



94TH GENERAL ASSEMBLY

State of Illinois

2005 and 2006

SB2092

Introduced 2/25/2005, by Sen. Kimberly A. Lightford - Dan Rutherford

SYNOPSIS AS INTRODUCED:

205 ILCS 710/5
205 ILCS 710/10
205 ILCS 710/20 new

Amends the Banking on Illinois Act. Makes a change concerning declarations of policy to provide that by ensuring a favorable environment for banks to commence and and operate their businesses from this State, more newly created community banks and merging banks will choose to maintain or retain their headquarters in or (now, and) relocate their main banking offices to Illinois. Provides that it is the purpose of the Act to encourage and provide a favorable environment in Illinois for the chartering and operating of banks that locate and maintain main banking headquarters (now, offices) in this State. Authorizes a State or federally chartered bank that maintains its main banking headquarters in this State to offer a credit product to Illinois residents under the same terms and conditions that an out-of-state bank may offer the credit product to Illinois residents. Requires any bank offering such a credit product to provide written notice to the Director of the Division of Banks and Real Estate in the Department of Financial and Professional Regulation of its intent to offer the product. Makes other changes. Effective immediately.

LRB094 09277 MKM 39514 b

1 AN ACT concerning regulation.

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

4 Section 5. The Banking on Illinois Act is amended by
5 changing Sections 5 and 10 and by adding Section 20 as follows:

6 (205 ILCS 710/5)

7 Sec. 5. Findings and declarations of policy. The General
8 Assembly hereby finds and declares:

9 (1) that the economic strength and general welfare of
10 Illinois depends on a strong, profitable, and competitive
11 banking industry in this State that preserves and creates
12 employment, increases credit availability, attracts
13 capital, and expands the savings base for the citizens of
14 this State;

15 (2) that the removal of geographic restrictions in the
16 federal banking laws and in the laws of the 50 states has
17 given rise to a substantial number of newly created
18 community banks and interstate bank mergers requiring the
19 selection of main office locations and relocations;

20 (3) that by ensuring a favorable environment for banks
21 to commence and operate their businesses from this State,
22 more newly created community banks and merging banks will
23 choose to maintain or retain their headquarters in or ~~and~~
24 relocate their main banking offices to Illinois; and

25 (4) that preserving and increasing the number of bank
26 headquarters and main banking offices within Illinois will
27 substantially increase employment opportunities, credit
28 availability, and capital investment in this State, while
29 strengthening the savings base of this State, thereby
30 providing significant benefits to all Illinois citizens,
31 to commercial and agricultural businesses of all sizes in
32 this State, and to all local governments and political

1 subdivisions of this State.

2 (Source: P.A. 91-330, eff. 7-29-99.)

3 (205 ILCS 710/10)

4 Sec. 10. Purpose. The purpose of this Act is to encourage
5 and provide a favorable environment in Illinois for the
6 chartering and operating of banks that locate and maintain main
7 banking headquarters offices in this State.

8 (Source: P.A. 91-330, eff. 7-29-99.)

9 (205 ILCS 710/20 new)

10 Sec. 20. Credit products.

11 (a) Any State or federally chartered bank that maintains
12 its main banking headquarters in this State may offer a credit
13 product to Illinois residents under the same terms and
14 conditions that an out-of-state bank may offer the credit
15 product to Illinois residents, subject to the same limitations
16 and conditions that are applicable to the out-of-state bank,
17 and subject to applicable provisions of the High Risk Home Loan
18 Act. This Section shall not in any way impair the authority of
19 a bank to offer a credit product under any other law of this
20 State.

21 (b) At least 30 days before a bank offers any credit
22 product under this Section, the bank shall provide written
23 notice to the Director of the Division of Banks and Real Estate
24 in the Department of Financial and Profession Regulation of its
25 intent to offer the credit product. The notice shall cite the
26 federal or state law, rule, regulation, or interpretation upon
27 which the bank is basing its offer of a credit product under
28 this Section.

29 (c) The Division of Banks and Real Estate in the Department
30 of Financial and Professional Regulation may promulgate rules
31 to administer the provisions of this Section.

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