

1 AMENDMENT TO SENATE BILL 771

2 AMENDMENT NO. \_\_\_\_\_. Amend Senate Bill 771, by replacing  
3 everything after the enacting clause with the following:

4 "Section 5. The Illinois Banking Act is amended by  
5 changing Section 34 as follows:

6 (205 ILCS 5/34) (from Ch. 17, par. 342)

7 Sec. 34. Exceptions to loans and investment limits. The  
8 limitations in Sections 32, 33, and 35.1 of this Act upon the  
9 liabilities of any one person and upon the purchase and  
10 holding of marketable investment securities shall not apply:

11 (1) To the extent of 50% of the unimpaired capital and  
12 unimpaired surplus of any bank, to loans to or obligations of  
13 any person to the extent that the loan shall be secured by a  
14 like amount of obligations of or guaranteed by the United  
15 States or by the State of Illinois, or by a like amount of  
16 obligations of any corporation wholly owned directly or  
17 indirectly by the United States or of any agency or  
18 instrumentality of the United States or of the State of  
19 Illinois, including any unit of local government or school  
20 district, provided that the total liabilities to any bank of  
21 any one person shall not exceed 50% of such unimpaired  
22 capital and unimpaired surplus.

1           (2) To the extent of 30% of the unimpaired capital and  
2 unimpaired surplus of any bank, to loans to or obligations of  
3 any person to the extent that the same shall be secured by  
4 shipping documents or instruments transferring or securing  
5 title covering livestock or giving a lien on livestock when  
6 the market value of the livestock securing the obligation is  
7 not at the time of the making of the loan less than 115% of  
8 the principal amount of the obligation, provided that the  
9 total liabilities to any bank of any one person shall not  
10 exceed 50% of the unimpaired capital and unimpaired surplus.

11           (3) To the extent of the unimpaired capital and  
12 unimpaired surplus of any bank, to the purchase of or holding  
13 by any bank of the general obligations of each municipality  
14 located in the State of Illinois or in any other state of the  
15 United States or to the purchase of or holding of the tax  
16 anticipation warrants of each such municipality.

17           (4) To the obligations as endorser, whether with or  
18 without recourse, or as guarantor, whether conditional or  
19 unconditional, of negotiable or nonnegotiable installment  
20 consumer paper of the person transferring the same if the  
21 bank's files or the knowledge of its officers of the  
22 financial condition of each maker of those obligations is  
23 reasonably adequate and if an officer of the bank, designated  
24 for that purpose by the board of directors of the bank,  
25 certifies that the responsibility of each maker of the  
26 obligations has been evaluated and that the bank is relying  
27 primarily upon each maker for the payment of the obligations;  
28 certification shall be in writing and shall be retained as  
29 part of the records of the bank.

30           (5) To the issuance, advice, or confirmation of letters  
31 of credit; however, if the letter of credit is a standby  
32 letter of credit, it shall be included within the limit under  
33 Section 32 for the person who has procured the issuance of  
34 the standby letter of credit unless the issuing bank has, at

1 the time of issuance, an irrevocable commitment by another  
2 bank to purchase or participate out any amounts that may  
3 later be drawn under the letter of credit that would create a  
4 loan in excess of the limits under Section 32 for the person  
5 or the amounts are secured by pledge of United States  
6 government securities, a segregated deposit account, or  
7 other security that would exempt a loan so secured by  
8 application of Section 34 or 35 of this Act; if, however, a  
9 commitment to purchase or participate is in place, the  
10 amounts are not included in the limits under Section 32 for  
11 the person until drafts are presented upon the letter.

12 (6) To the acceptance of drafts or bills of exchange  
13 that grow out of transactions involving the importation or  
14 exportation of goods; or that grow out of transactions  
15 involving the domestic shipment of goods, provided documents  
16 of title covering the goods secure the acceptances at the  
17 time of acceptance; or that are secured at the time of  
18 acceptances by documents of title covering readily marketable  
19 staples; but the aggregate amount of these acceptances by any  
20 State bank on behalf of any one person at any one time  
21 outstanding shall not exceed 20% of the unimpaired capital  
22 and unimpaired surplus of the bank unless the part thereof in  
23 excess of that percentum of unimpaired capital and unimpaired  
24 surplus is and will remain secured by accompanying documents  
25 of title or proceeds thereof growing out of the same  
26 transaction or by substituted security of similar character;  
27 provided further, however, that the aggregate amount of the  
28 acceptances on behalf of any one person outstanding at any  
29 one time shall not exceed 50% of the amount of unimpaired  
30 capital and unimpaired surplus of the bank. The provisions of  
31 this paragraph (6) apply to the acceptances by a State bank  
32 on behalf of any one person and not to the purchase by a  
33 State bank of other banks' acceptances. A State bank may  
34 purchase acceptances from other banks in amounts not to

1 exceed 50% of the State bank's unimpaired capital and  
2 unimpaired surplus from any one bank.

3 (7) To the extent of 20% of the unimpaired capital and  
4 unimpaired surplus of any bank, to the purchase of or holding  
5 by any bank of obligations of the State of Israel or  
6 obligations fully guaranteed by the State of Israel as to  
7 payment of principal and interest.

8 (8) To the purchase of stock in a Federal Home Loan  
9 Bank.

10 (Source: P.A. 90-301, eff. 8-1-97.)

11 Section 99. Effective date. This Act takes effect upon  
12 becoming law."