



## 100TH GENERAL ASSEMBLY

### State of Illinois

2017 and 2018

HB5569

by Rep. C.D. Davidsmeyer

#### SYNOPSIS AS INTRODUCED:

205 ILCS 5/18	from Ch. 17, par. 325
205 ILCS 5/48.3	from Ch. 17, par. 360.2
205 ILCS 205/8015	from Ch. 17, par. 7308-15
205 ILCS 205/9012	from Ch. 17, par. 7309-12

Amends the Illinois Banking Act and the Savings Bank Act. Replaces "Commissioner" with "Secretary" to update references to the Secretary of Financial and Professional Regulation. Provides that before any person or persons may cause a change of control of a State bank or a savings bank, the Secretary shall be of the opinion and find that the future prospects of the institution will not jeopardize the financial stability of the State bank or the savings bank or prejudice the interests of the depositors of the State bank or the interests of the members of the savings bank. Provides that the provisions of this Act do not apply to an established holding company acquiring control of a State bank or a savings bank if the transaction is subject to approval under specified provisions of federal law. Provides that a State bank or a savings bank may disclose confidential supervisory information to any attorney, accountant, consultant, or other professional as needed to comply with any enforcement action issued by the Secretary. Makes other changes. Effective immediately.

LRB100 18972 XWW 34222 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 18 and 48.3 as follows:

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

7 Sec. 18. Change in control.

8 (a) Before any person, whether acting directly or  
9 indirectly or through or in concert with one or more persons,  
10 may cause (i) a change to ~~may~~ occur in the ownership of  
11 outstanding stock of any State bank, whether by sale and  
12 purchase, gift, bequest or inheritance, or any other means,  
13 including the acquisition of stock of the State bank by any  
14 bank holding company, which will result in control or a change  
15 in the control of the bank or (ii) ~~before~~ a change to occur in  
16 the control of a holding company having control of the  
17 outstanding stock of a State bank whether by sale and purchase,  
18 gift, bequest or inheritance, or any other means, including the  
19 acquisition of stock of such holding company by any other bank  
20 holding company, which will result in control or a change in  
21 control of the bank or holding company, or (iii) ~~before~~ a  
22 transfer of substantially all the assets or liabilities of the  
23 State bank, the Secretary ~~Commissioner~~ shall be of the opinion

1 and find:

2 (1) that the general character of proposed management  
3 or of the person desiring to purchase substantially all the  
4 assets or to assume substantially all the liabilities of  
5 the State bank, after the change in control, is such as to  
6 assure reasonable promise of successful, safe and sound  
7 operation;

8 (1.1) that depositors' interests will not be  
9 jeopardized by the purchase or assumption and that adequate  
10 provision has been made for all liabilities as required for  
11 a voluntary liquidation under Section 68 of this Act;

12 (2) that the future earnings prospects of the person  
13 desiring to purchase substantially all assets or to assume  
14 substantially all the liabilities of the State bank, after  
15 the proposed change in control, are favorable;

16 (2.5) that the future prospects of the institution will  
17 not jeopardize the financial stability of the bank or  
18 prejudice the interests of the depositors of the bank;

19 (3) that any prior involvement by the persons proposing  
20 to obtain control, to purchase substantially all the  
21 assets, or to assume substantially all the liabilities of  
22 the State bank or by the proposed management personnel with  
23 any other financial institution, whether as stockholder,  
24 director, officer or customer, was conducted in a safe and  
25 sound manner; and

26 (4) that if the acquisition is being made by a bank

1 holding company, the acquisition is authorized under the  
2 Illinois Bank Holding Company Act of 1957.

3 (b) Any person ~~Persons~~ desiring to purchase control of an  
4 existing State ~~state~~ bank, to purchase substantially all the  
5 assets, or to assume substantially all the liabilities of the  
6 State bank shall, prior to that purchase, submit to the  
7 Secretary ~~Commissioner~~:

8 (1) a statement of financial worth;

9 (2) satisfactory evidence that any prior involvement  
10 by the persons and the proposed management personnel with  
11 any other financial institution, whether as stockholder,  
12 director, officer or customer, was conducted in a safe and  
13 sound manner; and

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

17 A person who has submitted information to the Secretary  
18 ~~Commissioner~~ pursuant to this subsection (b) is under a  
19 continuing obligation until the Secretary ~~Commissioner~~ takes  
20 action on the application to immediately supplement that  
21 information if there are any material changes in the  
22 information previously furnished or if there are any material  
23 changes in any circumstances that may affect the Secretary's  
24 ~~Commissioner's~~ opinion and findings. In addition, a person  
25 submitting information under this subsection shall notify the  
26 Secretary ~~Commissioner~~ of the date when the change in control

1 is finally effected.

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

5 If an applicant, whose application for a change in control  
6 has been approved pursuant to subsection (a) of this Section,  
7 fails to effect the change in control within 180 days after the  
8 date of the Secretary's ~~Commissioner's~~ approval, the Secretary  
9 ~~Commissioner~~ shall revoke that approval unless a request has  
10 been submitted, in writing, to the Secretary ~~Commissioner~~ for  
11 an extension and the request has been approved.

12 (b-1) Any person, whether acting directly or indirectly or  
13 through or in concert with one or more persons, who obtains  
14 ownership of stock of an existing State bank or stock of a  
15 holding company that controls the State bank by gift, bequest,  
16 or inheritance such that ownership of the stock would  
17 constitute control of the State bank or holding company may  
18 obtain title and ownership of the stock, but may not exercise  
19 management or control of the business and affairs of the bank  
20 or vote his or her shares so as to exercise management or  
21 control unless and until the Secretary ~~Commissioner~~ approves an  
22 application for the change of control as provided in subsection  
23 (b) of this Section.

24 (b-3) The provisions of this Section do not apply to an  
25 established holding company acquiring control of a State bank  
26 if the transaction is subject to approval under Section 3 of

1 the federal Bank Holding Company Act, the Federal Deposit  
2 Insurance Act, or the federal Home Owners' Loan Act.

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

12 (d) The reports required by subsections (b) ~~and (c)~~ of this  
13 Section 18, other than those relating to a transfer of assets  
14 or assumption of liabilities, shall contain the following  
15 information to the extent that it is known by the person making  
16 the report: (1) the number of shares involved; (2) the names of  
17 the sellers (or transferors); (3) the names of the purchasers  
18 (or transferees); (4) the names of the beneficial owners if the  
19 shares are registered in another name: (5) the purchase price,  
20 if applicable; (6) the total number of shares owned by the  
21 sellers (or transferors), the purchasers (or transferees) and  
22 the beneficial owners both immediately before and after the  
23 transaction; and, (7) in the case of a loan, the name of the  
24 borrower, the amount of the loan, the name of the bank issuing  
25 the stock securing the loan and the number of shares securing  
26 the loan. In addition to the foregoing, such reports shall

1 contain such other information which is requested by the  
2 Secretary ~~Commissioner~~ to inform the Secretary ~~Commissioner~~ of  
3 the effect of the transaction upon control of the bank whose  
4 stock is involved.

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

22 (e) Whenever such a change as described in subsection (a)  
23 of this Section 18 occurs, each State ~~state~~ bank shall report  
24 promptly to the Secretary ~~Commissioner~~ any changes or  
25 replacement of its chief executive officer or of any director  
26 occurring in the next 12 month period, including in its report

1 a statement of the past and current business and professional  
2 affiliations of the new chief executive officer or directors.

3 (f) (Blank).

4 (g) (1) Except as otherwise expressly provided in this  
5 subsection (g), the Secretary ~~Commissioners~~ shall not approve  
6 an application for a change in control if upon consummation of  
7 the change in control the persons applying for the change in  
8 control, including any affiliates of the persons applying,  
9 would control 30% or more of the total amount of deposits which  
10 are located in this State at insured depository institutions.  
11 For purposes of this subsection (g), the words "insured  
12 depository institution" shall mean State banks, national  
13 banks, and insured savings associations. For purposes of this  
14 subsection (g), the word "deposits" shall have the meaning  
15 ascribed to that word in Section 3(1) of the Federal Deposit  
16 Insurance Act. For purposes of this subsection (g), the total  
17 amount of deposits which are considered to be located in this  
18 State at insured depository institutions shall equal the sum of  
19 all deposits held at the main banking premises and branches in  
20 the State of Illinois of State banks, national banks, or  
21 insured savings associations. For purposes of this subsection  
22 (g), the word "affiliates" shall have the meaning ascribed to  
23 that word in Section 35.2 of this Act.

24 (2) Notwithstanding the provisions of paragraph (1) of this  
25 subsection ~~subsection (g)(1) of this Section~~, the Secretary  
26 ~~Commissioner~~ may approve an application for a change in control



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

13 (h) As used in this Section:

14 "Control", ~~the term "control"~~ means the power,  
15 directly or indirectly, to direct the management or  
16 policies of the bank or to vote 25% or more of the  
17 outstanding stock of the bank. If there is any question as  
18 to whether a change in control application should be filed,  
19 the question shall be resolved in favor of filing the  
20 application with the Secretary Commissioner.

21 "Substantially ~~As used in this Section, "substantially~~  
22 all" the assets or liabilities of a State bank means that  
23 portion of the assets or liabilities of a State bank such  
24 that their purchase or transfer will materially impair the  
25 ability of the State bank to continue successful, safe, and  
26 sound operations or to continue as a going concern or would

1 cause the bank to lose its federal deposit insurance.

2 "Purchase" ~~As used in this Section, "purchase"~~  
3 includes a transfer by gift, bequest, inheritance, or any  
4 other means.

5 As used in this Section, a person is acting in concert if  
6 that person is acting in concert under federal laws or  
7 regulations.

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

9 (205 ILCS 5/48.3) (from Ch. 17, par. 360.2)

10 Sec. 48.3. Disclosure of reports of examinations and  
11 confidential supervisory information; limitations.

12 (a) Any report of examination, visitation, or  
13 investigation prepared by the Secretary under this Act, the  
14 Electronic Fund Transfer Act, the Corporate Fiduciary Act, the  
15 Illinois Bank Holding Company Act of 1957, and the Foreign  
16 Banking Office Act, any report of examination, visitation, or  
17 investigation prepared by the state regulatory authority of  
18 another state that examines a branch of an Illinois State bank  
19 in that state, any document or record prepared or obtained in  
20 connection with or relating to any examination, visitation, or  
21 investigation, and any record prepared or obtained by the  
22 Secretary to the extent that the record summarizes or contains  
23 information derived from any report, document, or record  
24 described in this subsection shall be deemed "confidential  
25 supervisory information". Confidential supervisory information

1 shall not include any information or record routinely prepared  
2 by a bank or other financial institution and maintained in the  
3 ordinary course of business or any information or record that  
4 is required to be made publicly available pursuant to State or  
5 federal law or rule. Confidential supervisory information  
6 shall be the property of the Secretary and shall only be  
7 disclosed under the circumstances and for the purposes set  
8 forth in this Section.

9 The Secretary may disclose confidential supervisory  
10 information only under the following circumstances:

11 (1) The Secretary may furnish confidential supervisory  
12 information to the Board of Governors of the Federal  
13 Reserve System, the federal reserve bank of the federal  
14 reserve district in which the State bank is located or in  
15 which the parent or other affiliate of the State bank is  
16 located, any official or examiner thereof duly accredited  
17 for the purpose, or any other state regulator, federal  
18 regulator, or in the case of a foreign bank possessing a  
19 certificate of authority pursuant to the Foreign Banking  
20 Office Act or a license pursuant to the Foreign Bank  
21 Representative Office Act, the bank regulator in the  
22 country where the foreign bank is chartered, that the  
23 Secretary determines to have an appropriate regulatory  
24 interest. Nothing contained in this Act shall be construed  
25 to limit the obligation of any member State bank to comply  
26 with the requirements relative to examinations and reports

1 of the Federal Reserve Act and of the Board of Governors of  
2 the Federal Reserve System or the federal reserve bank of  
3 the federal reserve district in which the bank is located,  
4 nor to limit in any way the powers of the Secretary with  
5 reference to examinations and reports.

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

16 (2.5) The Secretary may furnish confidential  
17 supervisory information to a Federal Home Loan Bank in  
18 connection with any bank that is a member of the Federal  
19 Home Loan Bank or in connection with any application by the  
20 bank before the Federal Home Loan Bank. The confidential  
21 supervisory information shall remain the property of the  
22 Secretary and may not be further disclosed without the  
23 Secretary's permission.

24 (3) The Secretary may furnish confidential supervisory  
25 information to the appropriate law enforcement authorities  
26 when the Secretary reasonably believes a bank, which the

1 Secretary has caused to be examined, has been a victim of a  
2 crime.

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

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

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

21 (6.5) The Secretary may furnish confidential  
22 supervisory information to any other agency or entity that  
23 the Secretary determines to have a legitimate regulatory  
24 interest.

25 (7) The Secretary may furnish confidential supervisory  
26 information under any other statute that by its terms or by

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

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

17 (9) The Secretary may furnish a copy of a report of any  
18 examination performed by the Secretary of the condition and  
19 affairs of any electronic data processing entity to the  
20 banks serviced by the electronic data processing entity.

21 (10) In addition to the foregoing circumstances, the  
22 Secretary may, but is not required to, furnish confidential  
23 supervisory information under the same circumstances  
24 authorized for the bank or financial institution pursuant  
25 to subsection (b) of this Section, except that the  
26 Secretary shall provide confidential supervisory

1 information under circumstances described in paragraph (3)  
2 of subsection (b) of this Section only upon the request of  
3 the bank or other financial institution.

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

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

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

22 (3) to any person who seeks to acquire a controlling  
23 interest in, or who seeks to merge with, the bank or  
24 financial institution, provided that all attorneys,  
25 certified public accountants, officers, agents, or  
26 employees of that person shall agree to be bound to respect

1 the confidentiality of the confidential supervisory  
2 information and to not further disseminate the information  
3 therein contained;

4 (3.5) to a Federal Home Loan Bank of which it is a  
5 member;

6 (4) (blank); ~~or~~

7 (4.5) to any attorney, accountant, consultant, or  
8 other professional as needed to comply with any enforcement  
9 action issued by the Secretary; or

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

19 The disclosure of confidential supervisory information by  
20 a bank or other financial institution pursuant to this  
21 subsection (b) and the disclosure of information to the  
22 Secretary or other regulatory agency in connection with any  
23 examination, visitation, or investigation shall not constitute  
24 a waiver of any legal privilege otherwise available to the bank  
25 or other financial institution with respect to the information.

26 (c) (1) Notwithstanding any other provision of this Act or



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

17 (2) Any request for discovery or disclosure of confidential  
18 supervisory information, whether by subpoena, order, or other  
19 judicial or administrative process, shall be made to the  
20 Secretary, and the Secretary shall determine within 15 days  
21 whether to disclose the information pursuant to procedures and  
22 standards that the Secretary shall establish by rule. If the  
23 Secretary determines that such information will not be  
24 disclosed, the Secretary's decision shall be subject to  
25 judicial review under the provisions of the Administrative  
26 Review Law, and venue shall be in either Sangamon County or

1 Cook County.

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

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

12 (Source: P.A. 100-22, eff 1-1-18; 100-64, eff. 8-11-17; revised  
13 10-5-17.)

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

16 (205 ILCS 205/8015) (from Ch. 17, par. 7308-15)

17 Sec. 8015. Change in control.

18 (a) No person, whether acting directly or indirectly or  
19 through or in concert with one or more persons, may acquire  
20 control of a savings bank operating under this Act without  
21 prior approval of the Secretary. The provisions of this Section  
22 do not apply to an established holding company acquiring  
23 control of a state savings bank if the transaction is subject  
24 to approval under the Federal Deposit Insurance Act, the

1 federal Home Owners' Loan Act, or Section 3 of the federal Bank  
2 Holding Company Act.

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

6 (c) The Secretary may examine the books and records of the  
7 applicant and related persons, investigate any matter relevant  
8 to the application, and require the applicant to submit  
9 additional information and documents.

10 (d) The Secretary shall not approve an acquisition of  
11 control unless the application and related examination and  
12 investigation permit the Secretary to find positively on all of  
13 the following matters:

14 (1) The applicant has filed a complete application, has  
15 cooperated with all examinations and investigations of the  
16 Secretary, and has submitted all information and documents  
17 requested by the Secretary.

18 (2) The applicant and proposed management have the  
19 necessary competence, experience, integrity, and financial  
20 ability.

21 (3) The business plans of the applicant are consistent  
22 with the safe and sound operation of the savings bank and  
23 the purposes of this Act.

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

26 (5) The applicant and proposed management have

1 complied with subsection (f) of this Section.

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

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

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

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

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

26 The requirements of this subsection (f) are separate and in

1 addition to the requirements of subsection (a) of this Section.

2 (g) The Secretary may promulgate rules to implement this  
3 provision, including definitions, form and content of  
4 application or notice, procedures, exemptions, and  
5 requirements for approval.

6 (h) As used in this Section, a person is acting in concert  
7 if that person is acting in concert under federal laws or  
8 regulations.

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

10 (205 ILCS 205/9012) (from Ch. 17, par. 7309-12)

11 Sec. 9012. Disclosure of reports of examinations and  
12 confidential supervisory information; limitations.

13 (a) Any report of examination, visitation, or  
14 investigation prepared by the Secretary under this Act, any  
15 report of examination, visitation, or investigation prepared  
16 by the state regulatory authority of another state that  
17 examines a branch of an Illinois State savings bank in that  
18 state, any document or record prepared or obtained in  
19 connection with or relating to any examination, visitation, or  
20 investigation, and any record prepared or obtained by the  
21 Secretary to the extent that the record summarizes or contains  
22 information derived from any report, document, or record  
23 described in this subsection shall be deemed confidential  
24 supervisory information. "Confidential supervisory  
25 information" shall not include any information or record

1 routinely prepared by a savings bank and maintained in the  
2 ordinary course of business or any information or record that  
3 is required to be made publicly available pursuant to State or  
4 federal law or rule. Confidential supervisory information  
5 shall be the property of the Secretary and shall only be  
6 disclosed under the circumstances and for the purposes set  
7 forth in this Section.

8 The Secretary may disclose confidential supervisory  
9 information only under the following circumstances:

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

18 (2) The Secretary may furnish confidential supervisory  
19 information to the United States or any agency thereof that  
20 to any extent has insured a savings bank's deposits, or any  
21 official or examiner thereof duly accredited for the  
22 purpose. Nothing contained in this Act shall be construed  
23 to limit the obligation relative to examinations and  
24 reports of any savings bank in which deposits 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 Secretary with

1 reference to examination and reports of the savings bank.

2 (2.5) The Secretary may furnish confidential  
3 supervisory information to a Federal Home Loan Bank in  
4 connection with any savings bank that is a member of the  
5 Federal Home Loan Bank or in connection with any  
6 application by the savings bank before the Federal Home  
7 Loan Bank. The confidential supervisory information shall  
8 remain the property of the Secretary and may not be further  
9 disclosed without the Secretary's permission.

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

15 (4) The Secretary may furnish confidential supervisory  
16 information related to a savings bank, which the Secretary  
17 has caused to be examined, to the administrator of the  
18 Revised Uniform Unclaimed Property Act.

19 (5) The Secretary may furnish confidential supervisory  
20 information relating to a savings bank, which the Secretary  
21 has caused to be examined, relating to its performance of  
22 obligations under the Illinois Income Tax Act and the  
23 Illinois Estate and Generation-Skipping Transfer Tax Act  
24 to the Illinois Department of Revenue.

25 (6) The Secretary may furnish confidential supervisory  
26 information relating to a savings bank, which the Secretary

1           has caused to be examined, under the federal Currency and  
2           Foreign Transactions Reporting Act, 31 United States Code,  
3           Section 1051 et seq.

4           (7) The Secretary may furnish confidential supervisory  
5           information to any other agency or entity that the  
6           Secretary determines to have a legitimate regulatory  
7           interest.

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

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

26          (10) The Secretary may furnish a copy of a report of



1 any examination performed by the Secretary of the condition  
2 and affairs of any electronic data processing entity to the  
3 savings banks serviced by the electronic data processing  
4 entity.

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

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

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

24 (2) to attorneys for the savings bank and to a  
25 certified public accountant engaged by the savings bank to  
26 perform an independent audit; provided that the attorney or

1 certified public accountant shall not permit the  
2 confidential supervisory information to be further  
3 disseminated.

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

14 (4) to the savings bank's insurance company, if the  
15 supervisory information contains information that is  
16 otherwise unavailable and is strictly necessary to  
17 obtaining insurance coverage or pursuing an insurance  
18 claim for or on behalf of the savings bank; provided that,  
19 when possible, the savings bank shall disclose only  
20 information that is relevant to obtaining insurance  
21 coverage or pursuing an insurance claim, while maintaining  
22 the confidentiality of financial information pertaining to  
23 customers; and provided further that, when appropriate,  
24 the savings bank may delete identifying data relating to  
25 any person.

26 (5) to a Federal Home Loan Bank of which it is a

1 member.

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

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

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

1 termination of the attempt to compel production of the  
2 confidential supervisory information.

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

14 (3) Any court order that compels disclosure of confidential  
15 supervisory information may be immediately appealed by the  
16 Secretary, and the order shall be automatically stayed pending  
17 the outcome of the appeal.

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

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

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

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

5           (3) Nonconfidential portions of application files,  
6 including applications for new charters. The Secretary  
7 shall specify by rule as to what part of the files are  
8 confidential.

9           (4) Quarterly reports of income, deposits, and  
10 financial condition.

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

13           Section 99. Effective date. This Act takes effect upon  
14 becoming law.