



**93RD GENERAL ASSEMBLY**  
**State of Illinois**  
**2003 and 2004**  
**SB2544**

Introduced 2/3/2004, by Terry Link

**SYNOPSIS AS INTRODUCED:**

205 ILCS 205/1008

from Ch. 17, par. 7301-8

Amends the Savings Bank Act. Deletes a provision pertaining to temporary service booths at International Fairs in this State. Adds a provision to allow savings banks operating under the Act to make debt or equity investments in corporations or projects designed to promote the development of the community, subject to specified limitations. Effective immediately.

LRB093 18778 SAS 44510 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 Section 5. The Savings Bank Act is amended by changing  
5 Section 1008 as follows:

6 (205 ILCS 205/1008) (from Ch. 17, par. 7301-8)

7 Sec. 1008. General corporate powers.

8 (a) A savings bank operating under this Act shall be a body  
9 corporate and politic and shall have all of the powers  
10 conferred by this Act including, but not limited to, the  
11 following powers:

12 (1) To sue and be sued, complain, and defend in its  
13 corporate name and to have a common seal, which it may  
14 alter or renew at pleasure.

15 (2) To obtain and maintain insurance by a deposit  
16 insurance corporation as defined in this Act.

17 (3) To act as a fiscal agent for the United States, the  
18 State of Illinois or any department, branch, arm, or agency  
19 of the State or any unit of local government or school  
20 district in the State, when duly designated for that  
21 purpose, and as agent to perform reasonable functions as  
22 may be required of it.

23 (4) To become a member of or deal with any corporation  
24 or agency of the United States or the State of Illinois, to  
25 the extent that the agency assists in furthering or  
26 facilitating its purposes or powers and to that end to  
27 purchase stock or securities thereof or deposit money  
28 therewith, and to comply with any other conditions of  
29 membership or credit.

30 (5) To make donations in reasonable amounts for the  
31 public welfare or for charitable, scientific, religious,  
32 or educational purposes.

1           (6) To adopt and operate reasonable insurance, bonus,  
2 profit sharing, and retirement plans for officers and  
3 employees and for directors including, but not limited to,  
4 advisory, honorary, and emeritus directors, who are not  
5 officers or employees.

6           (7) To reject any application for membership; to retire  
7 deposit accounts by enforced retirement as provided in this  
8 Act and the bylaws; and to limit the issuance of, or  
9 payments on, deposit accounts, subject, however, to  
10 contractual obligations.

11           (8) To purchase stock in service corporations and to  
12 invest in any form of indebtedness of any service  
13 corporation as defined in this Act, subject to regulations  
14 of the Commissioner.

15           (9) To purchase stock of a corporation whose principal  
16 purpose is to operate a safe deposit company or escrow  
17 service company.

18           (10) To exercise all the powers necessary to qualify as  
19 a trustee or custodian under federal or State law, provided  
20 that the authority to accept and execute trusts is subject  
21 to the provisions of the Corporate Fiduciary Act and to the  
22 supervision of those activities by the Commissioner.

23           (11) (Blank).

24           (12) To establish, maintain, and operate terminals as  
25 authorized by the Electronic Fund Transfer Act.

26           (13) To pledge its assets:

27               (A) to enable it to act as agent for the sale of  
28 obligations of the United States;

29               (B) to secure deposits;

30               (C) to secure deposits of money whenever required  
31 by the National Bankruptcy Act;

32               (D) (blank); and

33               (E) to secure trust funds commingled with the  
34 savings bank's funds, whether deposited by the savings  
35 bank or an affiliate of the savings bank, as required  
36 under Section 2-8 of the Corporate Fiduciary Act.

1 (14) To accept for payment at a future date not to  
2 exceed one year from the date of acceptance, drafts drawn  
3 upon it by its customers; and to issue, advise, or confirm  
4 letters of credit authorizing holders thereof to draw  
5 drafts upon it or its correspondents.

6 (15) Subject to the regulations of the Commissioner, to  
7 own and lease personal property acquired by the savings  
8 bank at the request of a prospective lessee and, upon the  
9 agreement of that person, to lease the personal property.

10 (16) (Blank). ~~To establish temporary service booths at  
11 any International Fair in this State that is approved by  
12 the United States Department of Commerce for the duration  
13 of the international fair for the purpose of providing a  
14 convenient place for foreign trade customers to exchange  
15 their home countries' currency into United States currency  
16 or the converse. To provide temporary periodic service to  
17 persons residing in a bona fide nursing home, senior  
18 citizens' retirement home, or long term care facility.  
19 These powers shall not be construed as establishing a new  
20 place or change of location for the savings bank providing  
21 the service booth.~~

22 (17) To indemnify its officers, directors, employees,  
23 and agents, as authorized for corporations under Section  
24 8.75 of the Business Corporations Act of 1983.

25 (18) To provide data processing services to others on a  
26 for-profit basis.

27 (19) To utilize any electronic technology to provide  
28 customers with home banking services.

29 (20) Subject to the regulations of the Commissioner, to  
30 enter into an agreement to act as a surety.

31 (21) Subject to the regulations of the Commissioner, to  
32 issue credit cards, extend credit therewith, and otherwise  
33 engage in or participate in credit card operations.

34 (22) To purchase for its own account shares of stock of  
35 a bankers' bank, described in Section 13(b)(1) of the  
36 Illinois Banking Act, on the same terms and conditions as a

1 bank may purchase such shares. In no event shall the total  
2 amount of such stock held by a savings bank in such  
3 bankers' bank exceed 10% of its capital and surplus  
4 (including undivided profits) and in no event shall a  
5 savings bank acquire more than 5% of any class of voting  
6 securities of such bankers' bank.

7 (23) With respect to affiliate facilities:

8 (A) to conduct at affiliate facilities any of the  
9 following transactions for and on behalf of any  
10 affiliated depository institution, if so authorized by  
11 the affiliate or affiliates: receiving deposits;  
12 renewing deposits; cashing and issuing checks, drafts,  
13 money orders, travelers checks, or similar  
14 instruments; changing money; receiving payments on  
15 existing indebtedness; and conducting ministerial  
16 functions with respect to loan applications, servicing  
17 loans, and providing loan account information; and

18 (B) to authorize an affiliated depository  
19 institution to conduct for and on behalf of it, any of  
20 the transactions listed in this subsection at one or  
21 more affiliate facilities.

22 A savings bank intending to conduct or to authorize an  
23 affiliated depository institution to conduct at an  
24 affiliate facility any of the transactions specified in  
25 this subsection shall give written notice to the  
26 Commissioner at least 30 days before any such transaction  
27 is conducted at an affiliate facility. All conduct under  
28 this subsection shall be on terms consistent with safe and  
29 sound banking practices and applicable law.

30 (24) Subject to Article XLIV of the Illinois Insurance  
31 Code, to act as the agent for any fire, life, or other  
32 insurance company authorized by the State of Illinois, by  
33 soliciting and selling insurance and collecting premiums  
34 on policies issued by such company; and may receive for  
35 services so rendered such fees or commissions as may be  
36 agreed upon between the said savings bank and the insurance

1 company for which it may act as agent; provided, however,  
2 that no such savings bank shall in any case assume or  
3 guarantee the payment of any premium on insurance policies  
4 issued through its agency by its principal; and provided  
5 further, that the savings bank shall not guarantee the  
6 truth of any statement made by an assured in filing his  
7 application for insurance.

8 (25) To become a member of the Federal Home Loan Bank  
9 and to have the powers granted to a savings association  
10 organized under the Illinois Savings and Loan Act of 1985  
11 or the laws of the United States, subject to regulations of  
12 the Commissioner.

13 (26) To offer any product or service that is at the  
14 time authorized or permitted to a bank by applicable law,  
15 but subject always to the same limitations and restrictions  
16 that are applicable to the bank for the product or service  
17 by such applicable law and subject to the applicable  
18 provisions of the Financial Institutions Insurance Sales  
19 Law and rules of the Commissioner.

20 (27) To make debt or equity investments in corporations  
21 or projects, whether for profit or not for profit, designed  
22 to promote the development of the community and its  
23 welfare, provided that the aggregate investment in all of  
24 these corporations and in all of these projects does not  
25 exceed 10% of the unimpaired capital and unimpaired surplus  
26 of the bank and provided that this limitation shall not  
27 apply to creditworthy loans by the bank to those  
28 corporations or projects. Upon written application to the  
29 Commissioner, a bank may make an investment that would,  
30 when aggregated with all other such investments, exceed 10%  
31 of the unimpaired capital and unimpaired surplus of the  
32 bank. The Commissioner may approve the investment if the  
33 Commissioner is of the opinion and finds that the proposed  
34 investment will not have a material adverse effect on the  
35 safety and soundness of the bank.

36 (b) If this Act or the regulations adopted under this Act

1 fail to provide specific guidance in matters of corporate  
2 governance, the provisions of the Business Corporation Act of  
3 1983 may be used, or if the savings bank is a limited liability  
4 company, the provisions of the Limited Liability Company shall  
5 be used.

6 (c) A savings bank may be organized as a limited liability  
7 company, may convert to a limited liability company, or may  
8 merge with and into a limited liability company, under the  
9 applicable laws of this State and of the United States,  
10 including any rules promulgated thereunder. A savings bank  
11 organized as a limited liability company shall be subject to  
12 the provisions of the Limited Liability Company Act in addition  
13 to this Act, provided that if a provision of the Limited  
14 Liability Company Act conflicts with a provision of this Act or  
15 with any rule of the Commissioner, the provision of this Act or  
16 the rule of the Commissioner shall apply.

17 Any filing required to be made under the Limited Liability  
18 Company Act shall be made exclusively with the Commissioner,  
19 and the Commissioner shall possess the exclusive authority to  
20 regulate the savings bank as provided in this Act.

21 Any organization as, conversion to, and merger with or into  
22 a limited liability company shall be subject to the prior  
23 approval of the Commissioner.

24 A savings bank that is a limited liability company shall be  
25 subject to all of the provisions of this Act in the same manner  
26 as a savings bank that is organized in stock form.

27 The Commissioner may promulgate rules to ensure that a  
28 savings bank that is a limited liability company (i) is  
29 operating in a safe and sound manner and (ii) is subject to the  
30 Commissioner's authority in the same manner as a savings bank  
31 that is organized in stock form.

32 (Source: P.A. 92-483, eff. 8-23-01; 93-561, eff. 1-1-04.)

33 Section 99. Effective date. This Act takes effect upon  
34 becoming law.