



Sen. Kimberly A. Lightford

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09300SB3021sam001

LRB093 20607 WGH 48940 a

1 AMENDMENT TO SENATE BILL 3021

2 AMENDMENT NO. _____. Amend Senate Bill 3021 by replacing
3 everything after the enacting clause with the following:

4 "Section 5. The Illinois Credit Union Act is amended by
5 changing Sections 23, 26, and 30 and by adding Section 16.1 as
6 follows:

7 (205 ILCS 305/16.1 new)

8 Sec. 16.1. Service to the economically disadvantaged.

9 (a) Persons who reside in investment areas as defined in
10 the Community Development Banking and Financial Institutions
11 Act of 1994 (12 U.S.C. 4702) and identified by the U.S.
12 Department of the Treasury may be admitted to membership in a
13 credit union that serves the area by maintaining a facility in
14 the area. For purposes of this Section, a "facility" means a
15 credit union owned branch, a shared branch, an office operated
16 on a regularly scheduled weekly basis, or a credit union owned
17 electronic facility that meets, at a minimum, the requirements
18 of accepting shares for members' accounts, accepting loan
19 applications and disbursing loans, but does not include an ATM.

20 (b) Credit unions desiring to serve the economically
21 disadvantaged in accordance with this Section shall do so
22 pursuant to a written business plan that shall document the
23 fact that the area meets the criteria of this Section, identify
24 the credit and depository needs of the area, identify the

1 services to be delivered, and describe the manner in which the
2 services will be delivered. The credit union shall regularly
3 review the business plan to determine whether the area is being
4 adequately served and shall provide to the Director periodic
5 service status reports that describe how the needs of the area
6 are being met.

7 (205 ILCS 305/23) (from Ch. 17, par. 4424)

8 Sec. 23. Compensation of officials.

9 (1) No director or committee member may receive
10 compensation for his service as such. "Compensation" as used in
11 this subsection (1) refers to remuneration expense to the
12 credit union for services provided by a director or committee
13 member in his or her capacity as director or committee member.
14 "Compensation" as used in this subsection (1) does not include
15 the expense of providing reasonable life, health, accident, and
16 similar insurance protection benefits for a director or
17 committee member.

18 (2) Directors, committee members and employees, while on
19 official business of the credit union, may be reimbursed for
20 reasonable and necessary expenses. Alternatively, the credit
21 union may make direct payment to a third party for such
22 business expenses. Reasonable and necessary expenses may
23 include the payment of travel costs for the foregoing officials
24 and one guest per official. All payment of costs shall be made
25 in accordance with written policies and procedures established
26 by the Board of Directors.

27 (3) The Board of Directors may establish compensation for
28 officers of the credit union.

29 (Source: P.A. 92-608, eff. 7-1-02.)

30 (205 ILCS 305/26) (from Ch. 17, par. 4427)

31 Sec. 26. Executive Officers. (1) At their first meeting,
32 the Board of Directors shall elect from among their own number

1 a Chairman of the Board and one or more Vice Chairmen, a
2 Secretary and a Treasurer. The Directors shall appoint a chief
3 management official who shall have such title as the Directors
4 shall determine. ~~The Directors President and~~ may also appoint
5 one or more Vice Presidents. ~~The President shall be the chief~~
6 ~~operating officer of the credit union.~~ The chief management
7 official ~~President~~ and Vice President may, but need not, be
8 Directors. Any two or more offices may be held by the same
9 person, except the Chairman of the Board ~~President~~ may not also
10 hold the office of Vice Chairman ~~President~~ or Secretary.

11 (2) The officers shall serve for a term of one year, or
12 until their successors are chosen and have been duly qualified.

13 (3) The duties of the officers shall be prescribed in the
14 bylaws. Compensation of officers shall be such as may be
15 established by the Directors from time to time.

16 (Source: P.A. 81-329.)

17 (205 ILCS 305/30) (from Ch. 17, par. 4431)

18 Sec. 30. Duties of directors. It shall be the duty of the
19 directors to:

20 (1) Review actions on applications for membership. A
21 record of the Membership Committee's approval or denial of
22 membership or management's approval or denial of
23 membership if no Membership Committee has been appointed
24 shall be available to the Board of Directors for
25 inspection. A person denied membership by the Membership
26 Committee or credit union management may appeal the denial
27 to the Board;

28 (2) Provide adequate fidelity bond coverage for
29 officers, employees, directors and committee members, and
30 for losses caused by persons outside of the credit union,
31 subject to rules and regulations promulgated by the
32 Director;

33 (3) Determine from time to time the interest rates, not

1 in excess of that allowed under this Act, which shall be
2 charged on loans to members and to authorize interest
3 refunds, if any, to members from income earned and received
4 in proportion to the interest paid by them on such classes
5 of loans and under such conditions as the Board prescribes.
6 The Directors may establish different interest rates to be
7 charged on different classes of loans;

8 (4) Within any limitations set forth in the credit
9 union's bylaws, fix the maximum amount which may be loaned
10 with and without security to a member;

11 (5) Declare dividends on various classes of shares in
12 the manner and form as provided in the bylaws;

13 (6) Limit the number of shares which may be owned by a
14 member; such limitations to apply alike to all members;

15 (7) Have charge of the investment of funds, except that
16 the Board of Directors may designate an Investment
17 Committee or any qualified individual or entity to have
18 charge of making investments under policies established by
19 the Board of Directors;

20 (8) Authorize the employment of or contracting with
21 such persons or organizations as may be necessary to carry
22 on the operations of the credit union, provided that prior
23 approval is received from the Department before delegating
24 substantially all managerial duties and responsibilities
25 to a credit union organization, and fix the compensation,
26 if any, of the officers and provide for compensation for
27 other employees within policies established by the Board of
28 Directors;

29 (9) Authorize the conveyance of property;

30 (10) Borrow or lend money consistent with the
31 provisions of this Act;

32 (11) Designate a depository or depositories for the
33 funds of the credit union and supervise the investment of
34 funds;

1 (12) Suspend or remove, or both, ~~for cause,~~ any or all
2 officers or any or all members of the Membership, Credit,
3 ~~Supervisory~~ or other committees whenever, in the judgment
4 of the Board of Directors, the best interests of the credit
5 union will be served thereby; provided that members of the
6 Supervisory Committee may not be suspended or removed
7 except for failure to perform their duties; and provided
8 that removal of any officer shall be without prejudice to
9 the contract rights, if any, of the person so removed ~~for~~
10 ~~failure to perform their duties;~~

11 (13) Appoint any special committees deemed necessary;
12 and~~;~~

13 (14) Perform such other duties as the members may
14 direct, and perform or authorize any action not
15 inconsistent with this Act and not specifically reserved by
16 the bylaws to the members.

17 (Source: P.A. 92-608, eff. 7-1-02; revised 1-20-03.)

18 Section 99. Effective date. This Act takes effect upon
19 becoming law."