



**93RD GENERAL ASSEMBLY**  
**State of Illinois**  
**2003 and 2004**

Introduced 02/04/04, by Ralph C. Capparelli, Joseph M. Lyons,  
John E. Bradley

**SYNOPSIS AS INTRODUCED:**

205 ILCS 5/21.2 rep.  
205 ILCS 10/3.071

from Ch. 17, par. 2510.01

Amends the Illinois Banking Act and the Illinois Bank Holding Company Act. Eliminates provisions prohibiting an out of state bank or a national bank whose main banking premises is located outside Illinois from acquiring or merging with an Illinois bank that has existed and continually operated as a bank for 5 years or less. Effective immediately.

LRB093 15947 SAS 41570 b

1 AN ACT concerning financial regulation.

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

4 (205 ILCS 5/21.2 rep.)

5 Section 5. The Illinois Banking Act is amended by repealing  
6 Section 21.2.

7 Section 10. The Illinois Bank Holding Company Act of 1957  
8 is amended by changing Section 3.071 as follows:

9 (205 ILCS 10/3.071) (from Ch. 17, par. 2510.01)

10 Sec. 3.071. Out of state bank holding companies.

11 (a) An out of state bank holding company may acquire  
12 ownership of more than 5% of the voting shares of or control of  
13 one or more Illinois banks or Illinois bank holding companies  
14 pursuant to a transaction, occurrence or event that is  
15 described in paragraphs (1) through (5) of subsection (a) of  
16 Section 3.02, provided the acquisition is made in accordance  
17 with Sections 3.02 and 3.07 of this Act ~~in accordance with~~  
18 ~~subsection (i) of this Section~~ and provided the following  
19 conditions are met:

20 (1) (Blank).

21 (2) An out of state bank holding company seeking to  
22 acquire an Illinois bank or Illinois bank holding company  
23 pursuant to subsection (a) of Section 3.071 shall, if  
24 change in control of the bank is governed by Section 18 of  
25 the Illinois Banking Act, file with the Commissioner the  
26 application required by that Section containing  
27 information satisfactory to the Commissioner.

28

29 (b) (Blank).

30 (c) (Blank).

31 (d) (Blank).

1 (e) (Blank) .

2 (f) (Blank) .

3 (g) (Blank) .

4 (h) (Blank) .

5 (i) (Blank). ~~(1) An out of state bank holding company which~~  
6 ~~directly or indirectly controls or has control over an~~  
7 ~~Illinois bank that has existed and continuously operated as~~  
8 ~~a bank for 5 years or less, may not cause the Illinois bank~~  
9 ~~to merge with or into, or to have all or substantially all~~  
10 ~~of the assets acquired by a bank that is an out of state~~  
11 ~~bank.~~

12 ~~(2) For purposes of subsection (i) (1) of this Section,~~  
13 ~~an Illinois bank that is the resulting bank following a~~  
14 ~~merger involving an Illinois interim bank shall be~~  
15 ~~considered to have been in existence and continuously~~  
16 ~~operated during the existence and continuous operation of~~  
17 ~~the Illinois merged bank. As used in this subsection~~  
18 ~~(i) (2), the words "resulting bank" and "merged bank" shall~~  
19 ~~have the meanings ascribed to those words in Section 2 of~~  
20 ~~the Illinois Banking Act. As used in this subsection~~  
21 ~~(i) (2), the words "interim bank" shall mean a bank which~~  
22 ~~shall not accept deposits, make loans, pay checks, or~~  
23 ~~engage in the general business of banking or any part~~  
24 ~~thereof, and is chartered solely for the purpose of merging~~  
25 ~~with or acquiring control of, or acquiring all or~~  
26 ~~substantially all of the assets of an existing Illinois~~  
27 ~~bank.~~

28 ~~(3) The provisions of subsection (i) (1) of this Section~~  
29 ~~shall not apply to the merger or acquisition of all or~~  
30 ~~substantially all of the assets of an Illinois bank:~~

31 ~~(i) if the merger or acquisition is part of a~~  
32 ~~purchase or acquisition with respect to which the~~  
33 ~~Federal Deposit Insurance Corporation provides~~  
34 ~~assistance under Section 13(c) of the Federal Deposit~~  
35 ~~Insurance Act; or~~

36 ~~(ii) if the Illinois bank is in default or in~~

1 ~~danger of default. As used in this subsection~~  
2 ~~(i) (3) (ii), the words "in default" and "in danger of~~  
3 ~~default" shall have the meaning ascribed to those words~~  
4 ~~in Section 2 of the Illinois Banking Act.~~

5 (Source: P.A. 89-208, eff. 9-29-95; 89-567, eff. 7-26-96;  
6 90-226, eff. 7-25-97; 90-655, eff. 7-30-98.)

7 Section 99. Effective date. This Act takes effect upon  
8 becoming law.