**Section 1075.610 Approval by the Director**

a) Except as provided in subsection (b) of this Section, an application for approval of a service corporation shall be approved by the Director provided that:

1) its purpose or purposes are reasonably incident to the accomplishment of the powers conferred upon savings banks by the Act, or are purposes granted or allowed to service corporations organized or owned by savings and loan associations; or its sole purpose is to operate as a finance subsidiary of a savings bank to the extent authorized for finance subsidiaries of savings and loan associations under the Illinois Savings and Loan Act of 1985 [205 ILCS 105]; and

2) the application for approval of a service corporation includes: the appropriate fee; a copy of the service corporation's Articles of Incorporation; a list of proposed shareholders; the fiscal year-end date; and an undertaking by the service corporation with the continuing conditions specified in subsection (c) of this Section and in a form prescribed by the Director.

b) An application for approval of a service corporation shall be denied by the Director in writing if the Director finds that any proposed shareholder is conducting business in an unsafe manner.

c) Continuing Conditions

1) A service corporation shall not amend its Articles of Incorporation nor adopt an assumed corporate name without the prior written approval of the Director. A proposed amendment to Articles of Incorporation not involving a name change shall be approved unless it is in non-compliance with subsection (a)(1). A proposed name change shall be approved unless such proposed name is either deceptively similar to that of a savings bank as specified in Section 3005(b)(3) of the Act or of a nature which might imply that the entity is a savings bank.

2) Each service corporation shall cause its affairs to be audited by a licensed public accountant at least once each fiscal year, and cause the accountant to deliver a copy of the certified statement to the Director simultaneously with the delivery of the statement to the service corporation.

3) Each service corporation shall be examined in conjunction with the examination of its parent savings banks. The Director shall require additional reports and/or examinations if the Director, or his or her staff members engaged in examination of the savings bank's monthly report, determine that more information is needed to determine the viability of the service corporation.

4) A service corporation shall not acquire any classified items as defined in Section 1075.585(b) from any financial institution, except that a service corporation may acquire real estate owned by any savings bank.

(Source: Amended at 30 Ill. Reg. 19068, effective December 1, 2006)