



Adopted in House Comm. on Apr 28, 2010

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LRB096 16388 RPM 40313 a

1 AMENDMENT TO SENATE BILL 2996

2 AMENDMENT NO. _____. Amend Senate Bill 2996 as follows:

3 on page 5, immediately below line 21, by inserting the
4 following:

5 "Section 7. The Illinois Bank Examiners' Education
6 Foundation Act is amended by changing Sections 3.01, 4, and 5
7 as follows:

8 (20 ILCS 3210/3.01) (from Ch. 17, par. 403.1)

9 Sec. 3.01. "Board" means the State Banking Board of
10 Illinois as established under the provisions of the Illinois
11 Banking Act ~~Board of Trustees of the Illinois Bank Examiners'~~
12 ~~Education Foundation created by this Act.~~

13 (Source: P.A. 84-1127.)

14 (20 ILCS 3210/4) (from Ch. 17, par. 404)

1 Sec. 4. The Foundation shall establish an endowment fund
2 with the monies in the Illinois Bank Examiners' Education Fund.
3 The income from such Fund shall be used to pay for continuing
4 education and professional training activity for the
5 examination employees of the Commissioner's office authorized
6 by the Board ~~of the Illinois Bank Examiners' Education Program~~
7 and to pay for reasonable expenses incurred by the Board in the
8 course of administering its official duties under this Act. The
9 continuing education and professional training activity to be
10 funded by the Foundation shall be a supplement to the education
11 and training expenditures regularly being made from the Bank &
12 Trust Company Fund for such purposes.

13 (Source: P.A. 84-1127.)

14 (20 ILCS 3210/5) (from Ch. 17, par. 405)

15 Sec. 5. The Foundation shall be governed by the ~~a~~ Board ~~of~~
16 ~~Trustees. The Board shall consist of the following trustees:~~
17 ~~the Commissioner, who shall be its chairman; one Class A member~~
18 ~~and three Class B members from the State Banking Board of~~
19 ~~Illinois, appointed by the Governor.~~

20 For carrying out their official duties under this Act, the
21 Board members ~~The terms of the trustees of the Foundation who~~
22 ~~are members of the State Banking Board of Illinois are to be~~
23 ~~coextensive with their terms on the State Banking Board of~~
24 ~~Illinois. An appointment to fill a vacancy shall be for the~~
25 ~~unexpired term of the trustee whose term is being filled.~~

1 ~~Trustees~~ shall receive no compensation ~~for service on the~~
2 ~~Board~~, but shall be reimbursed for all reasonable and necessary
3 expenditures incurred in the performance of said ~~their official~~
4 duties.

5 (Source: P.A. 84-1127.)"; and

6 by replacing line 3 on page 11 through line 3 on page 15 with
7 the following:

8 "(205 ILCS 5/32) (from Ch. 17, par. 339)

9 Sec. 32. Basic loaning limits. The liabilities outstanding
10 at one time to a state bank of a person for money borrowed,
11 including the liabilities of a partnership or joint venture in
12 the liabilities of the several members thereof, shall not
13 exceed 25% of the amount of the unimpaired capital and
14 unimpaired surplus of the bank.

15 The liabilities to any state bank of a person may exceed
16 25% of the unimpaired capital and unimpaired surplus of the
17 bank, provided that (i) the excess amount from time to time
18 outstanding is fully secured by readily marketable collateral
19 having a market value, as determined by reliable and
20 continuously available quotations, at least equal to the excess
21 amount outstanding; and (ii) the total liabilities shall not
22 exceed 30% of the unimpaired capital and unimpaired surplus of
23 the bank.

24 The following shall not be considered as money borrowed

1 within the meaning of this Section:

2 (1) The purchase or discount of bills of exchange drawn
3 in good faith against actually existing values.

4 (2) The purchase or discount of commercial or business
5 paper actually owned by the person negotiating the same.

6 (3) The purchase of or loaning money in exchange for
7 evidences of indebtedness which shall be secured by
8 mortgage or trust deed upon productive real estate the
9 value of which, as ascertained by the oath of 2 qualified
10 appraisers, neither of whom shall be an officer, director,
11 or employee of the bank or of any subsidiary or affiliate
12 of the bank, is double the amount of the principal debt
13 secured at the time of the original purchase of evidence of
14 indebtedness or loan of money and which is still double the
15 amount of the principal debt secured at the time of any
16 renewal of the indebtedness or loan, and which mortgage or
17 trust deed is shown, either by a guaranty policy of a title
18 guaranty company approved by the Commissioner or by a
19 registrar's certificate of title in any county having
20 adopted the provisions of the Registered Titles (Torrens)
21 Act, or by the opinion of an attorney-at-law, to be a first
22 lien upon the real estate therein described, and real
23 estate shall not be deemed to be encumbered within the
24 meaning of this subsection (3) by reason of the existence
25 of instruments reserving rights-of-way, sewer rights and
26 rights in wells, building restrictions or other

1 restrictive covenants, nor by reason of the fact it is
2 subject to lease under which rents or profits are reserved
3 by the owners.

4 (4) The purchase of marketable investment securities.

5 (5) The liability to a state bank of a person who is an
6 accommodation party to, or guarantor of payment for, any
7 evidence of indebtedness of another person who obtains a
8 loan from or discounts paper with or sells paper to the
9 state bank; but the total liability to a state bank of a
10 person as an accommodation party or guarantor of payment in
11 respect of such evidences of indebtedness shall not exceed
12 25% of the amount of the unimpaired capital and unimpaired
13 surplus of the bank; provided however that the liability of
14 an accommodation party to paper excepted under subsection 2
15 of this Section shall not be included in the computation of
16 this limitation.

17 (6) The liability to a state bank of a person, who as a
18 guarantor, guarantees collection of the obligation or
19 indebtedness of another person.

20 The total liabilities of any one person, for money
21 borrowed, or otherwise, shall not exceed 25% of the deposits of
22 the bank, and those total liabilities shall at no time exceed
23 50% of the amount of the unimpaired capital and unimpaired
24 surplus of the bank. Absent an actual unremedied breach, the
25 obligation or responsibility for breach of warranties or
26 representations, express or implied, of a person transferring

1 negotiable or non-negotiable paper to a bank without recourse
2 and without guaranty of payment, shall not be included in
3 determining the amount of liabilities of the person to the bank
4 for borrowed money or otherwise; and in the event of and to the
5 extent of an unremedied breach, the amount remaining unpaid for
6 principal and interest on the paper in respect of which the
7 unremedied breach exists shall thereafter for the purpose of
8 determining whether subsequent transactions giving rise to
9 additional liability of the person to the state bank for
10 borrowed money or otherwise are within the limitations of
11 Sections 32 through 34 of this Act, be included in computing
12 the amount of liabilities of the person for borrowed money or
13 otherwise.

14 The liability of a person to a state bank on account of
15 acceptances made or issued by the state bank on behalf of the
16 person shall be included in the computation of the total
17 liabilities of the person for money borrowed except to the
18 extent the acceptances grow out of transactions of the
19 character described in subsection (6) of Section 34 of this Act
20 and are otherwise within the limitations of that subsection;
21 provided nevertheless that any such excepted acceptances
22 acquired by the state bank which accepted the same shall be
23 included in the computation of the liabilities of the person to
24 the state bank for money borrowed.

25 The Secretary may adopt rules to address the funding by
26 banks of any loan commitment, when such funding would involve

1 additional extensions of credit to be made after the unimpaired
2 capital and unimpaired surplus of the bank have decreased and
3 the Secretary determines that such decrease in unimpaired
4 capital and unimpaired surplus would cause the additional
5 extensions of credit to result in an unsafe and unsound
6 condition.

7 (Source: P.A. 92-336, eff. 8-10-01; 92-573, eff. 6-26-02.);

8 and

9 on page 33, by replacing lines 11 and 12 with the following:

10 "this Act, any order of the Commissioner, or any other action";

11 and

12 on page 47, line 25, by replacing "and 10-1" with "10-1, and

13 11-1"; and

14 on page 81, immediately below line 18, by inserting the

15 following:

16 "(205 ILCS 105/11-1) (from Ch. 17, par. 3311-1)

17 Sec. 11-1. Offenses and penalties. Any person who violates
18 the provisions of Sections 3-9, 3-10, 5-11 or 5-12 (b) of this
19 Act is guilty of a Business Offense.

20 The Commissioner, in addition to any other powers granted
21 in this Act, shall have the power and authority to impose civil
22 penalties of up to \$100,000 against any person for each

1 violation of any provision of this Act, any rule promulgated in
2 accordance with this Act, any order of the Commissioner, or any
3 other action that in the Commissioner's discretion is an unsafe
4 or unsound banking practice.

5 (Source: P.A. 86-137.)"; and

6 on page 81, line 20, by replacing "and 9004," with "9004, and
7 11006,"; and

8 on page 82, line 3, by replacing "of Banks and Real Estate"
9 with "~~of Banks and Real Estate~~"; and

10 on page 97, line 2, by replacing "the hearing" with "a
11 hearing"; and

12 on page 109, line 24, by replacing "the savings" with "such
13 savings"; and

14 on page 113, immediately below line 8, by inserting the
15 following:

16 "(205 ILCS 205/11006) (from Ch. 17, par. 7311-6)

17 Sec. 11006. Civil penalties. The Commissioner, in addition
18 to any other powers granted in this Act, shall have the power
19 and authority to:

20 (1) Impose civil penalties of up to \$100,000 ~~\$10,000~~

1 against any person for each violation of any provision of
2 this Act, any rule promulgated in accordance with this Act,
3 any order of the Commissioner, or any other action that in
4 the Commissioner's discretion, is an unsafe or unsound
5 banking practice.

6 (2) Impose civil penalties of up to \$100 against any
7 person for the first failure to comply with reporting
8 requirements set forth in the report of examination of the
9 bank and up to \$200 for the second and subsequent failures
10 to comply with those reporting requirements.

11 (Source: P.A. 86-1213.)"; and

12 on page 114, immediately below line 2, by inserting the
13 following:

14 "(2.5) To order restitution to consumers suffering
15 damages resulting from violations of this Act, rules
16 promulgated in accordance with this Act, or other laws or
17 regulations related to the operation of a pawnshop."; and

18 on page 116, by replacing lines 20 and 21 with the following:

19 "officer, director, employee, or agent of the pawnshop who
20 engages in or has engaged in unlawful activities that
21 relate to the operation of a pawnshop."; and

22 on page 116, line 24, by replacing "establish" with
23 "established"; and

1 by replacing line 13 on page 120 through line 4 on page 122
2 with the following:

3 "(205 ILCS 510/5.5 new)

4 Sec. 5.5. Replacement of articles or property; insurance.

5 In the event that any articles or property pledged are lost or
6 rendered inoperable the pawnbroker shall replace the articles
7 or property with identical articles or property, except that if
8 the pawnbroker cannot reasonably obtain identical articles or
9 property, the pawnbroker shall replace the articles or property
10 with like articles or property.

11 No pawnbroker shall conduct business in this State, unless
12 the pawnbroker maintains insurance coverage covering all
13 hazards equal to at least 2 times the aggregate value of the
14 outstanding loans for items held in pawn. Such insurance shall
15 be obtained from an insurance company authorized to do business
16 in Illinois

17 The pawnbroker shall file a copy of proof of insurance
18 coverage with the Secretary. A pawnbroker or an insurance
19 company shall not cancel the insurance coverage except upon
20 notice to the Secretary by certified mail, return receipt
21 requested. The cancellation is not effective prior to 30 days
22 after the Secretary receives the notice."