

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 Illinois Credit Union Act is amended by  
5 changing Section 59 as follows:

6 (205 ILCS 305/59) (from Ch. 17, par. 4460)

7 Sec. 59. Investment of Funds.

8 (a) Funds not used in loans to members may be invested,  
9 pursuant to subsection (7) of Section 30 of this Act, and  
10 subject to Departmental rules and regulations:

11 (1) In securities, obligations or other instruments of  
12 or issued by or fully guaranteed as to principal and  
13 interest by the United States of America or any agency  
14 thereof or in any trust or trusts established for investing  
15 directly or collectively in the same;

16 (2) In obligations of any state of the United States,  
17 the District of Columbia, the Commonwealth of Puerto Rico,  
18 and the several territories organized by Congress, or any  
19 political subdivision thereof; however, a credit union may  
20 not invest more than 10% of its unimpaired capital and  
21 surplus in the obligations of one issuer, exclusive of  
22 general obligations of the issuer, and investments in  
23 municipal securities must be limited to securities rated in

1 one of the 4 highest rating categories by a nationally  
2 recognized statistical rating organization;

3 (3) In certificates of deposit or passbook type  
4 accounts issued by a state or national bank, mutual savings  
5 bank or savings and loan association; provided that such  
6 institutions have their accounts insured by the Federal  
7 Deposit Insurance Corporation or the Federal Savings and  
8 Loan Insurance Corporation; but provided, further, that a  
9 credit union's investment in an account in any one  
10 institution may exceed the insured limit on accounts;

11 (4) In shares, classes of shares or share certificates  
12 of other credit unions, including, but not limited to  
13 corporate credit unions; provided that such credit unions  
14 have their members' accounts insured by the NCUA or other  
15 approved insurers, and that if the members' accounts are so  
16 insured, a credit union's investment may exceed the insured  
17 limit on accounts;

18 (5) In shares of a cooperative society organized under  
19 the laws of this State or the laws of the United States in  
20 the total amount not exceeding 10% of the unimpaired  
21 capital and surplus of the credit union; provided that such  
22 investment shall first be approved by the Department;

23 (6) In obligations of the State of Israel, or  
24 obligations fully guaranteed by the State of Israel as to  
25 payment of principal and interest;

26 (7) In shares, stocks or obligations of other financial

1 institutions in the total amount not exceeding 5% of the  
2 unimpaired capital and surplus of the credit union;

3 (8) In federal funds and bankers' acceptances;

4 (9) In shares or stocks of Credit Union Service  
5 Organizations in the total amount not exceeding the greater  
6 of 3% of the unimpaired capital and surplus of the credit  
7 union or the amount authorized for federal credit unions.

8 (b) As used in this Section, "political subdivision"  
9 includes, but is not limited to, counties, townships, cities,  
10 villages, incorporated towns, school districts, educational  
11 service regions, special road districts, public water supply  
12 districts, fire protection districts, drainage districts,  
13 levee districts, sewer districts, housing authorities, park  
14 districts, and any agency, corporation, or instrumentality of a  
15 state or its political subdivisions, whether now or hereafter  
16 created and whether herein specifically mentioned or not.

17 (c) A credit union investing to fund an employee benefit  
18 plan obligation is not subject to the investment limitations of  
19 this Act and this Section and may purchase an investment that  
20 would otherwise be impermissible if the investment is directly  
21 related to the credit union's obligation under the employee  
22 benefit plan and the credit union holds the investment only for  
23 so long as it has an actual or potential obligation under the  
24 employee benefit plan.

25 (Source: P.A. 92-293, eff. 8-9-01; 93-640, eff. 12-31-03.)

26 Section 99. Effective date. This Act takes effect upon

1 becoming law.