appropriate entity to gain electronic
21 access, to the extent allowed by law, to information available
22 to those entities that may be appropriate for electronically
23 verifying any factor of eligibility for benefits under the
24 Program. Data relevant to eligibility shall be provided for no
25 other purpose than to verify the eligibility of new applicants
26 or current recipients of health benefits under the Program.

1 Data shall be requested or provided for any new applicant or
2 current recipient only insofar as that individual's
3 circumstances are relevant to that individual's or another
4 individual's eligibility.

5 (c) (Blank). ~~Within 90 days of the effective date of this~~
6 ~~amendatory Act of the 96th General Assembly, the Department of~~
7 ~~Healthcare and Family Services shall send notice to current~~
8 ~~recipients informing them of the changes regarding their~~
9 ~~eligibility verification.~~

10 (d) Whenever the State determines that asset verification
11 is necessary for a determination of eligibility on the basis of
12 being aged, blind, or disabled, the Department shall require
13 the applicant for or recipient of medical assistance and any
14 other person whose resources are required by law to be
15 disclosed to determine the eligibility of the applicant or
16 recipient for such assistance to provide authorization for the
17 State to obtain any financial records held by any financial
18 institution with respect to the applicant's or recipient's or
19 such other person's resources, as applicable, from any
20 financial institution holding such records.

21 (1) The records shall be produced at no cost to the
22 applicant, recipient, or such other person, as applicable.

23 (2) For purposes of this subsection, a "financial
24 institution" means an office of any of the following,
25 located in any state or territory of the United States, the
26 District of Columbia, Puerto Rico, Guam, American Samoa, or

1 the Virgin Islands:

2 (A) a bank;

3 (B) a savings bank;

4 (C) a card issuer, meaning any person who issues a
5 credit card, or the agent of such person with respect
6 to such card;

7 (D) an industrial loan company;

8 (E) a trust company;

9 (F) a savings association;

10 (G) a building and loan or homestead association
11 (including a cooperative bank); or

12 (H) a credit union or consumer finance
13 institution.

14 (3) For purposes of this subsection, "financial
15 record" means an original of, a copy of, or information
16 known to have been derived from any record held by a
17 financial institution pertaining to a customer's
18 relationship with the financial institution.

19 (Source: P.A. 96-1501, eff. 1-25-11.)