

1 AN ACT concerning financial institutions.

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

4 Section 5. The Illinois Savings and Loan Act of 1985 is
5 amended by changing Section 7-19.1 as follows:

6 (205 ILCS 105/7-19.1) (from Ch. 17, par. 3307-19.1)

7 Sec. 7-19.1. Savings and Residential Finance Regulatory
8 Fund.

9 (a) The aggregate of all fees collected by the
10 Commissioner under this Act shall be paid promptly after
11 receipt of the same, accompanied by a detailed statement
12 thereof, into the State treasury and shall be set apart in
13 the Savings and Residential Finance Regulatory Fund, a
14 special fund hereby created in the State treasury. The
15 amounts deposited into the Fund shall be used for the
16 ordinary and contingent expenses of the Office of Banks and
17 Real Estate. Nothing in this Act shall prevent continuing
18 the practice of paying expenses involving salaries,
19 retirement, social security, and State-paid insurance of
20 State officers by appropriation from the General Revenue
21 Fund.

22 (b) Moneys in the Savings and Residential Finance
23 Regulatory Fund may not be appropriated, assigned, or
24 transferred to another State fund. The moneys in the Fund
25 shall be for the sole benefit of the institutions assessed.

26 (c) All earnings received from investments of funds in
27 the Savings and Residential Finance Regulatory Fund shall be
28 deposited into the Savings and Residential Finance Regulatory
29 Fund and may be used for the same purposes as fees deposited
30 into that Fund.

31 (Source: P.A. 88-579, eff. 8-12-94; 89-508, eff. 7-3-96.)

1 Section 10. The Savings Bank Act is amended by changing
2 Section 6013 as follows:

3 (205 ILCS 205/6013) (from Ch. 17, par. 7306-13)
4 Sec. 6013. Loans to one borrower.

5 (a) Except as provided in subsection (c), the total
6 loans and extensions of credit, both direct and indirect, by
7 a savings bank to any person, other than a municipal
8 corporation for money borrowed, outstanding at one time shall
9 not exceed 25% 20% of the savings bank's total capital plus
10 general loan loss reserves.

11 (b) Except as provided in subsection (c), the total
12 loans and extensions of credit, both direct and indirect, by
13 a savings bank to any person outstanding at one time and at
14 least 100% secured by readily marketable collateral having a
15 market value, as determined by reliable and continuously
16 available price quotations, shall not exceed 10% of the
17 savings bank's total capital plus general loan loss reserves.
18 This limitation shall be separate from and in addition to the
19 limitation contained in subsection (a).

20 (c) If the limit under subsection (a) or (b) on total
21 loans to one borrower is less than \$500,000, a savings bank
22 that meets its minimum capital requirement under this Act may
23 have loan and extensions of credit, both direct and indirect,
24 outstanding to any person at one time not to exceed \$500,000.
25 With the prior written approval of the Commissioner, a
26 savings bank that has capital in excess of 6% of assets may
27 make loans and extensions of credit to one borrower for the
28 development of residential housing properties, located or to
29 be located in this State, not to exceed 30% of the savings
30 bank's total capital plus general loan loss reserves.

31 (d) For purposes of this Section, the term "person"
32 shall be deemed to include an individual, firm, corporation,
33 business trust, partnership, trust, estate, association,

1 joint venture, pool, syndicate, sole proprietorship,
2 unincorporated association, any political subdivision, or any
3 similar entity or organization.

4 (e) For the purposes of this Section any loan or
5 extension of credit granted to one person, the proceeds of
6 which are used for the direct benefit of a second person,
7 shall be deemed a loan or extension of credit to the second
8 person as well as the first person. In addition, a loan or
9 extension of credit to one person shall be deemed a loan or
10 extension of credit to others when a common enterprise exists
11 between the first person and such other persons.

12 (f) For the purposes of this Section, the total
13 liabilities of a firm, partnership, pool, syndicate, or joint
14 venture shall include the liabilities of the members of the
15 entity.

16 (g) For the purposes of this Section, the term "readily
17 marketable collateral" means financial instruments or bullion
18 that are salable under ordinary circumstances with reasonable
19 promptness at a fair market value on an auction or a
20 similarly available daily bid-and-ask price market.
21 "Financial instruments" include stocks, bonds, notes,
22 debentures traded on a national exchange or over the counter,
23 commercial paper, negotiable certificates of deposit,
24 bankers' acceptances, and shares in money market or mutual
25 funds.

26 (h) Each savings bank shall institute adequate
27 procedures to ensure that collateral fully secures the
28 outstanding loan or extension of credit at all times.

29 (i) If collateral values fall below 100% of the
30 outstanding loan or extension of credit to the extent that
31 the loan or extension of credit no longer is in conformance
32 with subsection (b) and exceeds the 25% 20% limitation of
33 subsection (a), the loan must be brought into conformance
34 with this Section within 5 business days except where

1 judicial proceedings or other similar extraordinary
2 occurrences prevent the savings bank from taking action.

3 (j) This Section shall not apply to loans or extensions
4 of credit to the United States of America or its agencies or
5 this State or its agencies or to any loan, investment, or
6 extension of credit made pursuant to Section 6003 of this
7 Act.

8 (k) This Section does not apply to the obligations as
9 endorser, whether with or without recourse, or as guarantor,
10 whether conditional or unconditional, of negotiable or
11 nonnegotiable installment consumer paper of the person
12 transferring the same if the bank's files or the knowledge of
13 its officers of the financial condition of each maker of
14 those obligations is reasonably adequate and if an officer of
15 the bank, designated for that purpose by the board of
16 directors of the bank, certifies that the responsibility of
17 each maker of the obligations has been evaluated and that the
18 bank is relying primarily upon each maker for the payment of
19 the obligations. The certification shall be in writing and
20 shall be retained as part of the records of the bank.

21 (l) The Commissioner may prescribe rules to carry out
22 the purposes of this Section and to establish limits or
23 requirements other than those specified in this Section for
24 particular types of loans and extensions of credit.

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

26 Section 99. Effective date. This Act takes effect upon
27 becoming law.