



102ND GENERAL ASSEMBLY

State of Illinois

2021 and 2022

HB3694

Introduced 2/22/2021, by Rep. Lamont J. Robinson, Jr.

SYNOPSIS AS INTRODUCED:

10100SB1608ham002, 101st G.A., Sec. 35-5
10100SB1608ham002, 101st G.A., Sec. 35-40
15 ILCS 520/16.3
30 ILCS 235/8

Provides that if and only if Senate Bill 1608 of the 101st General Assembly, as amended by House Amendment No. 2, becomes law, then the Illinois Community Reinvestment Act, the Deposit of State Moneys Act, and the Public Funds Investment Act are amended. Excludes banks organized under the Illinois Banking Act, savings banks organized under the Savings Bank Act, and credit unions organized under the Illinois Credit Union Act from within the meaning of "covered financial institution" under the Illinois Community Reinvestment Act. Provides that when investing or depositing State or public funds, the State Treasurer or a public agency may give preference to financial institutions that are not subject to the federal Community Reinvestment Act of 1977 and are established and doing business as not-for-profit consumer owned financial cooperatives, including credit unions. Makes conforming changes. Effective immediately.

LRB102 16907 RJF 22319 b

1 AN ACT concerning finance.

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

4 Section 5. If and only if Senate Bill 1608 of the 101st
5 General Assembly, as amended by House Amendment No. 2, becomes
6 law, then the Illinois Community Reinvestment Act is amended
7 by changing Sections 35-5 and 35-40 as follows:

8 (10100SB1608ham002, 101st G.A., Sec. 35-5)

9 Sec. 35-5. Definitions. As used in this Act:

10 "Covered financial institution" means ~~a bank chartered~~
11 ~~under the Illinois Banking Act, a savings bank chartered under~~
12 ~~the Illinois Savings Bank Act, a credit union incorporated~~
13 ~~under the Illinois Credit Union Act,~~ an entity licensed under
14 the Illinois Residential Mortgage License Act of 1987 which
15 lent or originated 50 or more residential mortgage loans in
16 the previous calendar year, and any other financial service
17 provider institution under the jurisdiction of the Department
18 as designated by rule by the Secretary, except a bank
19 organized under the Illinois Banking Act, a savings bank
20 organized under the Savings Bank Act, and a credit union
21 organized under the Illinois Credit Union Act.

22 "Department" means the Department of Financial and
23 Professional Regulation.

1 "Division of Banking" means the Division of Banking within
2 the Department.

3 "Division of Financial Institutions" means the Division of
4 Financial Institutions within the Department.

5 "Secretary" means the Secretary of Financial and
6 Professional Regulation, or his or her designee, including the
7 Director of the Division of Banking or the Director of the
8 Division of Financial Institutions.

9 (Source: 10100SB1608ham002.)

10 (10100SB1608ham002, 101st G.A., Sec. 35-40)

11 Sec. 35-40. Superiority and scope of Act. To the extent
12 this Act conflicts with any other State law, this Act is
13 superior and supersedes those laws; provided that, nothing
14 herein shall apply to any lender that is a bank, savings bank,
15 savings and loan association, or credit union organized
16 ~~chartered~~ under the laws of this State, another state, or the
17 United States.

18 (Source: 10100SB1608ham002.)

19 Section 10. If and only if Senate Bill 1608 of the 101st
20 General Assembly, as amended by House Amendment No. 2, becomes
21 law, then the Deposit of State Moneys Act is amended by
22 changing Section 16.3 as follows:

23 (15 ILCS 520/16.3)

1 Sec. 16.3. Consideration of financial institution's
2 commitment to its community.

3 (a) In addition to any other requirements of this Act, the
4 State Treasurer shall consider the financial institution's
5 record and current level of financial commitment to its local
6 community when deciding whether to deposit State funds in that
7 financial institution. The State Treasurer may consider
8 factors including, but not necessarily limited to:

9 (1) for financial institutions subject to the federal
10 Community Reinvestment Act of 1977, the current and
11 historical ratings that the financial institution has
12 received, to the extent that those ratings are publicly
13 available, under the federal Community Reinvestment Act of
14 1977;

15 (2) any changes in ownership, management, policies, or
16 practices of the financial institution that may affect the
17 level of the financial institution's commitment to its
18 community;

19 (3) the financial impact that the withdrawal or denial
20 of deposits of State funds might have on the financial
21 institution; and

22 (4) the financial impact to the State as a result of
23 withdrawing State funds or refusing to deposit additional
24 State funds in the financial institution.

25 (a-5) Effective January 1, 2022, no State funds may be
26 deposited in a financial institution subject to the federal

1 Community Reinvestment Act of 1977 unless the institution has
2 a current rating of satisfactory or outstanding under the
3 Community Reinvestment Act of 1977.

4 (a-10) When investing or depositing State funds, the State
5 Treasurer may give preference to financial institutions that
6 are (i) subject to and have a current rating of outstanding
7 under the federal Community Reinvestment Act of 1977; and (ii)
8 not subject to the federal Community Reinvestment Act of 1977
9 and are established and doing business as not-for-profit
10 consumer-owned financial cooperatives, including credit
11 unions.

12 (b) Nothing in this Section shall be construed as
13 authorizing the State Treasurer to conduct an examination or
14 investigation of a financial institution or to receive
15 information that is not publicly available and the disclosure
16 of which is otherwise prohibited by law.

17 (Source: P.A. 93-251, eff. 7-1-04; 10100SB1608ham002.)

18 Section 15. If and only if Senate Bill 1608 of the 101st
19 General Assembly, as amended by House Amendment No. 2, becomes
20 law, then the Public Funds Investment Act is amended by
21 changing Section 8 as follows:

22 (30 ILCS 235/8)

23 Sec. 8. Consideration of financial institution's
24 commitment to its community.

1 (a) In addition to any other requirements of this Act, a
2 public agency shall consider the financial institution's
3 record and current level of financial commitment to its local
4 community when deciding whether to deposit public funds in
5 that financial institution. The public agency may consider
6 factors including, but not necessarily limited to:

7 (1) for financial institutions subject to the federal
8 Community Reinvestment Act of 1977, the current and
9 historical ratings that the financial institution has
10 received, to the extent that those ratings are publicly
11 available, under the federal Community Reinvestment Act of
12 1977;

13 (2) any changes in ownership, management, policies, or
14 practices of the financial institution that may affect the
15 level of the financial institution's commitment to its
16 community;

17 (3) the financial impact that the withdrawal or denial
18 of deposits of public funds might have on the financial
19 institution;

20 (4) the financial impact to the public agency as a
21 result of withdrawing public funds or refusing to deposit
22 additional public funds in the financial institution; and

23 (5) any additional burden on the resources of the
24 public agency that might result from ceasing to maintain
25 deposits of public funds at the financial institution
26 under consideration.

1 (a-5) Effective January 1, 2022, no public funds may be
2 deposited in a financial institution subject to the federal
3 Community Reinvestment Act of 1977 unless the institution has
4 a current rating of satisfactory or outstanding under the
5 Community Reinvestment Act of 1977.

6 (a-10) When investing or depositing public funds, the
7 public agency may give preference to financial institutions
8 that are (i) subject to and have a current rating of
9 outstanding under the federal Community Reinvestment Act of
10 1977; and (ii) not subject to the federal Community
11 Reinvestment Act of 1977 and are established and doing
12 business as not-for-profit consumer-owned financial
13 cooperatives, including credit unions.

14 (b) Nothing in this Section shall be construed as
15 authorizing the public agency to conduct an examination or
16 investigation of a financial institution or to receive
17 information that is not publicly available and the disclosure
18 of which is otherwise prohibited by law.

19 (Source: P.A. 93-251, eff. 7-1-04; 10100SB1608ham002.)

20 Section 99. Effective date. This Act takes effect upon
21 becoming law.