



95TH GENERAL ASSEMBLY

State of Illinois

2007 and 2008

HB6645

by Rep. Brent Hassert - Ronald A. Wait - Renée Kosel -
Rosemary Mulligan - Michael Tryon, et al.

SYNOPSIS AS INTRODUCED:

15 ILCS 520/16.4 new

Amends the Deposit of State Moneys Act. Requires the State Treasurer to implement and administer, by rule, a program requiring financial institutions to make mortgage loans on residential property in order for that financial institution to be eligible for investment of State funds in that financial institution. Requires the rules to contain provisions concerning not rejecting residential mortgage loans because of the location of the property, minimum assets to be invested in residential mortgage loans, minimum annual new residential mortgage loans, and reporting and auditing. Requires the Treasurer to report annually to the General Assembly. Effective immediately.

LRB095 20961 RCE 49968 b

FISCAL NOTE ACT
MAY APPLY

HOUSING
AFFORDABILITY
IMPACT NOTE ACT
MAY APPLY

1 AN ACT concerning finance.

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

4 Section 5. The Deposit of State Moneys Act is amended by
5 adding Section 16.4 as follows:

6 (15 ILCS 520/16.4 new)

7 Sec. 16.4. Deposit of State funds with financial
8 institutions making home loans.

9 (a) In addition to any other requirements of this Act, the
10 State Treasurer, by rule, shall implement and administer a
11 program requiring financial institutions to make mortgage
12 loans on residential property in order for that financial
13 institution to be eligible for investment of State funds in
14 that financial institution.

15 (b) The rules shall include, but not be limited to,
16 requiring financial institutions to meet all of the following
17 conditions:

18 (1) The financial institution must not reject
19 arbitrarily mortgage loans for residential properties
20 because of the location of the property.

21 (2) At least a minimum percentage, as determined by
22 rule, of the financial institution's total assets,
23 including without limitation assets under management, must

1 be invested in residential mortgage loans. Minimum
2 percentages may vary based on the type of financial
3 institution and its location.

4 (3) The total amount of new residential loans made by
5 the financial institution in each calendar year must be at
6 least a minimum percentage, as determined by rule, of the
7 financial institution's total assets, including without
8 limitation assets under management. Minimum percentages
9 may vary based on the type of financial institution and its
10 location.

11 (4) Reporting and auditing requirements that ensure
12 that the financial institutions are complying with the
13 provisions of this Section.

14 (c) By March 1, 2009 and each year thereafter, the State
15 Treasurer shall report to the General Assembly concerning the
16 Treasurer's administration of this Section during the previous
17 calendar year.

18 (d) Nothing in this Section shall be construed as
19 authorizing the State Treasurer to conduct an examination or
20 investigation of a financial institution or to receive
21 information that is not publicly available and the disclosure
22 of which is otherwise prohibited by law.

23 Section 99. Effective date. This Act takes effect upon
24 becoming law.