**Section 330.220 Nonconforming Loans and Extensions of Credit**

a) A loan or extension of credit, within a state bank's legal lending limit when made, will not be deemed a violation but will be treated as nonconforming if the loan or extension of credit is no longer in conformity with the state bank's lending limit because:

1) The bank's capital has declined, borrowers have subsequently merged or formed a common enterprise, lenders have merged, or the lending limit or capital rules have changed;

2) Collateral securing the loan to satisfy the requirements of a lending limit exception as defined in Sections 32, 33 and 35 of the Act, or in Sections 6003 or 6013 of the Savings Bank Act, as applicable, has declined in value.

b) A state bank must use reasonable efforts to bring a loan or extension of credit that is nonconforming as a result of subsection (a)(1) into conformity with the bank's lending limit unless to do so would be inconsistent with safe and sound banking practices.

c) A state bank must bring a loan that is nonconforming as a result of circumstances described in subsection (a)(2) into conformity with the bank's lending limit within 30 calendar days, except when judicial proceedings, regulatory actions or other extraordinary circumstances beyond the bank's control prevent it from taking action.

(Source: Added at 37 Ill. Reg. 5807, effective April 22, 2013)