



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

Introduced 2/6/2004, by Kimberly A. Lightford

**SYNOPSIS AS INTRODUCED:**

|              |                       |
|--------------|-----------------------|
| 205 ILCS 5/2 | from Ch. 17, par. 302 |
| 205 ILCS 5/5 | from Ch. 17, par. 311 |

Amends the Illinois Banking Act. Defines "federally insured depository institution" to mean a bank that is insured by the Federal Deposit Insurance Corporation or other instrumentality of or corporation chartered by the United States that is supported by the full faith and credit of the United States government. Modifies the general corporate powers of banks organized under or subject to the Act. Allows banks to offer any product or service that is at the time authorized or permitted to any federally insured depository institution by applicable law subject to the same limitations and restrictions that are applicable to the federally insured depository institution for the product or service by such applicable law. Effective immediately.

LRB093 20880 SAS 46833 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 Illinois Banking Act is amended by changing  
5 Sections 2 and 5 as follows:

6 (205 ILCS 5/2) (from Ch. 17, par. 302)

7 Sec. 2. General definitions. In this Act, unless the  
8 context otherwise requires, the following words and phrases  
9 shall have the following meanings:

10 "Accommodation party" shall have the meaning ascribed to  
11 that term in Section 3-419 of the Uniform Commercial Code.

12 "Action" in the sense of a judicial proceeding includes  
13 recoupments, counterclaims, set-off, and any other proceeding  
14 in which rights are determined.

15 "Affiliate facility" of a bank means a main banking  
16 premises or branch of another commonly owned bank. The main  
17 banking premises or any branch of a bank may be an "affiliate  
18 facility" with respect to one or more other commonly owned  
19 banks.

20 "Appropriate federal banking agency" means the Federal  
21 Deposit Insurance Corporation, the Federal Reserve Bank of  
22 Chicago, or the Federal Reserve Bank of St. Louis, as  
23 determined by federal law.

24 "Bank" means any person doing a banking business whether  
25 subject to the laws of this or any other jurisdiction.

26 A "banking house", "branch", "branch bank" or "branch  
27 office" shall mean any place of business of a bank at which  
28 deposits are received, checks paid, or loans made, but shall  
29 not include any place at which only records thereof are made,  
30 posted, or kept. A place of business at which deposits are  
31 received, checks paid, or loans made shall not be deemed to be  
32 a branch, branch bank, or branch office if the place of

1 business is adjacent to and connected with the main banking  
2 premises, or if it is separated from the main banking premises  
3 by not more than an alley; provided always that (i) if the  
4 place of business is separated by an alley from the main  
5 banking premises there is a connection between the two by  
6 public or private way or by subterranean or overhead passage,  
7 and (ii) if the place of business is in a building not wholly  
8 occupied by the bank, the place of business shall not be within  
9 any office or room in which any other business or service of  
10 any kind or nature other than the business of the bank is  
11 conducted or carried on. A place of business at which deposits  
12 are received, checks paid, or loans made shall not be deemed to  
13 be a branch, branch bank, or branch office (i) of any bank if  
14 the place is a terminal established and maintained in  
15 accordance with paragraph (17) of Section 5 of this Act, or  
16 (ii) of a commonly owned bank by virtue of transactions  
17 conducted at that place on behalf of the other commonly owned  
18 bank under paragraph (23) of Section 5 of this Act if the place  
19 is an affiliate facility with respect to the other bank.

20 "Branch of an out-of-state bank" means a branch established  
21 or maintained in Illinois by an out-of-state bank as a result  
22 of a merger between an Illinois bank and the out-of-state bank  
23 that occurs on or after May 31, 1997, or any branch established  
24 by the out-of-state bank following the merger.

25 "Bylaws" means the bylaws of a bank that are adopted by the  
26 bank's board of directors or shareholders for the regulation  
27 and management of the bank's affairs. If the bank operates as a  
28 limited liability company, however, "bylaws" means the  
29 operating agreement of the bank.

30 "Call report fee" means the fee to be paid to the  
31 Commissioner by each State bank pursuant to paragraph (a) of  
32 subsection (3) of Section 48 of this Act.

33 "Capital" includes the aggregate of outstanding capital  
34 stock and preferred stock.

35 "Cash flow reserve account" means the account within the  
36 books and records of the Commissioner of Banks and Real Estate

1 used to record funds designated to maintain a reasonable Bank  
2 and Trust Company Fund operating balance to meet agency  
3 obligations on a timely basis.

4 "Charter" includes the original charter and all amendments  
5 thereto and articles of merger or consolidation.

6 "Commissioner" means the Commissioner of Banks and Real  
7 Estate or a person authorized by the Commissioner, the Office  
8 of Banks and Real Estate Act, or this Act to act in the  
9 Commissioner's stead.

10 "Commonly owned banks" means 2 or more banks that each  
11 qualify as a bank subsidiary of the same bank holding company  
12 pursuant to Section 18 of the Federal Deposit Insurance Act;  
13 "commonly owned bank" refers to one of a group of commonly  
14 owned banks but only with respect to one or more of the other  
15 banks in the same group.

16 "Community" means a city, village, or incorporated town and  
17 also includes the area served by the banking offices of a bank,  
18 but need not be limited or expanded to conform to the  
19 geographic boundaries of units of local government.

20 "Company" means a corporation, limited liability company,  
21 partnership, business trust, association, or similar  
22 organization and, unless specifically excluded, includes a  
23 "State bank" and a "bank".

24 "Consolidating bank" means a party to a consolidation.

25 "Consolidation" takes place when 2 or more banks, or a  
26 trust company and a bank, are extinguished and by the same  
27 process a new bank is created, taking over the assets and  
28 assuming the liabilities of the banks or trust company passing  
29 out of existence.

30 "Continuing bank" means a merging bank, the charter of  
31 which becomes the charter of the resulting bank.

32 "Converting bank" means a State bank converting to become a  
33 national bank, or a national bank converting to become a State  
34 bank.

35 "Converting trust company" means a trust company  
36 converting to become a State bank.

1 "Court" means a court of competent jurisdiction.

2 "Director" means a member of the board of directors of a  
3 bank. In the case of a manager-managed limited liability  
4 company, however, "director" means a manager of the bank and,  
5 in the case of a member-managed limited liability company,  
6 "director" means a member of the bank. The term "director" does  
7 not include an advisory director, honorary director, director  
8 emeritus, or similar person, unless the person is otherwise  
9 performing functions similar to those of a member of the board  
10 of directors.

11 "Eligible depository institution" means an insured savings  
12 association that is in default, an insured savings association  
13 that is in danger of default, a State or national bank that is  
14 in default or a State or national bank that is in danger of  
15 default, as those terms are defined in this Section, or a new  
16 bank as that term defined in Section 11(m) of the Federal  
17 Deposit Insurance Act or a bridge bank as that term is defined  
18 in Section 11(n) of the Federal Deposit Insurance Act or a new  
19 federal savings association authorized under Section  
20 11(d) (2) (f) of the Federal Deposit Insurance Act.

21 "Federally insured depository institution" means a bank  
22 that is insured by the Federal Deposit Insurance Corporation or  
23 other instrumentality of or corporation chartered by the United  
24 States that is supported by the full faith and credit of the  
25 United States government.

26 "Fiduciary" means trustee, agent, executor, administrator,  
27 committee, guardian for a minor or for a person under legal  
28 disability, receiver, trustee in bankruptcy, assignee for  
29 creditors, or any holder of similar position of trust.

30 "Financial institution" means a bank, savings and loan  
31 association, credit union, or any licensee under the Consumer  
32 Installment Loan Act or the Sales Finance Agency Act and, for  
33 purposes of Section 48.3, any proprietary network, funds  
34 transfer corporation, or other entity providing electronic  
35 funds transfer services, or any corporate fiduciary, its  
36 subsidiaries, affiliates, parent company, or contractual

1 service provider that is examined by the Commissioner.

2 "Foundation" means the Illinois Bank Examiners' Education  
3 Foundation.

4 "General obligation" means a bond, note, debenture,  
5 security, or other instrument evidencing an obligation of the  
6 government entity that is the issuer that is supported by the  
7 full available resources of the issuer, the principal and  
8 interest of which is payable in whole or in part by taxation.

9 "Guarantee" means an undertaking or promise to answer for  
10 payment of another's debt or performance of another's duty,  
11 liability, or obligation whether "payment guaranteed" or  
12 "collection guaranteed".

13 "In danger of default" means a State or national bank, a  
14 federally chartered insured savings association or an Illinois  
15 state chartered insured savings association with respect to  
16 which the Commissioner or the appropriate federal banking  
17 agency has advised the Federal Deposit Insurance Corporation  
18 that:

19 (1) in the opinion of the Commissioner or the  
20 appropriate federal banking agency,

21 (A) the State or national bank or insured savings  
22 association is not likely to be able to meet the  
23 demands of the State or national bank's or savings  
24 association's obligations in the normal course of  
25 business; and

26 (B) there is no reasonable prospect that the State  
27 or national bank or insured savings association will be  
28 able to meet those demands or pay those obligations  
29 without federal assistance; or

30 (2) in the opinion of the Commissioner or the  
31 appropriate federal banking agency,

32 (A) the State or national bank or insured savings  
33 association has incurred or is likely to incur losses  
34 that will deplete all or substantially all of its  
35 capital; and

36 (B) there is no reasonable prospect that the

1 capital of the State or national bank or insured  
2 savings association will be replenished without  
3 federal assistance.

4 "In default" means, with respect to a State or national  
5 bank or an insured savings association, any adjudication or  
6 other official determination by any court of competent  
7 jurisdiction, the Commissioner, the appropriate federal  
8 banking agency, or other public authority pursuant to which a  
9 conservator, receiver, or other legal custodian is appointed  
10 for a State or national bank or an insured savings association.

11 "Insured savings association" means any federal savings  
12 association chartered under Section 5 of the federal Home  
13 Owners' Loan Act and any State savings association chartered  
14 under the Illinois Savings and Loan Act of 1985 or a  
15 predecessor Illinois statute, the deposits of which are insured  
16 by the Federal Deposit Insurance Corporation. The term also  
17 includes a savings bank organized or operating under the  
18 Savings Bank Act.

19 "Insured savings association in recovery" means an insured  
20 savings association that is not an eligible depository  
21 institution and that does not meet the minimum capital  
22 requirements applicable with respect to the insured savings  
23 association.

24 "Issuer" means for purposes of Section 33 every person who  
25 shall have issued or proposed to issue any security; except  
26 that (1) with respect to certificates of deposit, voting trust  
27 certificates, collateral-trust certificates, and certificates  
28 of interest or shares in an unincorporated investment trust not  
29 having a board of directors (or persons performing similar  
30 functions), "issuer" means the person or persons performing the  
31 acts and assuming the duties of depositor or manager pursuant  
32 to the provisions of the trust, agreement, or instrument under  
33 which the securities are issued; (2) with respect to trusts  
34 other than those specified in clause (1) above, where the  
35 trustee is a corporation authorized to accept and execute  
36 trusts, "issuer" means the entrusters, depositors, or creators

1 of the trust and any manager or committee charged with the  
2 general direction of the affairs of the trust pursuant to the  
3 provisions of the agreement or instrument creating the trust;  
4 and (3) with respect to equipment trust certificates or like  
5 securities, "issuer" means the person to whom the equipment or  
6 property is or is to be leased or conditionally sold.

7 "Letter of credit" and "customer" shall have the meanings  
8 ascribed to those terms in Section 5-102 of the Uniform  
9 Commercial Code.

10 "Main banking premises" means the location that is  
11 designated in a bank's charter as its main office.

12 "Maker or obligor" means for purposes of Section 33 the  
13 issuer of a security, the promisor in a debenture or other debt  
14 security, or the mortgagor or grantor of a trust deed or  
15 similar conveyance of a security interest in real or personal  
16 property.

17 "Merged bank" means a merging bank that is not the  
18 continuing, resulting, or surviving bank in a consolidation or  
19 merger.

20 "Merger" includes consolidation.

21 "Merging bank" means a party to a bank merger.

22 "Merging trust company" means a trust company party to a  
23 merger with a State bank.

24 "Mid-tier bank holding company" means a corporation that  
25 (a) owns 100% of the issued and outstanding shares of each  
26 class of stock of a State bank, (b) has no other subsidiaries,  
27 and (c) 100% of the issued and outstanding shares of the  
28 corporation are owned by a parent bank holding company.

29 "Municipality" means any municipality, political  
30 subdivision, school district, taxing district, or agency.

31 "National bank" means a national banking association  
32 located in this State and after May 31, 1997, means a national  
33 banking association without regard to its location.

34 "Out-of-state bank" means a bank chartered under the laws  
35 of a state other than Illinois, a territory of the United  
36 States, or the District of Columbia.



1 "Parent bank holding company" means a corporation that is a  
2 bank holding company as that term is defined in the Illinois  
3 Bank Holding Company Act of 1957 and owns 100% of the issued  
4 and outstanding shares of a mid-tier bank holding company.

5 "Person" means an individual, corporation, limited  
6 liability company, partnership, joint venture, trust, estate,  
7 or unincorporated association.

8 "Public agency" means the State of Illinois, the various  
9 counties, townships, cities, towns, villages, school  
10 districts, educational service regions, special road  
11 districts, public water supply districts, fire protection  
12 districts, drainage districts, levee districts, sewer  
13 districts, housing authorities, the Illinois Bank Examiners'  
14 Education Foundation, the Chicago Park District, and all other  
15 political corporations or subdivisions of the State of  
16 Illinois, whether now or hereafter created, whether herein  
17 specifically mentioned or not, and shall also include any other  
18 state or any political corporation or subdivision of another  
19 state.

20 "Public funds" or "public money" means current operating  
21 funds, special funds, interest and sinking funds, and funds of  
22 any kind or character belonging to, in the custody of, or  
23 subject to the control or regulation of the United States or a  
24 public agency. "Public funds" or "public money" shall include  
25 funds held by any of the officers, agents, or employees of the  
26 United States or of a public agency in the course of their  
27 official duties and, with respect to public money of the United  
28 States, shall include Postal Savings funds.

29 "Published" means, unless the context requires otherwise,  
30 the publishing of the notice or instrument referred to in some  
31 newspaper of general circulation in the community in which the  
32 bank is located at least once each week for 3 successive weeks.  
33 Publishing shall be accomplished by, and at the expense of, the  
34 bank required to publish. Where publishing is required, the  
35 bank shall submit to the Commissioner that evidence of the  
36 publication as the Commissioner shall deem appropriate.

1 "Qualified financial contract" means any security  
2 contract, commodity contract, forward contract, including spot  
3 and forward foreign exchange contracts, repurchase agreement,  
4 swap agreement, and any similar agreement, any option to enter  
5 into any such agreement, including any combination of the  
6 foregoing, and any master agreement for such agreements. A  
7 master agreement, together with all supplements thereto, shall  
8 be treated as one qualified financial contract. The contract,  
9 option, agreement, or combination of contracts, options, or  
10 agreements shall be reflected upon the books, accounts, or  
11 records of the bank, or a party to the contract shall provide  
12 documentary evidence of such agreement.

13 "Recorded" means the filing or recording of the notice or  
14 instrument referred to in the office of the Recorder of the  
15 county wherein the bank is located.

16 "Resulting bank" means the bank resulting from a merger or  
17 conversion.

18 "Securities" means stocks, bonds, debentures, notes, or  
19 other similar obligations.

20 "Stand-by letter of credit" means a letter of credit under  
21 which drafts are payable upon the condition the customer has  
22 defaulted in performance of a duty, liability, or obligation.

23 "State bank" means any banking corporation that has a  
24 banking charter issued by the Commissioner under this Act.

25 "State Banking Board" means the State Banking Board of  
26 Illinois.

27 "Subsidiary" with respect to a specified company means a  
28 company that is controlled by the specified company. For  
29 purposes of paragraphs (8) and (12) of Section 5 of this Act,  
30 "control" means the exercise of operational or managerial  
31 control of a corporation by the bank, either alone or together  
32 with other affiliates of the bank.

33 "Surplus" means the aggregate of (i) amounts paid in excess  
34 of the par value of capital stock and preferred stock; (ii)  
35 amounts contributed other than for capital stock and preferred  
36 stock and allocated to the surplus account; and (iii) amounts

1 transferred from undivided profits.

2 "Tier 1 Capital" and "Tier 2 Capital" have the meanings  
3 assigned to those terms in regulations promulgated for the  
4 appropriate federal banking agency of a state bank, as those  
5 regulations are now or hereafter amended.

6 "Trust company" means a limited liability company or  
7 corporation incorporated in this State for the purpose of  
8 accepting and executing trusts.

9 "Undivided profits" means undistributed earnings less  
10 discretionary transfers to surplus.

11 "Unimpaired capital and unimpaired surplus", for the  
12 purposes of paragraph (21) of Section 5 and Sections 32, 33,  
13 34, 35.1, 35.2, and 47 of this Act means the sum of the state  
14 bank's Tier 1 Capital and Tier 2 Capital plus such other  
15 shareholder equity as may be included by regulation of the  
16 Commissioner. Unimpaired capital and unimpaired surplus shall  
17 be calculated on the basis of the date of the last quarterly  
18 call report filed with the Commissioner preceding the date of  
19 the transaction for which the calculation is made, provided  
20 that: (i) when a material event occurs after the date of the  
21 last quarterly call report filed with the Commissioner that  
22 reduces or increases the bank's unimpaired capital and  
23 unimpaired surplus by 10% or more, then the unimpaired capital  
24 and unimpaired surplus shall be calculated from the date of the  
25 material event for a transaction conducted after the date of  
26 the material event; and (ii) if the Commissioner determines for  
27 safety and soundness reasons that a state bank should calculate  
28 unimpaired capital and unimpaired surplus more frequently than  
29 provided by this paragraph, the Commissioner may by written  
30 notice direct the bank to calculate unimpaired capital and  
31 unimpaired surplus at a more frequent interval. In the case of  
32 a state bank newly chartered under Section 13 or a state bank  
33 resulting from a merger, consolidation, or conversion under  
34 Sections 21 through 26 for which no preceding quarterly call  
35 report has been filed with the Commissioner, unimpaired capital  
36 and unimpaired surplus shall be calculated for the first

1 calendar quarter on the basis of the effective date of the  
2 charter, merger, consolidation, or conversion.

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

4 (205 ILCS 5/5) (from Ch. 17, par. 311)

5 Sec. 5. General corporate powers. A bank organized under  
6 this Act or subject hereto shall be a body corporate and  
7 politic and shall, without specific mention thereof in the  
8 charter, have all the powers conferred by this Act and the  
9 following additional general corporate powers:

10 (1) To sue and be sued, complain, and defend in its  
11 corporate name.

12 (2) To have a corporate seal, which may be altered at  
13 pleasure, and to use the same by causing it or a facsimile  
14 thereof to be impressed or affixed or in any manner reproduced,  
15 provided that the affixing of a corporate seal to an instrument  
16 shall not give the instrument additional force or effect, or  
17 change the construction thereof, and the use of a corporate  
18 seal is not mandatory.

19 (3) To make, alter, amend, and repeal bylaws, not  
20 inconsistent with its charter or with law, for the  
21 administration of the affairs of the bank. If this Act does not  
22 provide specific guidance in matters of corporate governance,  
23 the provisions of the Business Corporation Act of 1983 may be  
24 used if so provided in the bylaws, and if the bank is a limited  
25 liability company, the provisions of the Limited Liability  
26 Company Act shall be used.

27 (4) To elect or appoint and remove officers and agents of  
28 the bank and define their duties and fix their compensation.

29 (5) To adopt and operate reasonable bonus plans,  
30 profit-sharing plans, stock-bonus plans, stock-option plans,  
31 pension plans and similar incentive plans for its directors,  
32 officers and employees.

33 (5.1) To manage, operate and administer a fund for the  
34 investment of funds by a public agency or agencies, including  
35 any unit of local government or school district, or any person.

1 The fund for a public agency shall invest in the same type of  
2 investments and be subject to the same limitations provided for  
3 the investment of public funds. The fund for public agencies  
4 shall maintain a separate ledger showing the amount of  
5 investment for each public agency in the fund. "Public funds"  
6 and "public agency" as used in this Section shall have the  
7 meanings ascribed to them in Section 1 of the Public Funds  
8 Investment Act.

9 (6) To make reasonable donations for the public welfare or  
10 for charitable, scientific, religious or educational purposes.

11 (7) To borrow or incur an obligation; and to pledge its  
12 assets:

13 (a) to secure its borrowings, its lease of personal or  
14 real property or its other nondeposit obligations;

15 (b) to enable it to act as agent for the sale of  
16 obligations of the United States;

17 (c) to secure deposits of public money of the United  
18 States, whenever required by the laws of the United States,  
19 including without being limited to, revenues and funds the  
20 deposit of which is subject to the control or regulation of  
21 the United States or any of its officers, agents, or  
22 employees and Postal Savings funds;

23 (d) to secure deposits of public money of any state or  
24 of any political corporation or subdivision thereof  
25 including, without being limited to, revenues and funds the  
26 deposit of which is subject to the control or regulation of  
27 any state or of any political corporation or subdivisions  
28 thereof or of any of their officers, agents, or employees;

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

31 (f) (blank); and

32 (g) to secure trust funds commingled with the bank's  
33 funds, whether deposited by the bank or an affiliate of the  
34 bank, pursuant to Section 2-8 of the Corporate Fiduciary  
35 Act.

36 (8) To own, possess, and carry as assets all or part of the

1 real estate necessary in or with which to do its banking  
2 business, either directly or indirectly through the ownership  
3 of all or part of the capital stock, shares or interests in any  
4 corporation, association, trust engaged in holding any part or  
5 parts or all of the bank premises, engaged in such business and  
6 in conducting a safe deposit business in the premises or part  
7 of them, or engaged in any activity that the bank is permitted  
8 to conduct in a subsidiary pursuant to paragraph (12) of this  
9 Section 5.

10 (9) To own, possess, and carry as assets other real estate  
11 to which it may obtain title in the collection of its debts or  
12 that was formerly used as a part of the bank premises, but  
13 title to any real estate except as herein permitted shall not  
14 be retained by the bank, either directly or by or through a  
15 subsidiary, as permitted by subsection (12) of this Section for  
16 a total period of more than 10 years after acquiring title,  
17 either directly or indirectly.

18 (10) To do any act, including the acquisition of stock,  
19 necessary to obtain insurance of its deposits, or part thereof,  
20 and any act necessary to obtain a guaranty, in whole or in  
21 part, of any of its loans or investments by the United States  
22 or any agency thereof, and any act necessary to sell or  
23 otherwise dispose of any of its loans or investments to the  
24 United States or any agency thereof, and to acquire and hold  
25 membership in the Federal Reserve System.

26 (11) Notwithstanding any other provisions of this Act or  
27 any other law, to do any act and to own, possess, and carry as  
28 assets property of the character, including stock, that is at  
29 the time authorized or permitted to national banks by an Act of  
30 Congress, but subject always to the same limitations and  
31 restrictions as are applicable to national banks by the  
32 pertinent federal law and subject to applicable provisions of  
33 the Financial Institutions Insurance Sales Law.

34 (12) To own, possess, and carry as assets stock of one or  
35 more corporations that is, or are, engaged in one or more of  
36 the following businesses:

1 (a) holding title to and administering assets acquired  
2 as a result of the collection or liquidating of loans,  
3 investments, or discounts; or

4 (b) holding title to and administering personal  
5 property acquired by the bank, directly or indirectly  
6 through a subsidiary, for the purpose of leasing to others,  
7 provided the lease or leases and the investment of the  
8 bank, directly or through a subsidiary, in that personal  
9 property otherwise comply with Section 35.1 of this Act; or

10 (c) carrying on or administering any of the activities  
11 excepting the receipt of deposits or the payment of checks  
12 or other orders for the payment of money in which a bank  
13 may engage in carrying on its general banking business;  
14 provided, however, that nothing contained in this  
15 paragraph (c) shall be deemed to permit a bank organized  
16 under this Act or subject hereto to do, either directly or  
17 indirectly through any subsidiary, any act, including the  
18 making of any loan or investment, or to own, possess, or  
19 carry as assets any property that if done by or owned,  
20 possessed, or carried by the State bank would be in  
21 violation of or prohibited by any provision of this Act.

22 The provisions of this subsection (12) shall not apply to  
23 and shall not be deemed to limit the powers of a State bank  
24 with respect to the ownership, possession, and carrying of  
25 stock that a State bank is permitted to own, possess, or carry  
26 under this Act.

27 Any bank intending to establish a subsidiary under this  
28 subsection (12) shall give written notice to the Commissioner  
29 60 days prior to the subsidiary's commencing of business or, as  
30 the case may be, prior to acquiring stock in a corporation that  
31 has already commenced business. After receiving the notice, the  
32 Commissioner may waive or reduce the balance of the 60 day  
33 notice period. The Commissioner may specify the form of the  
34 notice and may promulgate rules and regulations to administer  
35 this subsection (12).

36 (13) To accept for payment at a future date not exceeding

1 one year from the date of acceptance, drafts drawn upon it by  
2 its customers; and to issue, advise, or confirm letters of  
3 credit authorizing the holders thereof to draw drafts upon it  
4 or its correspondents.

5 (14) To own and lease personal property acquired by the  
6 bank at the request of a prospective lessee and upon the  
7 agreement of that person to lease the personal property  
8 provided that the lease, the agreement with respect thereto,  
9 and the amount of the investment of the bank in the property  
10 comply with Section 35.1 of this Act.

11 (15) (a) To establish and maintain, in addition to the main  
12 banking premises, branches offering any banking services  
13 permitted at the main banking premises of a State bank.

14 (b) To establish and maintain, after May 31, 1997,  
15 branches in another state that may conduct any activity in  
16 that state that is authorized or permitted for any bank  
17 that has a banking charter issued by that state, subject to  
18 the same limitations and restrictions that are applicable  
19 to banks chartered by that state.

20 (16) (Blank).

21 (17) To establish and maintain terminals, as authorized by  
22 the Electronic Fund Transfer Act.

23 (18) To establish and maintain temporary service booths at  
24 any International Fair held in this State which is approved by  
25 the United States Department of Commerce, for the duration of  
26 the international fair for the sole purpose of providing a  
27 convenient place for foreign trade customers at the fair to  
28 exchange their home countries' currency into United States  
29 currency or the converse. This power shall not be construed as  
30 establishing a new place or change of location for the bank  
31 providing the service booth.

32 (19) To indemnify its officers, directors, employees, and  
33 agents, as authorized for corporations under Section 8.75 of  
34 the Business Corporation Act of 1983.

35 (20) To own, possess, and carry as assets stock of, or be  
36 or become a member of, any corporation, mutual company,



1 association, trust, or other entity formed exclusively for the  
2 purpose of providing directors' and officers' liability and  
3 bankers' blanket bond insurance or reinsurance to and for the  
4 benefit of the stockholders, members, or beneficiaries, or  
5 their assets or businesses, or their officers, directors,  
6 employees, or agents, and not to or for the benefit of any  
7 other person or entity or the public generally.

8 (21) To make debt or equity investments in corporations or  
9 projects, whether for profit or not for profit, designed to  
10 promote the development of the community and its welfare,  
11 provided that the aggregate investment in all of these  
12 corporations and in all of these projects does not exceed 10%  
13 of the unimpaired capital and unimpaired surplus of the bank  
14 and provided that this limitation shall not apply to  
15 creditworthy loans by the bank to those corporations or  
16 projects. Upon written application to the Commissioner, a bank  
17 may make an investment that would, when aggregated with all  
18 other such investments, exceed 10% of the unimpaired capital  
19 and unimpaired surplus of the bank. The Commissioner may  
20 approve the investment if he is of the opinion and finds that  
21 the proposed investment will not have a material adverse effect  
22 on the safety and soundness of the bank.

23 (22) To own, possess, and carry as assets the stock of a  
24 corporation engaged in the ownership or operation of a travel  
25 agency or to operate a travel agency as a part of its business.

26 (23) With respect to affiliate facilities:

27 (a) to conduct at affiliate facilities for and on  
28 behalf of another commonly owned bank, if so authorized by  
29 the other bank, all transactions that the other bank is  
30 authorized or permitted to perform; and

31 (b) to authorize a commonly owned bank to conduct for  
32 and on behalf of it any of the transactions it is  
33 authorized or permitted to perform at one or more affiliate  
34 facilities.

35 Any bank intending to conduct or to authorize a commonly  
36 owned bank to conduct at an affiliate facility any of the

1 transactions specified in this paragraph (23) shall give  
2 written notice to the Commissioner at least 30 days before any  
3 such transaction is conducted at the affiliate facility.

4 (24) To act as the agent for any fire, life, or other  
5 insurance company authorized by the State of Illinois, by  
6 soliciting and selling insurance and collecting premiums on  
7 policies issued by such company; and to receive for services so  
8 rendered such fees or commissions as may be agreed upon between  
9 the bank and the insurance company for which it may act as  
10 agent; provided, however, that no such bank shall in any case  
11 assume or guarantee the payment of any premium on insurance  
12 policies issued through its agency by its principal; and  
13 provided further, that the bank shall not guarantee the truth  
14 of any statement made by an assured in filing his application  
15 for insurance.

16 (25) Notwithstanding any other provisions of this Act or  
17 any other law, to offer any product or service that is at the  
18 time authorized or permitted to any federally insured ~~savings~~  
19 ~~association or out of state bank~~ depository institution by  
20 applicable law, but subject always to the same limitations and  
21 restrictions that are applicable to the federally insured  
22 depository institution for the product or service by such  
23 applicable law, provided that powers conferred only by this  
24 subsection (25):

25 (a) (blank); ~~shall always be subject to the same~~  
26 ~~limitations and restrictions that are applicable to the~~  
27 ~~insured savings association or out of state bank for the~~  
28 ~~product or service by such applicable law;~~

29 (b) shall be subject to applicable provisions of the  
30 Financial Institutions Insurance Sales Law;

31 (c) shall not include the right to own or conduct a  
32 real estate brokerage business for which a license would be  
33 required under the laws of this State; and

34 (d) (blank); ~~shall not be construed to include the~~  
35 ~~establishment or maintenance of a branch, nor shall they be~~  
36 ~~construed to limit the establishment or maintenance of a~~

1 ~~branch pursuant to subsection (11).~~

2 (e) shall be subject to applicable provisions of the  
3 High Risk Home Loan Act.

4 Not less than 30 days before engaging in any activity under  
5 the authority of this subsection, a bank shall provide written  
6 notice to the Commissioner of its intent to engage in the  
7 activity. The notice shall indicate the specific federal or  
8 state law, rule, regulation, or interpretation the bank intends  
9 to use as authority to engage in the activity.

10 (Source: P.A. 92-483, eff. 8-23-01; 92-811, eff. 8-21-02;  
11 93-561; eff.1-1-04.)

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