**Section 1075.550 Letter of Credit**

A savings bank is permitted to issue letters of credit provided that the total funds advanced plus secured and unsecured loans for business, corporate, commercial, agricultural, or overdraft purposes does not exceed 15 percent of total assets.

a) The letter of credit must clearly indicate it as a letter of credit, that the issuer's debt to pay is solely dependent upon conforming documents, that the account party must have an unqualified obligation to reimburse the issuer for payments made, and include a specified expiration date or definite term.

b) The underwriting and documentation for a letter of credit must be in conformance with Section 1075.505 of this Part.

c) All documentation used in evidencing compliance with this Section is retained as part of the records of the savings bank for the term of the letter of credit.

d) Nothwithstanding any provision of this Section, a savings bank may issue letters of credit to the same extent and manner as permitted to any other type of depository institution.

(Source: Amended at 26 Ill. Reg. 13483, effective September 13, 2002)