



## 97TH GENERAL ASSEMBLY

### State of Illinois

2011 and 2012

HB1651

Introduced 2/15/2011, by Rep. Joseph M. Lyons

#### SYNOPSIS AS INTRODUCED:

See Index

Amends the Illinois Savings and Loan Act of 1985. Permits an association to amend the articles of incorporation for the purpose of changing the name of the association after commencing business if the submission by the board of directors of the association certifies the approval of the proposed name change and has an approved plan for notifying all parties who may be affected by the name change and the new name meets the requirements as determined by the Secretary. Creates the Savings Institutions Regulatory Fund that is to be used for the ordinary and contingent expenses of the Department of Financial and Professional Regulation and the Division of Banking, or their successors. Makes other changes. Amends the Savings Bank Act. Creates a provision for savings bank to, after commencing business, amend the articles of incorporation for the purpose of changing the name of the savings bank if the board of directors of the savings bank approves the name change and a plan for notifying all parties who may be affected by the change and the new name meets the requirements as determined by the Secretary. Provides that any person aggrieved by a decision of the Secretary under the Savings Bank Act may receive a hearing before the Secretary. Creates provisions that outline procedures for an aggrieved person to request a hearing and the procedures for the Secretary or his or her agent to subpoena records, investigate verified complaints, and record the proceedings. Makes other changes. Amends the Division of Banking Act, Electronic Funds Transfer Act, and the Corporate Fiduciary Act to make corresponding changes. Amends the State Finance Act to create the Savings Institution Regulatory Fund.

LRB097 10192 CEL 50385 b

FISCAL NOTE ACT  
MAY APPLY

A BILL FOR

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 Division of Banking Act is amended by  
5 changing Sections 2.5, 5, and 6 as follows:

6 (20 ILCS 3205/2.5)

7 Sec. 2.5. Prohibited activities.

8 (a) For the purposes of this Section, "regulated entity"  
9 means any person, business, company, corporation, institution,  
10 or other entity who is subject or should be subject to  
11 regulation by the Office of Banks and Real Estate under the  
12 Illinois Banking Act, the Illinois Savings and Loan Act of  
13 1985, the Savings Bank Act, the Residential Mortgage License  
14 Act of 1987, the Corporate Fiduciary Act, the Illinois Bank  
15 Holding Company Act of 1957, the Savings and Loan Share and  
16 Account Act, the Pawnbroker Regulation Act, the Foreign Banking  
17 Office Act, or the Electronic Fund Transfer Act.

18 (a-5) The Division may examine any person, business,  
19 company, corporation, institution, or other entity having a  
20 relationship with a regulated entity upon determination by the  
21 Secretary that the relationship may have an adverse impact upon  
22 the affairs, activities, or safety and soundness of any  
23 regulated entity or the public.

1           (b) The Commissioner and the deputy commissioners shall not  
2 be an officer, director, employee, or agent of a regulated  
3 entity or of a corporation or company that owns or controls a  
4 regulated entity.

5           The Commissioner and the deputy commissioners shall not own  
6 shares of stock or hold any other equity interest in a  
7 regulated entity or in a corporation or company that owns or  
8 controls a regulated entity. If the Commissioner or a deputy  
9 commissioner owns shares of stock or holds an equity interest  
10 in a regulated entity at the time of appointment, he or she  
11 shall dispose of such shares or other equity interest within  
12 120 days from the date of appointment.

13           The Commissioner and the deputy commissioners shall not  
14 directly or indirectly obtain a loan from a regulated entity or  
15 accept a gratuity from a regulated entity that is intended to  
16 influence the performance of official duties.

17           (c) Employees of the Office of Banks and Real Estate shall  
18 not be officers, directors, employees, or agents of a regulated  
19 entity or of a corporation or company that owns or controls a  
20 regulated entity.

21           Except as provided by standards which the Office of Banks  
22 and Real Estate may establish, employees of the Office of Banks  
23 and Real Estate shall not own shares of stock or hold any other  
24 equity interest in a regulated entity or in a corporation or  
25 company that owns or controls a regulated entity, or directly  
26 or indirectly obtain a loan from a regulated entity, or accept

1 a gratuity from a regulated entity that is intended to  
2 influence the performance of official duties. However, in no  
3 case shall an employee of the Office of Banks and Real Estate  
4 participate in any manner in the examination or direct  
5 regulation of a regulated entity in which the employee owns  
6 shares of stock or holds any other equity interest, or which is  
7 servicing a loan to which the employee is an obligor.

8 (d) If the Commissioner, a deputy commissioner, or any  
9 employee of the Office of Banks and Real Estate properly  
10 obtains a loan or extension of credit from an entity that is  
11 not a regulated entity, and the loan or extension of credit is  
12 subsequently acquired by a regulated entity or the entity  
13 converts to become a regulated entity after the loan is made,  
14 such purchase by or conversion to a regulated entity shall not  
15 cause the loan or extension of credit to be deemed a violation  
16 of this Section.

17 Nothing in this Section shall be deemed to prevent the  
18 ownership of a checking account, a savings deposit account, a  
19 money market account, a certificate of deposit, a credit or  
20 debit card account, or shares in open-end investment companies  
21 registered with the Securities and Exchange Commission  
22 pursuant to the federal Investment Company Act of 1940 and the  
23 Securities Act of 1933 (commonly referred to as mutual or money  
24 market funds).

25 (e) No Commissioner, deputy commissioner, employee, or  
26 agent of the Office of Banks and Real Estate shall, either

1 during or after the holding of his or her term of office or  
2 employment, disclose confidential information concerning any  
3 regulated entity or person except as authorized by law or  
4 prescribed by rule. "Confidential information", as used in this  
5 Section, means any information that the person or officer  
6 obtained during his or her term of office or employment that is  
7 not available from the Office of Banks and Real Estate pursuant  
8 to a request under the Freedom of Information Act.

9 (Source: P.A. 89-508, eff. 7-3-96.)

10 (20 ILCS 3205/5) (from Ch. 17, par. 455)

11 Sec. 5. Powers. In addition to all the other powers and  
12 duties provided by law, the Commissioner shall have the  
13 following powers:

14 (a) To exercise the rights, powers and duties formerly  
15 vested by law in the Director of Financial Institutions under  
16 the Illinois Banking Act.

17 (b) To exercise the rights, powers and duties formerly  
18 vested by law in the Department of Financial Institutions under  
19 "An act to provide for and regulate the administration of  
20 trusts by trust companies", approved June 15, 1887, as amended.

21 (c) To exercise the rights, powers and duties formerly  
22 vested by law in the Director of Financial Institutions under  
23 "An act authorizing foreign corporations, including banks and  
24 national banking associations domiciled in other states, to act  
25 in a fiduciary capacity in this state upon certain conditions

1 herein set forth", approved July 13, 1953, as amended.

2 (c-5) To exercise all of the rights, powers, and duties  
3 granted to the Director or Secretary under the Illinois Banking  
4 Act, the Corporate Fiduciary Act, the Electronic Fund Transfer  
5 Act, the Illinois Bank Holding Company Act of 1957, the Savings  
6 Bank Act, the Illinois Savings and Loan Act of 1985, the  
7 Savings and Loan Share and Account Act, the Residential  
8 Mortgage License Act of 1987, and the Pawnbroker Regulation  
9 Act.

10 (c-10) To take any action necessary to protect depositors  
11 or consumers who may be affected by actions of regulated or  
12 unregulated entities whose conduct is deemed subject to the  
13 Illinois Banking Act, the Corporate Fiduciary Act, the  
14 Electronic Fund Transfer Act, the Illinois Bank Holding Company  
15 Act of 1957, the Savings Bank Act, the Illinois Savings and  
16 Loan Act of 1985, the Savings and Loan Share and Account Act,  
17 the Residential Mortgage License Act of 1987, or the Pawnbroker  
18 Regulation Act.

19 (c-15) To enter into cooperative agreements with other  
20 state or federal regulatory agencies to conduct and otherwise  
21 perform any examination of a regulated entity as authorized  
22 under the Illinois Banking Act, the Corporate Fiduciary Act,  
23 the Electronic Fund Transfer Act, the Illinois Bank Holding  
24 Company Act of 1957, the Savings Bank Act, the Illinois Savings  
25 and Loan Act of 1985, the Savings and Loan Share and Account  
26 Act, the Residential Mortgage License Act of 1987, and the

1 Pawnbroker Regulation Act.

2 (d) Whenever the Commissioner is authorized or required by  
3 law to consider or to make findings regarding the character of  
4 incorporators, directors, management personnel, or other  
5 relevant individuals under the Illinois Banking Act, the  
6 Corporate Fiduciary Act, the Pawnbroker Regulation Act, or at  
7 other times as the Commissioner deems necessary for the purpose  
8 of carrying out the Commissioner's statutory powers and  
9 responsibilities, the Commissioner shall consider criminal  
10 history record information, including nonconviction  
11 information, pursuant to the Criminal Identification Act. The  
12 Commissioner shall, in the form and manner required by the  
13 Department of State Police and the Federal Bureau of  
14 Investigation, cause to be conducted a criminal history record  
15 investigation to obtain information currently contained in the  
16 files of the Department of State Police or the Federal Bureau  
17 of Investigation, provided that the Commissioner need not cause  
18 additional criminal history record investigations to be  
19 conducted on individuals for whom the Commissioner, a federal  
20 bank regulatory agency, or any other government agency has  
21 caused such investigations to have been conducted previously  
22 unless such additional investigations are otherwise required  
23 by law or unless the Commissioner deems such additional  
24 investigations to be necessary for the purposes of carrying out  
25 the Commissioner's statutory powers and responsibilities. The  
26 Department of State Police shall provide, on the Commissioner's

1 request, information concerning criminal charges and their  
2 disposition currently on file with respect to a relevant  
3 individual. Information obtained as a result of an  
4 investigation under this Section shall be used in determining  
5 eligibility to be an incorporator, director, management  
6 personnel, or other relevant individual in relation to a  
7 financial institution or other entity supervised by the  
8 Commissioner. Upon request and payment of fees in conformance  
9 with the requirements of Section 2605-400 of the Department of  
10 State Police Law (20 ILCS 2605/2605-400), the Department of  
11 State Police is authorized to furnish, pursuant to positive  
12 identification, such information contained in State files as is  
13 necessary to fulfill the request.

14 (e) When issuing charters, permits, licenses, or other  
15 authorizations, the Commissioner may impose such terms and  
16 conditions on the issuance as he deems necessary or  
17 appropriate. Failure to abide by those terms and conditions may  
18 result in the revocation of the issuance, the imposition of  
19 corrective orders, or the imposition of civil money penalties.

20 (f) If the Commissioner has reasonable cause to believe  
21 that any entity that has not submitted an application for  
22 authorization or licensure is conducting any activity that  
23 would otherwise require authorization or licensure by the  
24 Commissioner, the Commissioner shall have the power to subpoena  
25 witnesses, to compel their attendance, to require the  
26 production of any relevant books, papers, accounts, and



1 documents, and to conduct an examination of the entity in order  
2 to determine whether the entity is subject to authorization or  
3 licensure by the Commissioner or the Division. If the Secretary  
4 determines that the entity is subject to authorization or  
5 licensure by the Secretary, then the Secretary shall have the  
6 power to issue orders against or take any other action,  
7 including initiating a receivership against the unauthorized  
8 or unlicensed entity.

9 (g) The Commissioner may, through the Attorney General,  
10 request the circuit court of any county to issue an injunction  
11 to restrain any person from violating the provisions of any Act  
12 administered by the Commissioner.

13 (h) Whenever the Commissioner is authorized to take any  
14 action or required by law to consider or make findings, the  
15 Commissioner may delegate or appoint, in writing, an officer or  
16 employee of the Division to take that action or make that  
17 finding.

18 (i) Whenever the Secretary determines that it is in the  
19 public's interest, he or she may publish any cease and desist  
20 order or other enforcement action issued by the Division.

21 (Source: P.A. 96-1365, eff. 7-28-10.)

22 (20 ILCS 3205/6) (from Ch. 17, par. 456)

23 Sec. 6. Duties. The Commissioner shall direct and supervise  
24 all the administrative and technical activities of the Office  
25 and shall:

1           (a) Apply and carry out this Act and the law and all rules  
2 adopted in pursuance thereof.

3           (b) Appoint, subject to the provisions of the Personnel  
4 Code, such employees, experts, and special assistants as may be  
5 necessary to carry out effectively the provisions of this Act  
6 and, if the rate of compensation is not otherwise fixed by law,  
7 fix their compensation; but neither the Commissioner nor any  
8 deputy commissioner shall be subject to the Personnel Code.

9           (c) Serve as Chairman of the State Banking Board of  
10 Illinois.

11           (d) Serve as Chairman of the Board of Trustees of the  
12 Illinois Bank Examiners' Education Foundation.

13           (e) Issue guidelines in the form of rules or regulations  
14 which will prohibit discrimination by any State chartered bank  
15 against any individual, corporation, partnership, association  
16 or other entity because it appears in a so-called blacklist  
17 issued by any domestic or foreign corporate or governmental  
18 entity.

19           (f) Make an annual report to the Governor regarding the  
20 work of the Office as the Commissioner may consider desirable  
21 or as the Governor may request.

22           (g) Perform such other acts as may be requested by the  
23 State Banking Board of Illinois pursuant to its lawful powers  
24 and perform any other lawful act that the Commissioner  
25 considers to be necessary or desirable to carry out the  
26 purposes and provisions of this Act.

1 (h) Adopt, in accordance with the Illinois Administrative  
2 Procedure Act, reasonable rules that the Commissioner deems  
3 necessary for the proper administration and enforcement of any  
4 Act the administration of which is vested in the Commissioner  
5 or the Office of Banks and Real Estate.

6 (i) Work in cooperation with the Director of Aging to  
7 encourage all financial institutions regulated by the Office to  
8 participate fully in the Department on Aging's financial  
9 exploitation of the elderly intervention program.

10 (j) Deposit all funds received, including civil penalties,  
11 pursuant to the Illinois Banking Act, the Corporate Fiduciary  
12 Act, the Illinois Bank Holding Company Act of 1957, the Check  
13 Printer and Check Number Act, and the Electronic Fund Transfer  
14 Act in the Bank and Trust Company Fund.

15 (Source: P.A. 92-483, eff. 8-23-01; 93-786, eff. 7-21-04.)

16 Section 10. The State Finance Act is amended by adding  
17 Section 5.786 as follows:

18 (30 ILCS 105/5.786 new)

19 Sec. 5.786. The Savings Institutions Regulatory Fund.

20 Section 15. The Illinois Savings and Loan Act of 1985 is  
21 amended by changing Sections 1-10.01, 1A-8, 3-2, 3-7, 5-7,  
22 6-2.1, 6-4, 6-5, 6-7, 6-8, 6-9, 6-10, 6-11, 6-15, 7-5, 7-19.1,  
23 7-20, 7-21, 7-23, 7-24, 7-25, 7-26, and 7-27 and by adding

1 Sections 1-10.40, 6-16, and 7-19.2 as follows:

2 (205 ILCS 105/1-10.01) (from Ch. 17, par. 3301-10.01)

3 Sec. 1-10.01. "Board": the Board of Savings Institutions,  
4 as described in Sections 7-20 through 7-22 ~~7-26~~ of this Act.

5 (Source: P.A. 89-508, eff. 7-3-96.)

6 (205 ILCS 105/1-10.40 new)

7 Sec. 1-10.40. Depository institution. "Depository  
8 institution", as used in this Act, means an insured depository  
9 institution as defined by Section 3(c)(2) of the Federal  
10 Deposit Insurance Act (12 U.S.C. 1813), as amended, or an  
11 insured credit union as defined by Section 101(7) of the  
12 Federal Credit Union Act (12 U.S.C. 1752(7)), as amended.

13 (205 ILCS 105/1A-8) (from Ch. 17, par. 3301A-8)

14 Sec. 1A-8. (a) An association, including a mutual  
15 association operating under this Act, may reorganize so as to  
16 become a holding company by:

17 (1) chartering one or more subsidiary associations, the  
18 ownership of which shall be evidenced by stock shares, to be  
19 owned by the chartering parent association; and

20 (2) by transferring the substantial portion of its assets  
21 and all of its insured deposits and part or all of its other  
22 liabilities to one or more subsidiary associations.

23 (b) In order to effect reorganization under subsection (a),

1 the Board of Directors of the original association must approve  
2 a plan providing for such reorganization which shall be  
3 submitted for approval by a majority of the voting members of  
4 the association. Approval must occur at a meeting called by the  
5 Board of Directors and in accordance with the association's  
6 Articles of Incorporation and By-laws. The Secretary may  
7 ~~Commissioner shall~~ promulgate rules to regulate the formation  
8 of and the ongoing business of the subsidiaries and the holding  
9 company, including the rights of members, levels of investment  
10 in holding company subsidiaries and stock sales.

11 (Source: P.A. 85-1143.)

12 (205 ILCS 105/3-2) (from Ch. 17, par. 3303-2)

13 Sec. 3-2. Members' meetings.

14 (a) Each annual meeting of the members shall be held at the  
15 time specified in the by-laws; but the failure to hold an  
16 annual meeting at the time so specified shall not work a  
17 forfeiture or dissolution of the association. The board of  
18 directors, or the holders of not less than 20% of the  
19 outstanding permanent reserve shares or of the withdrawal value  
20 of all withdrawable capital of the association, or such other  
21 person or persons as may be designated by the by-laws, may call  
22 a special meeting of the members. Every annual or special  
23 meeting shall be held at the business office of the  
24 association, or, if the space therein available for such  
25 meeting is inadequate, in such other place within the same

1 county as shall be specifically designated in the notice of  
2 such meeting.

3 (b) Notice of an annual meeting shall be published once not  
4 less than 10 days nor more than 40 days before the date of the  
5 meeting and shall be posted in areas of public access at the  
6 place of business of the association in a manner that may ~~to~~ be  
7 prescribed by the Secretary ~~Commissioner~~. Such notice shall be  
8 prominently and continuously displayed up to and including the  
9 day of the meeting beginning not less than 60 days immediately  
10 preceding the date of such meeting.

11 (c) However, for any special meeting, for any annual  
12 meeting which is to consider any proposition the affirmative  
13 action on which requires two-thirds vote as set forth in this  
14 Act, or for any proposition to amend the articles of  
15 incorporation of the association, the notice shall be by mail,  
16 post marked not less than 10 days or more than 40 days before  
17 the date of the meeting, and by posting at the association's  
18 place of business in a like manner as for an annual meeting,  
19 with such posting to commence on the date notice is given.  
20 Published or mailed notice shall state the place, day, hour and  
21 purpose of the meeting.

22 (d) A quorum at any meeting of the members shall consist of  
23 the members present in person or represented by proxy, who are  
24 entitled to cast a majority of the total number of votes which  
25 all members of the association are entitled to cast at such  
26 meeting; except that the articles of incorporation may specify

1 some other quorum requirement, but not less than one-third of  
2 such total number of votes. Any meeting, including one at which  
3 a quorum is not present, may be adjourned by majority vote to a  
4 specified date without further notice.

5 (e) Voting at a meeting may be either in person or by proxy  
6 executed in writing by the member or shareholder or by his duly  
7 authorized attorney-in-fact. No proxy shall be valid:

8 (1) Unless executed in an instrument separate from  
9 other forms, documents or papers which pertain to any  
10 matter of the association or a member's interest therein.  
11 The form of such instrument ~~may shall~~ be prescribed by the  
12 ~~Secretary Commissioner, who shall give due regard to size,~~  
13 ~~color, appearance and distinctiveness;~~

14 (2) For any meeting at which the member who gave it is  
15 present, provided that notice that the member will himself  
16 exercise his voting rights is given in writing prior to the  
17 taking of any vote to an official whom the association  
18 shall at each meeting identify as having responsibility for  
19 such matter and provided further that the validity and  
20 duration of such proxy will be otherwise unimpaired;

21 (3) Unless the member giving the proxy is told by the  
22 person to whom it is given, or his agent or representative,  
23 that the proxy is optional and the voting rights it  
24 represents can be exercised by the member himself; that if  
25 it is given it can be cancelled at any time by giving  
26 notice in writing at the association's office at least 5

1 days prior to any meeting, and that meeting alone, at which  
2 the member is present and has given written notification of  
3 his intent to exercise his voting rights; the provisions of  
4 this paragraph shall only be applicable to associations not  
5 maintaining insurance of the association's withdrawable  
6 capital;

7 (4) Unless the member giving the proxy is told by the  
8 person to whom it is given, or his agent or representative,  
9 the name of the individual who will exercise the proxy;  
10 that the effect of the proxy will be to entitle the person  
11 to whom it is given to use the vote or votes the proxy  
12 represents as if it or they were that person's own vote or  
13 votes; and that, if the proxy is given to someone  
14 representing the management of the association, the effect  
15 of the proxy will be to support the policies and procedures  
16 of the association's management; the provisions of this  
17 paragraph shall only be applicable to associations not  
18 maintaining insurance of the association's withdrawable  
19 capital; or

20 (5) After 11 months from the date of its execution,  
21 unless otherwise provided in the proxy and unless the  
22 member giving the proxy is notified in writing when it will  
23 terminate.

24 (f) In the determination of all questions requiring  
25 ascertainment of the members entitled to vote and of the number  
26 of outstanding shares, the following rules shall apply:



1           (1) The date of determination shall be as provided in  
2           the Section of this Act concerning Record Date for Voting,  
3           Dividend and Other Purposes;

4           (2) Each person holding one or more withdrawable share  
5           accounts shall have the vote of one share for each \$100 of  
6           the aggregate withdrawal value of such accounts and shall  
7           have the vote of one share for any fraction of \$100;

8           (3) Each holder of permanent reserve shares shall have  
9           one vote for each permanent reserve share which he holds;

10          (4) Each borrowing member as such shall have the vote  
11          of one share in addition to any vote which he may have  
12          otherwise;

13          (5) Shares owned by the association shall not be  
14          counted or voted; and

15          (6) Notwithstanding anything contained in this Act to  
16          the contrary, an association authorized to issue permanent  
17          reserve shares may provide in the association's articles of  
18          incorporation that voting rights shall be vested  
19          exclusively in permanent reserve shareholders.

20         (Source: P.A. 89-355, eff. 8-17-95.)

21           (205 ILCS 105/3-7) (from Ch. 17, par. 3303-7)

22           Sec. 3-7. Bonds of officers and employees.

23           (a) Every person appointed or elected to any position  
24           requiring the receipt, payment, management or use of money  
25           belonging to an association, or whose duties permit him to have

1 access to or custody of any of its money or securities or whose  
2 duties permit him regularly to make entries in the books or  
3 other records of the association, before assuming his duties  
4 shall become bonded in some trust or company authorized to  
5 issue bonds in this state, or in a fidelity insurance company  
6 licensed to do business in this State. Each such bond shall be  
7 on a form or forms as the Secretary may ~~Commissioner shall~~  
8 require and in such amount as the board of directors shall fix  
9 and approve. Each such bond, payable to the association, shall  
10 be an indemnity for any loss the association may sustain in  
11 money or other property through any dishonest or criminal act  
12 or omission by any person required to be bonded, committed  
13 either alone or in concert with others. Such bond shall be in  
14 the form and amount prescribed by the Secretary ~~Commissioner~~,  
15 who may at any time require one or more additional bonds. Each  
16 bond shall provide that a cancellation thereof either by the  
17 surety or by the insured shall not become effective unless and  
18 until 30 days notice in writing first shall have been given to  
19 the Secretary ~~Commissioner~~, unless he shall have approved such  
20 cancellation earlier.

21 (b) Nothing contained herein shall preclude the Secretary  
22 ~~Commissioner~~ from proceeding against an association as  
23 provided in this Act should he believe that it is being  
24 conducted in an unsafe manner in that the form or amount of  
25 bonds so fixed and approved by the board of directors is  
26 inadequate to give reasonable protection to the association.

1 (Source: P.A. 96-1365, eff. 7-28-10.)

2 (205 ILCS 105/5-7) (from Ch. 17, par. 3305-7)

3 Sec. 5-7. Sale, assignment and servicing of loans and  
4 contracts.

5 (a) Any association may sell any loan or a participating  
6 interest in a loan at any time, in the usual and regular course  
7 of business. All loans sold shall be sold without recourse  
8 except as may otherwise be provided by regulations of the  
9 Secretary ~~Commissioner~~. The Secretary ~~Commissioner~~ may, by  
10 regulation, adopt limitations upon the sale of loans. The  
11 provisions of this paragraph (a) do not apply to the sale of  
12 loans to agencies of the United States or the State of Illinois  
13 or such other government sponsored agencies as may be approved  
14 by the Secretary ~~Commissioner~~.

15 (b) An association may contract to service a loan or a  
16 participating interest in a loan, but such a contract shall  
17 conform to any ~~the~~ pertinent regulations prescribed by the  
18 Secretary ~~Commissioner~~ and shall require sufficient  
19 compensation to reimburse the association for all expenses  
20 incurred under such contract.

21 (c) An association may sell and assign without recourse any  
22 master's certificate of sale, defaulted loan or defaulted real  
23 estate contract to any person eligible to purchase the same,  
24 for an amount not less than the fair cash market value thereof.

25 (Source: P.A. 84-543.)

1 (205 ILCS 105/6-2.1) (from Ch. 17, par. 3306-2.1)  
2 Sec. 6-2.1. Procedure to amend articles of incorporation  
3 for name change.

4 (a) Notwithstanding the requirements of Section 6-2 of this  
5 Act, an association, after commencing business, may amend its  
6 articles of incorporation ~~Notwithstanding any provision of~~  
7 ~~this Act to the contrary, the Commissioner may waive the~~  
8 ~~requirements of Section 6-2 if the proposed amendment is solely~~  
9 for purposes of changing the name of the association, ~~and~~ upon  
10 satisfactory completion of the following requirements:

11 (1) Submission by the board of directors of a certified  
12 resolution approving the proposed name change and  
13 approving a plan for notifying all parties who may be  
14 affected by the change, including, but not limited to,  
15 members, accountholders, borrowers, creditors, and parties  
16 to whom or with whom commitments of any type are pending  
17 ~~name change by unanimous vote of all members of the board.~~

18 (2) The new name, as determined by the Secretary, meets  
19 the requirements for names under this Act or rules adopted  
20 by the Secretary. ~~Submission by the board of an attorney's~~  
21 ~~opinion that the proposed name is not the same as the name~~  
22 ~~of any other financial institution in Illinois.~~

23 Upon satisfactory completion of these requirements, the  
24 Secretary shall issue an approved amendment to the articles  
25 of incorporation as provided for in subsection (d) of

1           Section 6-2 of this Act.

2           ~~(3) Submission of a detailed statement to the~~  
3           ~~Commissioner by the board of directors stating the grounds~~  
4           ~~for their belief that a vote of members would be~~  
5           ~~detrimental to the association's safety and soundness.~~

6           ~~(4) Submission of a plan for notifying all parties who~~  
7           ~~would be affected by the change, including a list of~~  
8           ~~creditors, and parties to whom or with whom, commitments of~~  
9           ~~any type may be pending.~~

10           ~~(5) Satisfactory evidence that the name change is not~~  
11           ~~for fraudulent, illegal or misleading purposes.~~

12           ~~Upon receipt of the above items the Commissioner shall~~  
13           ~~issue an approved amendment to the articles of~~  
14           ~~incorporation as provided for in subsection (d) of Section~~  
15           ~~6-2 of this Act.~~

16           (b) No amendment of the articles of incorporation to change  
17           the name of an association shall affect any existing cause of  
18           action either in favor of or against the association, or any  
19           pending action in which the association shall be a party, nor  
20           shall it affect the existing rights of persons other than  
21           members of the association. No action brought by or against the  
22           association under its former name shall be abated by reason of  
23           the change.

24           (Source: P.A. 86-137.)

25           (205 ILCS 105/6-4) (from Ch. 17, par. 3306-4)

1           Sec. 6-4. Merger; Adoption of plan. Any depository  
2 institution may merge into an association operating under this  
3 Act; any association operating under this Act may merge into a  
4 depository institution. ~~Any 2 or more associations operating~~  
5 ~~under this Act or under Federal charter and located in this~~  
6 ~~State, or duly authorized to do business in this State, may~~  
7 ~~merge into one association operating under this Act. Any~~  
8 ~~association operating under this Act that does not meet its net~~  
9 ~~worth requirements, as defined by regulations of the~~  
10 ~~Commissioner, and any federal association may merge into one~~  
11 ~~association operating under this Act or under federal charter~~  
12 ~~and located in this State. Any association operating under this~~  
13 ~~Act and an eligible insured bank may merge into an association~~  
14 ~~operating under this Act, provided that an association~~  
15 ~~operating under this Act must result from the merger. Any~~  
16 ~~association operating under this Act may merge into a State or~~  
17 ~~national bank with a bank resulting from the merger. The board~~  
18 of directors of the merging association or depository  
19 institution, ~~State or national bank, or eligible insured bank,~~  
20 by resolution adopted by a majority vote of all members of the  
21 board, must approve the plan of merger, which shall set forth:

22           (a) The name of each of the merging associations or  
23 depository institutions, ~~State or national bank, or eligible~~  
24 ~~insured bank~~ and the name of the continuing association or  
25 depository institution ~~bank~~ and the location of its business  
26 office;

1 (b) The amount of capital, reserves, and undivided profits  
2 of the continuing association or depository institution ~~bank~~  
3 and the kinds of shares and other types of capital to be issued  
4 thereby;

5 (c) The articles of incorporation of the continuing  
6 association or charter of the continuing depository  
7 institution ~~bank~~;

8 (d) A detailed pro forma financial Statement of the assets  
9 and liabilities of the continuing association or depository  
10 institution ~~bank~~;

11 (e) The manner and basis of converting the capital of each  
12 merging association or depository institution, ~~State or~~  
13 ~~national bank or eligible insured bank~~ into capital of the  
14 continuing association or depository institution ~~bank~~;

15 (f) The other terms and conditions of the merger and the  
16 method of effectuating it; and

17 (g) Other provisions with respect to the merger that appear  
18 necessary or desirable or that the Secretary ~~Commissioner~~ may  
19 reasonably require to enable him to discharge his duties with  
20 respect to the merger.

21 (h) The Secretary ~~Commissioner~~ may promulgate rules to  
22 implement this Section.

23 (Source: P.A. 86-952; 87-1226.)

24 (205 ILCS 105/6-5) (from Ch. 17, par. 3306-5)

25 Sec. 6-5. Merger; approval by Secretary ~~Commissioner~~.

1           (a) The plan of merger adopted as authorized by Section  
2 6-4, except when the merger results in a State or national  
3 bank, shall be submitted to the Secretary ~~Commissioner~~ for  
4 approval, together with a certified copy of the authorizing  
5 resolution of each board of directors, showing approval by a  
6 majority of the entire board of each merging association or  
7 eligible insured bank operating under this Act or merging  
8 federal association.

9           (b) The Secretary ~~Commissioner~~ may make or cause to be made  
10 an examination of the affairs of ~~each of~~ the merging  
11 associations or depository institutions under the Secretary's  
12 authority ~~eligible insured bank~~.

13           (c) The Secretary ~~Commissioner~~ may approve the plan of  
14 merger, or if the Secretary ~~Commissioner~~ disapproves the plan  
15 of merger, he shall state ~~State~~ his objections in writing and  
16 give the merging associations or depository institution  
17 ~~eligible insured bank~~ an opportunity to amend the plan of  
18 merger to address ~~obviate~~ the objections. The Secretary  
19 ~~Commissioner~~ may require that the plan of merger be submitted  
20 to the members of the merging association for approval. Each  
21 meeting of the members of an association operating under this  
22 Act shall be called and held in accordance with Section 3-2 of  
23 this Act. The plan is approved by the members of an association  
24 if it receives the affirmative vote of two-thirds or more of  
25 the total votes that the members of the association are  
26 entitled to cast.



1 (Source: P.A. 86-952; 87-1226.)

2 (205 ILCS 105/6-7) (from Ch. 17, par. 3306-7)

3 Sec. 6-7. Merger - Secretary's ~~Commissioner's~~ certificate;  
4 effective date.

5 (a) If the plan of merger is approved, the Secretary  
6 ~~Commissioner~~ thereupon shall issue to the continuing  
7 association a certificate of merger, setting forth the name of  
8 each merging association or depository institution ~~eligible~~  
9 ~~insured bank~~ and the name of the continuing association, and  
10 the articles of incorporation of the continuing association;  
11 and attaching thereto, as a part thereof, a copy of the  
12 resolution of the directors of each merging association or  
13 depository institution ~~eligible insured bank~~ and a copy of the  
14 report of proceedings of the members' meeting, if required  
15 under paragraph (c) of Section 6-5 of this Act.

16 (b) The merger takes effect upon the recording of the  
17 certificate of merger in the same manner as articles of  
18 incorporation, in each county in which the business office of  
19 any of the merging associations or depository institution  
20 ~~eligible insured bank~~ was located, and in the county in which  
21 the business office of the continuing association is located.

22 (c) When duly recorded, the certificate of merger is  
23 conclusive evidence, except against the State, of the merger  
24 and of the correctness and validity of all proceedings in  
25 connection with the merger.

1 (Source: P.A. 86-952.)

2 (205 ILCS 105/6-8) (from Ch. 17, par. 3306-8)

3 Sec. 6-8. Merger; Secretary's ~~Commissioner's~~ expenses. The  
4 expenses of any examination made by or at the direction of the  
5 Secretary ~~Commissioner~~ in connection with a proposed merger  
6 shall be paid by the continuing associations or depository  
7 institutions under the Secretary's authority ~~resulting bank~~.

8 (Source: P.A. 86-952; 87-1226.)

9 (205 ILCS 105/6-9) (from Ch. 17, par. 3306-9)

10 Sec. 6-9. Effect of merger.

11 (a) The continuing association or depository institution  
12 ~~resulting bank~~ shall be considered the same business and  
13 corporate entity as each merging association, with all of the  
14 property, rights, powers, duties and obligations of each  
15 merging association, except as otherwise provided by the  
16 articles of incorporation of the continuing association or  
17 depository institution ~~resulting bank~~.

18 (b) All liabilities of each of the merging association or  
19 depository institution ~~associations, resulting bank, or~~  
20 ~~eligible insured bank~~ shall be liabilities of the continuing  
21 association or resulting bank; and all of the rights,  
22 franchises, and interests of each of the merging associations  
23 or eligible insured bank in and to every kind of property,  
24 real, personal or mixed, shall vest automatically in the

1 continuing association or depository institution ~~resulting~~  
2 ~~bank~~, without any deed or other transfer.

3 (c) Any reference to a merging association or depository  
4 institution, ~~resulting bank, or eligible insured bank~~ in any  
5 writing, whether executed or effective before or after the  
6 merger, shall be deemed a reference to the continuing  
7 association or depository institution ~~resulting bank~~, if not  
8 inconsistent with the other provisions of such writing.

9 (d) No pending action or other judicial proceeding to which  
10 any merging association or depository institution, ~~resulting~~  
11 ~~bank, or eligible insured bank~~ is a party shall be abated or  
12 dismissed by reason of the merger, but shall be prosecuted to  
13 final judgment in the same manner as if the merger had not  
14 occurred.

15 (e) (Blank). ~~With respect to a merger with an eligible~~  
16 ~~insured bank, an association operating under this Act must~~  
17 ~~result from the merger, and provided further that the~~  
18 ~~association must conform all assets acquired or liabilities~~  
19 ~~incurred as the result of the merger to the legal requirements~~  
20 ~~for assets acquired, held, or invested or liabilities assumed~~  
21 ~~or incurred by an association operating under this Act and that~~  
22 ~~the continuing association shall conform all of its activities~~  
23 ~~to those activities in which an association operating under~~  
24 ~~this Act is authorized to engage.~~

25 (Source: P.A. 86-952; 87-1226.)

1 (205 ILCS 105/6-10) (from Ch. 17, par. 3306-10)

2 Sec. 6-10. Sale of assets.

3 (a) An association, in one transaction not in the usual and  
4 regular course of its business, may sell all or substantially  
5 all of its assets, with or without its name and goodwill, to  
6 another association or depository institution ~~to a Federal~~  
7 ~~association~~, in consideration of money, capital or obligations  
8 of the purchasing association or depository institution. An  
9 association may sell any office or facility and equipment in  
10 conformity with regulations of the Secretary Commissioner.

11 (b) Emergency sale of assets. With the approval in writing  
12 of the Secretary Commissioner, which approval shall state that  
13 the proposed sale is, in his opinion, necessary for the  
14 protection of the depositors and other creditors, any  
15 association that is an eligible depository institution as  
16 defined in Section 2 of the Illinois Banking Act may by a vote  
17 of a majority of its board of directors, and without a vote of  
18 its members or permanent reserve shareholders, sell all or any  
19 part of its assets to another association or depository  
20 institution ~~State or Federally chartered association or to a~~  
21 ~~bank as defined in Section 2 of the Illinois Banking Act or to~~  
22 ~~the Federal Deposit Insurance Corporation, or to both a State~~  
23 ~~or Federally chartered association or bank and the Federal~~  
24 ~~Deposit Insurance Corporation~~, provided that the purchasing a  
25 ~~State or Federally chartered~~ association or depository  
26 institution ~~bank~~ assumes in writing all of the liabilities of

1 the selling association ~~and that any such sale to a bank shall~~  
2 ~~be by an eligible depository institution as defined in Section~~  
3 ~~2 of the Illinois Banking Act.~~

4 (c) Notwithstanding any other provision of this Act, an  
5 association may sell to an association or depository  
6 institution ~~any bank, as defined in Section 2 of the Illinois~~  
7 ~~Banking Act,~~ an insubstantial portion of its total deposits.  
8 ~~For the purpose of this subsection, an insubstantial portion of~~  
9 ~~its total deposits shall have the same meaning as provided in~~  
10 ~~Section 5(d)(2)(D) of the Federal Deposit Insurance Act.~~ Such  
11 sale of an insubstantial portion of an association's deposits  
12 may be by vote of a majority of the board of directors, and  
13 with approval of the Secretary Commissioner without a vote of  
14 its members or permanent reserve shareholders.

15 (Source: P.A. 86-952.)

16 (205 ILCS 105/6-11) (from Ch. 17, par. 3306-11)

17 Sec. 6-11. Procedure to effect sale of all assets. The  
18 procedure to effect a sale authorized by subsection (a) of  
19 Section 6-10 shall be as follows:

20 (a) The board of directors shall adopt a resolution setting  
21 forth the terms of the proposed sale and shall submit the plan  
22 to the Secretary Commissioner for his preliminary approval.  
23 Upon receipt of approval by the Secretary Commissioner, the  
24 plan shall be submitted to a vote at a meeting of the members,  
25 which may be an annual or special meeting;

1 (b) The terms shall be set forth in the notice of meeting  
2 mailed as prescribed in Section 3-2 of this Act;

3 (c) The proposed sale will be approved by the members upon  
4 receiving in the affirmative 2/3 or more of the total number of  
5 votes which all members of the association are entitled to  
6 cast. A proposal for the voluntary liquidation of the  
7 association shall be submitted to the members at the same  
8 meeting or at any adjournment thereof, or at any later meeting  
9 called for such purpose, in accordance with Article 9 of this  
10 Act. A report of proceedings, certified by the president or a  
11 vice-president and attested by the secretary, and setting forth  
12 the terms of the proposed sale, the notice given and time of  
13 mailing thereof, the vote on the proposal, and the total number  
14 of votes which all members of the association were entitled to  
15 cast thereon, shall be filed with the Secretary ~~Commissioner~~;

16 (d) If the Secretary ~~Commissioner~~ finds that the proposed  
17 sale is fair to all holders of capital, creditors and other  
18 persons concerned, and provision has been made for the  
19 disposition of the remaining assets, if any, of the association  
20 as provided in this Act for reorganization or voluntary  
21 liquidation, then he shall issue to the association a  
22 certificate of authorization for such sale, attaching thereto,  
23 as a part thereof, a copy of the report of proceedings filed as  
24 aforesaid;

25 (e) Upon recording the Secretary's ~~Commissioner's~~  
26 certificate in the same manner as the association's articles of

1 incorporation, the association may complete the sale so  
2 authorized; except that an insured association first shall  
3 obtain the approval of the insurance corporation;

4 (f) If the sale includes the name of the association, the  
5 purchasing institution ~~association~~ shall have the exclusive  
6 right to such name for a period of 5 years; and

7 (g) If the association has failed to adopt a plan of  
8 voluntary liquidation, the Secretary ~~Commissioner~~ may proceed  
9 against such association as provided in Article 10 of this Act.  
10 (Source: P.A. 86-952.)

11 (205 ILCS 105/6-15) (from Ch. 17, par. 3306-15)

12 Sec. 6-15. Emergency merger. With the prior approval of the  
13 Secretary ~~Commissioner~~, which approval shall state that the  
14 proposed merger is in his opinion necessary for the protection  
15 of the depositors and other creditors, any association that is  
16 an eligible depository institution as defined in Section 2 of  
17 the Illinois Banking Act, may by a vote of a majority of its  
18 board of directors and without a vote of its members or  
19 permanent reserve shareholders merge with an association or  
20 depository institution, ~~federal association, or bank as~~  
21 ~~defined in Section 2 of the Illinois Banking Act,~~ with such  
22 other association or depository institution, ~~federal~~  
23 ~~association, or bank~~ being the resulting or continuing  
24 association or depository institution, ~~federal association or~~  
25 ~~bank.~~

1 (Source: P.A. 86-952.)

2 (205 ILCS 105/6-16 new)

3 Sec. 6-16. Waiver of requirements. With respect to  
4 applicable law requiring reciprocity, no requirement of the  
5 Secretary or member approval in this Article 6 is effective if  
6 the approval requirement prevents a depository institution  
7 that is not an association from converting to, merging into, or  
8 selling substantially all of its assets to, as otherwise  
9 permitted, an association.

10 (205 ILCS 105/7-5) (from Ch. 17, par. 3307-5)

11 Sec. 7-5. Examination.

12 (a) The Secretary ~~Commissioner~~, at least once every 18  
13 months, but more often if he deems it necessary or expedient,  
14 with or without previous notice, shall cause an examination to  
15 be made of the affairs of every association, including any  
16 holding company and subsidiary thereof. If an association or  
17 holding company has not been audited at least once in the  
18 preceding 12 months in accordance with this Act, the  
19 examination shall include an audit by licensed public  
20 accountants employed or appointed by the Secretary  
21 ~~Commissioner~~. Such examination shall be made by competent  
22 examiners appointed for that purpose who are not officers or  
23 agents of, or in any manner interested in, any association or  
24 holding company which they examine, except that they may be



1 holders of withdrawable capital. Notwithstanding any other  
2 provision of this Act, every eligible association, as defined  
3 by regulation, or, if not so defined, to an equivalent extent  
4 as would be permitted in the case of a State bank, the  
5 Secretary, in lieu of the examination, may accept on an  
6 alternating basis the examination made by the appropriate  
7 federal banking regulator, or its successor, pursuant to the  
8 federal Home Owners' Loan Act, provided the appropriate federal  
9 banking regulator, or its successor, has made an examination.

10 (b) The officers, agents or directors of any such  
11 association or holding company shall cause the books of the  
12 association or holding company to be opened for inspection by  
13 the Secretary ~~Commissioner~~ or his examiners and otherwise  
14 assist in such examination when requested; and for the purpose  
15 of examination, the examiner in charge thereof shall have power  
16 to administer oaths and to examine under oath any officers,  
17 employees, agents or directors of such association or holding  
18 company and such other witnesses as he deems necessary relative  
19 to the business of the association or holding company.

20 (c) The Secretary ~~Commissioner~~ shall make a report of each  
21 examination to the board of directors of the association or  
22 holding company examined, which report shall be read by each  
23 director, who will then execute a signed statement ~~affidavit~~ to  
24 be filed and preserved by the association or holding company  
25 ~~acknowledging~~ that he has read the Secretary's ~~Commissioner's~~  
26 report. If the affairs of the association or holding company

1 are not being conducted in accordance with this Act, the  
2 Secretary ~~Commissioner~~ shall require the directors, officers  
3 or employees to take any necessary corrective action. If the  
4 necessary corrective action is not made, the Secretary  
5 ~~Commissioner~~ may issue a formal order to the directors of the  
6 association or holding company delivered either personally or  
7 by registered or certified mail, specifying a date which may be  
8 immediate or may be at a later date for the performance by the  
9 association or holding company of the corrective action. ~~Such~~  
10 ~~order or any part thereof shall be subject to Sections 7-24~~  
11 ~~through 7-27 of this Act.~~ If the formal order of the Secretary  
12 ~~Commissioner~~ in whole or in part contains a finding that the  
13 business of the association or holding company is being  
14 conducted in a fraudulent, illegal or unsafe manner, or that  
15 the violation thereof or the continuance by the association or  
16 holding company of the practice to be corrected could cause  
17 insolvency or substantial dissipation of assets or earnings or  
18 the impairment of its capital, such order or part thereof shall  
19 be complied with promptly on and after the effective date  
20 thereof until modified or withdrawn by the Secretary  
21 ~~Commissioner, the Board,~~ or modified or terminated by a circuit  
22 court. The Secretary ~~Commissioner~~ may apply to the circuit  
23 court of the county in which the association or holding company  
24 is located for enforcement of any such order requiring prompt  
25 compliance. If no hearing has been requested within the time  
26 specified by this Act, the Secretary ~~Commissioner~~ may, at any

1 time within 90 days after the effective date of the order,  
2 institute suit in the Circuit Court of Sangamon County or the  
3 circuit court of the county in which the association or holding  
4 company is located to compel the directors, officers or  
5 employees to make the required corrective action. Such court  
6 shall, after due process of law, adjudicate the question and  
7 enter the proper order or orders and enforce them. ~~In the~~  
8 ~~interests of the members of the association or holding company,~~  
9 ~~the Commissioner may prepare a statement of the condition of~~  
10 ~~the association or holding company and may mail the statement~~  
11 ~~to the members or may require a single publication thereof.~~

12 (Source: P.A. 96-1365, eff. 7-28-10.)

13 (205 ILCS 105/7-19.1) (from Ch. 17, par. 3307-19.1)

14 Sec. 7-19.1. Savings and Residential Finance Regulatory  
15 Fund.

16 (a) Until the effective date of this amendatory Act of the  
17 97th General Assembly, the ~~The~~ aggregate of all moneys fees  
18 collected by the Secretary under this Act shall be paid  
19 promptly after receipt of the same, accompanied by a detailed  
20 statement thereof, into the State treasury and shall be set  
21 apart in the Savings and Residential Finance Regulatory Fund, a  
22 special fund hereby created in the State treasury. The amounts  
23 deposited into the Fund shall be used for the ordinary and  
24 contingent expenses of the Department of Financial and  
25 Professional Regulation and the Division of Banking, or their

1 successors, in administering and enforcing the Illinois  
2 Savings and Loan Act of 1985, the Savings Bank Act, and the  
3 Residential Mortgage License Act of 1987 and other laws, rules,  
4 and regulations as may apply to the administration and  
5 enforcement of the foregoing laws, rules, and regulations as  
6 amended from time to time. Nothing in this Act shall prevent  
7 continuing the practice of paying expenses involving salaries,  
8 retirement, social security, and State-paid insurance of State  
9 officers by appropriation from the General Revenue Fund.

10 (b) Except as otherwise provided in subsection (b-5),  
11 moneys in the Savings and Residential Finance Regulatory Fund  
12 may not be appropriated, assigned, or transferred to another  
13 State fund. The moneys in the Fund shall be for the sole  
14 benefit of the institutions assessed.

15 (b-5) Moneys in the Savings and Residential Finance  
16 Regulatory Fund may be transferred to the Professions Indirect  
17 Cost Fund, as authorized under Section 2105-300 of the  
18 Department of Professional Regulation Law of the Civil  
19 Administrative Code of Illinois.

20 (b-10) Notwithstanding provisions in the State Finance  
21 Act, as now or hereafter amended, or any other law to the  
22 contrary, the sum of \$27,481,638 shall be transferred from the  
23 Savings and Residential Finance Regulatory Fund to the  
24 Financial Institutions Settlement of 2008 Fund on the effective  
25 date of this amendatory Act of the 95th General Assembly, or as  
26 soon thereafter as practical.

1           Notwithstanding provisions in the State Finance Act, as now  
2           or hereafter amended, or any other law to the contrary, the  
3           Governor may, during any fiscal year through January 10, 2011,  
4           from time to time direct the State Treasurer and Comptroller to  
5           transfer a specified sum not exceeding 10% of the revenues to  
6           be deposited into the Savings and Residential Finance  
7           Regulatory Fund during that fiscal year from that Fund to the  
8           General Revenue Fund in order to help defray the State's  
9           operating costs for the fiscal year. Notwithstanding  
10          provisions in the State Finance Act, as now or hereafter  
11          amended, or any other law to the contrary, the total sum  
12          transferred during any fiscal year through January 10, 2011,  
13          from the Savings and Residential Finance Regulatory Fund to the  
14          General Revenue Fund pursuant to this provision shall not  
15          exceed during any fiscal year 10% of the revenues to be  
16          deposited into the Savings and Residential Finance Regulatory  
17          Fund during that fiscal year. The State Treasurer and  
18          Comptroller shall transfer the amounts designated under this  
19          Section as soon as may be practicable after receiving the  
20          direction to transfer from the Governor.

21           (c) All earnings received from investments of funds in the  
22           Savings and Residential Finance Regulatory Fund shall be  
23           deposited into the Savings and Residential Finance Regulatory  
24           Fund and may be used for the same purposes as fees deposited  
25           into that Fund.

26           (d) When the balance in the Savings and Residential Finance

1 Regulatory Fund at the end of a fiscal year apportioned to the  
2 fees collected under the Illinois Savings and Loan Act of 1985  
3 and the Savings Bank Act exceeds 25% of the total actual  
4 administrative and operational expenses incurred by the State  
5 for that fiscal year in administering and enforcing the  
6 Illinois Savings and Loan Act of 1985 and the Savings Bank Act  
7 and such other laws, rules, and regulations as may apply to the  
8 administration and enforcement of the foregoing laws, rules,  
9 and regulations, the excess shall be credited to the  
10 appropriate institutions and entities and applied against  
11 their regulatory fees for the subsequent fiscal year. The  
12 amount credited to each institution or entity shall be in the  
13 same proportion that the regulatory fees paid by the  
14 institution or entity for the fiscal year in which the excess  
15 is produced bear to the aggregate amount of all fees collected  
16 by the Secretary under the Illinois Savings and Loan Act of  
17 1985 and the Savings Bank Act for the same fiscal year. For the  
18 purpose of this Section, "fiscal year" means the period  
19 beginning July 1 of any year and ending June 30 of the next  
20 calendar year.

21 (Source: P.A. 94-91, eff. 7-1-05; 95-1047, eff. 4-6-09.)

22 (205 ILCS 105/7-19.2 new)

23 Sec. 7-19.2. Savings Institutions Regulatory Fund.

24 (a) On or after the effective date of this amendatory Act  
25 of the 97th General Assembly, the aggregate of all moneys

1 collected by the Secretary under this Act shall be paid  
2 promptly after receipt of the same, accompanied by a detailed  
3 statement thereof, into the State treasury and shall be set  
4 apart in the Savings Institutions Regulatory Fund, a special  
5 fund created in the State treasury. The amounts deposited into  
6 the Fund shall be used for the ordinary and contingent expenses  
7 of the Department of Financial and Professional Regulation and  
8 the Division of Banking, or their successors, in administering  
9 and enforcing the Illinois Savings and Loan Act of 1985, the  
10 Savings Bank Act, and other laws, rules, and regulations as may  
11 apply to the administration and enforcement of the foregoing  
12 laws, rules, and regulations, as amended from time to time.  
13 Nothing in this Act shall prevent continuing the practice of  
14 paying expenses involving salaries, retirement, social  
15 security, and State-paid insurance of State officers by  
16 appropriation from the General Revenue Fund.

17 (b) Except as otherwise provided in subsection (b-5),  
18 moneys in the Savings Institutions Regulatory Fund may not be  
19 appropriated, assigned, or transferred to another State fund.  
20 The moneys in the Fund shall be for the sole benefit of the  
21 institutions assessed.

22 (b-5) Moneys in the Savings Institution Regulatory Fund may  
23 be transferred to the Professions Indirect Cost Fund, as  
24 authorized under Section 2105-300 of the Department of  
25 Professional Regulation Law of the Civil Administrative Code of  
26 Illinois.

1       (c) All earnings received from investments of funds in the  
2       Savings Institutions Regulatory Fund shall be deposited into  
3       that Fund and may be used for the same purposes as fees  
4       deposited into that Fund.

5       (d) When the balance in the Savings Institutions Regulatory  
6       Fund at the end of a fiscal year exceeds 25% of the total  
7       actual administrative and operational expenses incurred by the  
8       State for that fiscal year in administering and enforcing the  
9       Illinois Savings and Loan Act of 1985 and the Savings Bank Act  
10       and such other laws, rules, and regulations as may apply to the  
11       administration and enforcement of the foregoing laws, rules,  
12       and regulations, the excess shall be credited to the  
13       appropriate institutions and entities and applied against  
14       their regulatory fees for the subsequent fiscal year. The  
15       amount credited to each institution or entity shall be in the  
16       same proportion that the regulatory fees paid by the  
17       institution or entity for the fiscal year in which the excess  
18       is produced bear to the aggregate amount of all fees collected  
19       by the Secretary under the Illinois Savings and Loan Act of  
20       1985 and the Savings Bank Act for the same fiscal year. For the  
21       purpose of this Section, "fiscal year" means the period  
22       beginning July 1 of any year and ending June 30 of the next  
23       calendar year.

24       (e) Moneys in the Savings and Residential Finance  
25       Regulatory Fund apportioned to the moneys collected under the  
26       Illinois Savings and Loan Act of 1985 and the Savings Bank Act



1 shall be transferred to the Savings Institutions Regulatory  
2 Fund upon creation of the Savings Institutions Regulatory Fund.  
3 Any amount used or borrowed from the moneys apportioned to the  
4 moneys collected under the Illinois Savings and Loan Act of  
5 1985 and the Savings Bank Act that would have been required to  
6 be returned to that apportionment shall be instead paid into  
7 the Savings Institutions Regulatory Fund in the same manner.

8 (205 ILCS 105/7-20) (from Ch. 17, par. 3307-20)

9 Sec. 7-20. Board of Savings Institutions; appointment. The  
10 Savings and Loan Board is hereby redesignated the Board of  
11 Savings Institutions. The Board shall be composed of the  
12 Director of Banking, who shall be its chairman and have power  
13 to vote, and 7 additional persons appointed by the Governor.  
14 Four of the 7 persons appointed by the Governor shall represent  
15 the public interest. Three of the 7 additional persons  
16 appointed by the Governor shall have been engaged actively in  
17 savings and loan or savings bank management in this State for  
18 at least 5 years immediately prior to appointment. Each member  
19 of the Board appointed by the Governor shall be reimbursed for  
20 ordinary and necessary expenses incurred in attending the  
21 meetings of the Board. The members of the Board serving  
22 immediately before the effective date of this amendatory Act of  
23 1996 shall continue to serve for the balance of their  
24 respective terms. Members shall be appointed for 4-year terms  
25 to expire on the third Monday in January. Except as otherwise

1 provided in this Section, members of the Board shall serve  
2 until their respective successors are appointed and qualified.  
3 A member who tenders a written resignation shall serve only  
4 until the resignation is accepted by the Chairman. A member who  
5 fails to attend 3 consecutive Board meetings without an excused  
6 absence shall no longer serve as a member. The Governor shall  
7 fill any vacancy by the appointment of a member for the  
8 unexpired term in the same manner as in the making of original  
9 appointments.

10 (Source: P.A. 96-1365, eff. 7-28-10.)

11 (205 ILCS 105/7-21) (from Ch. 17, par. 3307-21)

12 Sec. 7-21. Board of Savings Institutions; organization and  
13 meetings. The Board shall elect a ~~chairman,~~ vice-chairman and  
14 secretary; shall adopt regulations for the holding and  
15 conducting of meetings ~~and for holding hearings concerning all~~  
16 ~~matters within its powers;~~ and shall keep a record of all  
17 meetings and transactions and make such other provisions for  
18 the daily conduct of its business as it deems necessary. A  
19 majority of the members of the Board, excluding those members  
20 who are no longer serving as members as provided in Section  
21 7-20, shall constitute a quorum. The act of the majority of the  
22 members of the Board present at a meeting at which a quorum is  
23 present shall be the act of the Board. Regular meetings shall  
24 be held as provided in the regulations, and special meetings  
25 may be called by the Chairman or upon the request of any 3

1 members of the Board or the Secretary ~~Commissioner~~. The Board  
2 shall maintain at the office of the Secretary ~~Commissioner~~  
3 permanent records of its meetings, hearings and decisions. The  
4 Secretary ~~Commissioner~~ shall provide adequate quarters and  
5 personnel for use by the Board.

6 (Source: P.A. 89-508, eff. 7-3-96.)

7 (205 ILCS 105/7-23) (from Ch. 17, par. 3307-23)

8 Sec. 7-23. Proceedings on objections to Secretary's  
9 ~~Commissioner's~~ action. Except as provided in Article 10 and as  
10 otherwise specifically provided by this Act, any ~~Any~~ person  
11 aggrieved by any decision, order, or action of the Secretary  
12 ~~Commissioner, except one under paragraph (b) of Section 1-9,~~  
13 ~~Section 2-3, paragraph (j) of Section 3-4, or Section 7-9 of~~  
14 ~~this Act, or under Section 1006(b), Section 3005, or Section~~  
15 ~~9012 of the Savings Bank Act, or involving a change of location~~  
16 ~~of an office or the establishment of an additional office under~~  
17 this ~~the Savings Bank Act,~~ may receive a hearing as provided in  
18 Sections 7-24 through 7-27 of this Act.

19 (Source: P.A. 93-271, eff. 7-22-03.)

20 (205 ILCS 105/7-24) (from Ch. 17, par. 3307-24)

21 Sec. 7-24. The Secretary ~~Board~~ shall upon the verified  
22 complaint in writing of any aggrieved person setting forth  
23 facts which if proved would constitute grounds for reversal or  
24 change of any decision, order or action of the Secretary

1 ~~Commissioner~~, except as provided in Section 7-23 of this Act,  
2 grant a hearing thereon. If the aggrieved person ~~party~~ desires  
3 such a hearing, he or she shall, within 10 days of receipt of  
4 notice of such decision, order or action, file written notice  
5 with the Secretary Board of intent to demand a hearing and  
6 shall, within 30 days of receipt of notice of such decision,  
7 order or action, file his or her verified complaint in writing.  
8 The date of such hearing may not be earlier than 15 days nor  
9 later than 30 days after the date of receipt of verified  
10 complaint in writing. The Secretary Board shall, at least 10  
11 days prior to the date set for the hearing, notify in writing  
12 the person aggrieved ~~adversely affected~~ by such decision, order  
13 or action, referred to in this Section as the respondent, and  
14 all other parties to the action, that a hearing will be held on  
15 the date designated and shall afford the respondent and all  
16 other parties to the action an opportunity to be heard in  
17 person or by counsel in reference thereto. Such written notice  
18 may be served by delivery of the same personally to the  
19 respondent and all other parties to the action, or by mailing  
20 the notice by registered or certified mail to the place of  
21 business last theretofore specified by the respondent and all  
22 other parties to the action in the last notification to the  
23 Secretary Board. At the time and place fixed in the notice, the  
24 Secretary Board or its authorized agent, referred to in this  
25 Section as the hearing officer, shall proceed to hear the  
26 charges, and both the respondent and all other parties to the

1 action and the complainant shall be accorded ample opportunity  
2 to present in person or by counsel such statements, testimony,  
3 evidence and argument as may be pertinent to the issues. The  
4 hearing officer may continue such hearing from time to time.

5 The hearing officer may subpoena any person in this State  
6 and may take testimony either orally or by deposition or by  
7 exhibit, with the same fees and mileage and in the same manner  
8 as prescribed by law in judicial proceedings in civil cases in  
9 circuit courts of this State.

10 The hearing officer may administer oaths to witnesses at  
11 any hearing which the hearing officer is authorized by law to  
12 conduct.

13 After the hearing, the Secretary Board shall make a  
14 determination approving, modifying or disapproving the  
15 decision, order or action of the Secretary Commissioner as his  
16 or her ~~its~~ final administrative decision.

17 (Source: P.A. 84-543.)

18 (205 ILCS 105/7-25) (from Ch. 17, par. 3307-25)

19 Sec. 7-25. Record of ~~Board~~ proceedings; expenses. The  
20 Secretary Board, at his or her ~~its~~ expense, unless otherwise  
21 provided in this Act ~~or the Savings Bank Act~~, shall provide a  
22 stenographer to take down the testimony and preserve a record  
23 of all proceedings at the hearing. The notice of hearing,  
24 complaint and all other documents in the nature of pleadings  
25 and written motions filed in the proceedings, the transcript of

1 testimony, the report of the hearing officer and orders of the  
2 Secretary Board shall be the record of such proceedings. The  
3 Secretary Board shall furnish a transcript of such record to  
4 any person interested in such hearing upon payment of the  
5 actual cost thereof.

6 A copy of the hearing officer's report and the Secretary's  
7 ~~Board's~~ orders shall be served upon the respondent and all  
8 other parties to the action by the Secretary Board, either  
9 personally or by registered or certified mail as provided in  
10 this Act for the service of the notice of hearing. All expenses  
11 incurred by the Secretary Board, including the compensation of  
12 the hearing officer, shall be paid by the parties to the  
13 hearing and shall be divided among them in equal shares.

14 (Source: P.A. 89-508, eff. 7-3-96.)

15 (205 ILCS 105/7-26) (from Ch. 17, par. 3307-26)

16 Sec. 7-26. Subpoena; deposition. All subpoenas issued  
17 under the laws of this State pertaining to savings and loan  
18 associations ~~or savings banks~~ may be served by any person who  
19 is not a minor. The fees of witnesses for attendance and travel  
20 shall be the same as fees of witnesses before the circuit  
21 courts of this State, such fees to be paid at the time the  
22 witness is excused from further attendance, when the witness is  
23 subpoenaed at the instance of ~~the Board or~~ the Secretary  
24 ~~Commissioner~~ or any officer or any employee designated by him,  
25 her or it for the purpose of conducting any such investigation,

1 inquiry or hearing; and the disbursements made in the payment  
2 of such fees shall be audited and paid in the same manner as  
3 are other expenses of the Secretary Board ~~or Commissioner~~.  
4 Whenever a subpoena is issued at the instance of a complainant,  
5 respondent or other party to any proceeding, the Secretary  
6 ~~Board~~ may require that the cost of service thereof and the fee  
7 of the same shall be borne by the party at whose instance the  
8 witness is summoned, and the Secretary Board ~~or Commissioner~~  
9 shall have power, in his, her or its discretion, to require a  
10 deposit to cover the cost of such service and witness fees and  
11 the payment of legal witness fees and mileage to the witness  
12 when served with subpoena. A subpoena issued under this Section  
13 shall be served in the same manner as a subpoena issued out of  
14 a court.

15 Any person who shall be served with a subpoena to appear  
16 and testify, or to produce books, papers, accounts or  
17 documents, either in person or by deposition, in the manner  
18 provided in this Section, issued by the Secretary Board ~~or~~  
19 ~~Commissioner~~ or by any officer, or any employee designated by  
20 him, her or it to conduct any such investigation, inquiry or  
21 hearing, in the course of an investigation, inquiry or hearing  
22 conducted under any of the provisions of the laws of this State  
23 pertaining to savings and loan associations ~~or savings banks~~,  
24 and who shall refuse or neglect to appear or to testify, or to  
25 produce books, papers, accounts and documents relative to such  
26 investigation, inquiry or hearing as commanded in such

1 subpoena, shall be guilty of a petty offense.

2 Any circuit court of this State, upon application of the  
3 Secretary ~~Board or Commissioner~~, or an officer, or an employee  
4 designated by him, her or it for the purpose of conducting any  
5 such investigation, inquiry or hearing, may, in its discretion,  
6 compel the attendance of witnesses, the production of books,  
7 papers, accounts and documents and the giving of testimony  
8 before the Secretary ~~Board or Commissioner~~, or before any  
9 officer thereof, or any employee designated by him, her or it  
10 for the purpose of conducting any such investigation, inquiry  
11 or hearing, in person or by deposition, in the manner provided  
12 in this Section, by an attachment for contempt or otherwise, in  
13 the same manner as production of evidence may be compelled  
14 before such court.

15 The Secretary ~~Board or Commissioner~~ or any officer, or any  
16 employee designated by him, her or it for the purpose of  
17 conducting any investigation, inquiry or hearing, or any party  
18 may, in any investigation, inquiry or hearing, cause the  
19 deposition of witnesses residing within or without the State to  
20 be taken in the manner prescribed by law for taking like  
21 depositions in civil cases in courts of this State, and to that  
22 end may compel the attendance of witnesses and the production  
23 of papers, books, accounts and documents.

24 (Source: P.A. 89-508, eff. 7-3-96.)

25 (205 ILCS 105/7-27) (from Ch. 17, par. 3307-27)



1           Sec. 7-27. Except as provided in Article 10, any ~~Any~~ person  
2 affected by a final administrative decision of the Secretary  
3 ~~Commissioner under paragraph (b) of Section 1-9, Section 2-3 or~~  
4 ~~paragraph (j) of Section 3-4 of this Act or under Section~~  
5 ~~1006(b) or 3005 of the Savings Bank Act, or involving a change~~  
6 ~~of location of an office or the establishment of an additional~~  
7 ~~office under the Savings Bank Act,~~ may have the decision  
8 reviewed only under and in accordance with the Administrative  
9 Review Law, ~~if such person files, within 10 days of receipt of~~  
10 ~~service of a copy of the final decision sought to be reviewed,~~  
11 ~~a written notice with the Commissioner of intent to seek review~~  
12 ~~under the Administrative Review Law.~~

13           ~~Any person affected by a final administrative decision of~~  
14 ~~the Board under Sections 7-21 through 7-26 of this Act may have~~  
15 ~~the decision reviewed only under and in accordance with the~~  
16 ~~Administrative Review Law, if the person files with the Board,~~  
17 ~~within 10 days of receipt of service of a copy of the final~~  
18 ~~decision sought to be reviewed, a written notice of intent to~~  
19 ~~seek review under the Administrative Review Law.~~

20           The provisions of the Administrative Review Law, and all  
21 amendments and modifications thereof, and the rules adopted  
22 pursuant thereto, shall apply to and govern all proceedings for  
23 the judicial review of final administrative decisions of the  
24 Secretary ~~Commissioner or the Board~~ under this Act. The term  
25 "administrative decision" is defined as in Section 3-101 of the  
26 Code of Civil Procedure.

1 Appeals from all final orders and judgments entered by a  
2 court in review of any final administrative decision of the  
3 Secretary Board under this Act may be taken as in other civil  
4 cases.

5 (Source: P.A. 89-508, eff. 7-3-96.)

6 Section 20. The Savings Bank Act is amended by changing  
7 Sections 1007.50, 1008, 2007, 3001, 3002, 4012, 6007, 6009,  
8 8002, 8003, 8004, 8005, 8007, 8008, 8009, 8010, 8013, 8014,  
9 8015, 8016, 9002, 9004, 9008, 9011, 9015, 9017, and 9018 and by  
10 adding Sections 8002.1, 8018, 9018.1, 9018.2, 9018.3, and  
11 9018.4 as follows:

12 (205 ILCS 205/1007.50) (from Ch. 17, par. 7301-7.50)

13 Sec. 1007.50. "Depository institution", as used in this  
14 Act, shall mean an insured depository institution as defined by  
15 Section 3(c)(2) of the Federal Deposit Insurance Act (12 U.S.C.  
16 1813), as amended, or an insured credit union as defined by  
17 Section 101(7) of the Federal Credit Union Act (12 U.S.C.  
18 1752(7)), ~~as amended a commercial bank, a savings bank, a~~  
19 ~~savings and loan association, a trust company, a homestead~~  
20 ~~association, a building and loan association, a cooperative~~  
21 ~~bank, an industrial bank, or a credit union, whether chartered~~  
22 ~~by a state or territory or under the laws of the United States.~~

23 (Source: P.A. 86-1213.)

1 (205 ILCS 205/1008) (from Ch. 17, par. 7301-8)

2 Sec. 1008. General corporate powers.

3 (a) A savings bank operating under this Act shall be a body  
4 corporate and politic and shall have all of the powers  
5 conferred by this Act including, but not limited to, the  
6 following powers:

7 (1) To sue and be sued, complain, and defend in its  
8 corporate name and to have a common seal, which it may  
9 alter or renew at pleasure.

10 (2) To obtain and maintain insurance by a deposit  
11 insurance corporation as defined in this Act.

12 (3) To act as a fiscal agent for the United States, the  
13 State of Illinois or any department, branch, arm, or agency  
14 of the State or any unit of local government or school  
15 district in the State, when duly designated for that  
16 purpose, and as agent to perform reasonable functions as  
17 may be required of it.

18 (4) To become a member of or deal with any corporation  
19 or agency of the United States or the State of Illinois, to  
20 the extent that the agency assists in furthering or  
21 facilitating its purposes or powers and to that end to  
22 purchase stock or securities thereof or deposit money  
23 therewith, and to comply with any other conditions of  
24 membership or credit.

25 (5) To make donations in reasonable amounts for the  
26 public welfare or for charitable, scientific, religious,

1 or educational purposes.

2 (6) To adopt and operate reasonable insurance, bonus,  
3 profit sharing, and retirement plans for officers and  
4 employees and for directors including, but not limited to,  
5 advisory, honorary, and emeritus directors, who are not  
6 officers or employees.

7 (7) To reject any application for membership; to retire  
8 deposit accounts by enforced retirement as provided in this  
9 Act and the bylaws; and to limit the issuance of, or  
10 payments on, deposit accounts, subject, however, to  
11 contractual obligations.

12 (8) To purchase stock or membership interests in  
13 service corporations and to invest in any form of  
14 indebtedness of any service corporation as defined in this  
15 Act, subject to regulations of the Secretary ~~Commissioner~~.

16 (9) To purchase stock of a corporation whose principal  
17 purpose is to operate a safe deposit company or escrow  
18 service company.

19 (10) To exercise all the powers necessary to qualify as  
20 a trustee or custodian under federal or State law, provided  
21 that the authority to accept and execute trusts is subject  
22 to the provisions of the Corporate Fiduciary Act and to the  
23 supervision of those activities by the Secretary  
24 ~~Commissioner~~.

25 (11) (Blank).

26 (12) To establish, maintain, and operate terminals as

1 authorized by the Electronic Fund Transfer Act.

2 (13) To pledge its assets:

3 (A) to enable it to act as agent for the sale of  
4 obligations of the United States;

5 (B) to secure deposits;

6 (C) to secure deposits of money whenever required  
7 by the National Bankruptcy Act;

8 (D) (blank); and

9 (E) to secure trust funds commingled with the  
10 savings bank's funds, whether deposited by the savings  
11 bank or an affiliate of the savings bank, as required  
12 under Section 2-8 of the Corporate Fiduciary Act.

13 (14) To accept for payment at a future date not to  
14 exceed one year from the date of acceptance, drafts drawn  
15 upon it by its customers; and to issue, advise, or confirm  
16 letters of credit authorizing holders thereof to draw  
17 drafts upon it or its correspondents.

18 (15) Subject to the regulations of the Secretary  
19 ~~Commissioner~~, to own and lease personal property acquired  
20 by the savings bank at the request of a prospective lessee  
21 and, upon the agreement of that person, to lease the  
22 personal property.

23 (16) To establish temporary service booths at any  
24 International Fair in this State that is approved by the  
25 United States Department of Commerce for the duration of  
26 the international fair for the purpose of providing a

1 convenient place for foreign trade customers to exchange  
2 their home countries' currency into United States currency  
3 or the converse. To provide temporary periodic service to  
4 persons residing in a bona fide nursing home, senior  
5 citizens' retirement home, or long-term care facility.  
6 These powers shall not be construed as establishing a new  
7 place or change of location for the savings bank providing  
8 the service booth.

9 (17) To indemnify its officers, directors, employees,  
10 and agents, as authorized for corporations under Section  
11 8.75 of the Business Corporations Act of 1983.

12 (18) To provide data processing services to others on a  
13 for-profit basis.

14 (19) To utilize any electronic technology to provide  
15 customers with home banking services.

16 (20) Subject to the regulations of the Secretary  
17 ~~Commissioner~~, to enter into an agreement to act as a  
18 surety.

19 (21) Subject to the regulations of the Secretary  
20 ~~Commissioner~~, to issue credit cards, extend credit  
21 therewith, and otherwise engage in or participate in credit  
22 card operations.

23 (22) To purchase for its own account shares of stock of  
24 a bankers' bank, described in Section 13(b)(1) of the  
25 Illinois Banking Act, on the same terms and conditions as a  
26 bank may purchase such shares. In no event shall the total

1 amount of such stock held by a savings bank in such  
2 bankers' bank exceed 10% of its capital and surplus  
3 (including undivided profits) and in no event shall a  
4 savings bank acquire more than 5% of any class of voting  
5 securities of such bankers' bank.

6 (23) With respect to affiliate facilities:

7 (A) to conduct at affiliate facilities any of the  
8 following transactions for and on behalf of any  
9 affiliated depository institution, if so authorized by  
10 the affiliate or affiliates: receiving deposits;  
11 renewing deposits; cashing and issuing checks, drafts,  
12 money orders, travelers checks, or similar  
13 instruments; changing money; receiving payments on  
14 existing indebtedness; and conducting ministerial  
15 functions with respect to loan applications, servicing  
16 loans, and providing loan account information; and

17 (B) to authorize an affiliated depository  
18 institution to conduct for and on behalf of it, any of  
19 the transactions listed in this subsection at one or  
20 more affiliate facilities.

21 A savings bank intending to conduct or to authorize an  
22 affiliated depository institution to conduct at an  
23 affiliate facility any of the transactions specified in  
24 this subsection shall give written notice to the Secretary  
25 ~~Commissioner~~ at least 30 days before any such transaction  
26 is conducted at an affiliate facility. All conduct under

1           this subsection shall be on terms consistent with safe and  
2           sound banking practices and applicable law.

3           (24) Subject to Article XLIV of the Illinois Insurance  
4           Code, 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  
7           on policies issued by such company; and may receive for  
8           services so rendered such fees or commissions as may be  
9           agreed upon between the said savings bank and the insurance  
10          company for which it may act as agent; provided, however,  
11          that no such savings bank shall in any case assume or  
12          guarantee the payment of any premium on insurance policies  
13          issued through its agency by its principal; and provided  
14          further, that the savings bank shall not guarantee the  
15          truth of any statement made by an assured in filing his  
16          application for insurance.

17          (25) To become a member of the Federal Home Loan Bank  
18          and to have the powers granted to a savings association  
19          organized under the Illinois Savings and Loan Act of 1985  
20          or the laws of the United States, subject to regulations of  
21          the Secretary ~~Commissioner~~.

22          (26) To offer any product or service that is at the  
23          time authorized or permitted to a bank by applicable law,  
24          but subject always to the same limitations and restrictions  
25          that are applicable to the bank for the product or service  
26          by such applicable law and subject to the applicable



1 provisions of the Financial Institutions Insurance Sales  
2 Law and rules of the Secretary Commissioner.

3 (b) If this Act or the regulations adopted under this Act  
4 fail to provide specific guidance in matters of corporate  
5 governance, the provisions of the Business Corporation Act of  
6 1983 may be used, or if the savings bank is a limited liability  
7 company, the provisions of the Limited Liability Company shall  
8 be used.

9 (c) A savings bank may be organized as a limited liability  
10 company, may convert to a limited liability company, or may  
11 merge with and into a limited liability company, under the  
12 applicable laws of this State and of the United States,  
13 including any rules promulgated thereunder. A savings bank  
14 organized as a limited liability company shall be subject to  
15 the provisions of the Limited Liability Company Act in addition  
16 to this Act, provided that if a provision of the Limited  
17 Liability Company Act conflicts with a provision of this Act or  
18 with any rule of the Secretary Commissioner, the provision of  
19 this Act or the rule of the Secretary Commissioner shall apply.

20 Any filing required to be made under the Limited Liability  
21 Company Act shall be made exclusively with the Secretary  
22 ~~Commissioner~~, and the Secretary Commissioner shall possess the  
23 exclusive authority to regulate the savings bank as provided in  
24 this Act.

25 Any organization as, conversion to, and merger with or into  
26 a limited liability company shall be subject to the prior

1 approval of the Secretary ~~Commissioner~~.

2 A savings bank that is a limited liability company shall be  
3 subject to all of the provisions of this Act in the same manner  
4 as a savings bank that is organized in stock form.

5 The Secretary ~~Commissioner~~ may promulgate rules to ensure  
6 that a savings bank that is a limited liability company (i) is  
7 operating in a safe and sound manner and (ii) is subject to the  
8 Secretary's ~~Commissioner's~~ authority in the same manner as a  
9 savings bank that is organized in stock form.

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

11 (205 ILCS 205/2007) (from Ch. 17, par. 7302-7)

12 Sec. 2007. (a) A savings bank, including a mutual savings  
13 bank operating under this Act, may reorganize so as to become a  
14 holding company by:

15 (1) chartering one or more subsidiary savings banks,  
16 the ownership of which shall be evidenced by stock shares,  
17 to be owned by the chartering parent savings bank; and

18 (2) either of the following:

19 (i) transferring the substantial portion of its  
20 assets and all of its insured deposits and part or all  
21 of its other liabilities to one or more subsidiary  
22 savings banks; or

23 (ii) reorganizing in any other manner as approved  
24 by the Secretary ~~Commissioner~~.

25 (b) In order to effect reorganization under subsection (a),

1 the board of directors of the original savings bank must  
2 approve a plan providing for the reorganization that shall be  
3 submitted for approval by a majority of the voting members of  
4 the savings bank. Approval must occur in accordance with the  
5 savings bank's articles of incorporation and bylaws at a  
6 meeting called by the board of directors. The Secretary may  
7 ~~Commissioner shall~~ promulgate rules to regulate the formation  
8 of and the ongoing business of the subsidiaries and the holding  
9 company, including the rights of members, levels of investment  
10 in holding company subsidiaries, and stock sales.

11 (Source: P.A. 88-425.)

12 (205 ILCS 205/3001) (from Ch. 17, par. 7303-1)

13 Sec. 3001. Application for permit to organize.

14 (a) Not fewer than 5 nor more than 20 persons may organize  
15 a savings bank under this Act.

16 (b) The Secretary ~~Commissioner~~ shall determine the minimum  
17 required capital which shall be at least the minimum required  
18 to obtain insurance of accounts as required by this Act and  
19 shall include additional amounts as the Secretary ~~Commissioner~~  
20 may find necessary, ~~based upon duly promulgated regulations.~~

21 (Source: P.A. 86-1213.)

22 (205 ILCS 205/3002) (from Ch. 17, par. 7303-2)

23 Sec. 3002. Contents of application for permit to organize.

24 The application for a permit to organize shall be on forms

1 required by the Secretary ~~Commissioner~~, shall include all  
2 information as he deems necessary but must include at least the  
3 following:

4 (1) The name, address, social security number, date of  
5 birth, business address, home address, place of birth, and  
6 occupation of each organizer.

7 (2) The name of the proposed savings bank.

8 (3) The address of the headquarters, main business  
9 office, and branches, if known, of the proposed savings  
10 bank. Information must include any real estate interests of  
11 the organizers that may be involved with any of these  
12 locations.

13 (4) The anticipated duration of the proposed savings  
14 bank, which may be perpetual.

15 (5) An audited financial statement of any corporation  
16 or partnership that is one of the organizers or that shall  
17 be either a controlling interest in the proposed savings  
18 bank, a lender to the proposed savings bank, or a lender  
19 for purposes of acquiring an interest in the proposed  
20 savings bank to any of the controlling interests. The  
21 Secretary may ~~Commissioner shall~~ define by regulation the  
22 terms "controlling interest" and "lender".

23 (6) The proposed articles of incorporation and bylaws.

24 (7) The number of shares of capital stock; the number  
25 of shares and classes of preferred stock, if any; the par  
26 value of each type of stock which may not be less than \$1;

1 the number of shares to be sold and the per share initial  
2 offering price of each share.

3 (Source: P.A. 86-1213.)

4 (205 ILCS 205/4012) (from Ch. 17, par. 7304-12)

5 Sec. 4012. Procedure to dissent.

6 (a) If the action giving rise to the right to dissent is to  
7 be approved at a meeting of shareholders, the notice of meeting  
8 shall inform the shareholders of their right to dissent and the  
9 procedure to dissent. Prior to the meeting, the savings bank  
10 shall furnish to the shareholders material information with  
11 respect to the transaction that will enable a shareholder to  
12 objectively vote on the transaction and to determine whether or  
13 not to exercise dissenters' rights. A shareholder may assert  
14 dissenters' rights only if the shareholder delivers to the  
15 savings bank, before the vote is taken, a written demand for  
16 payment for his shares if the proposed action is consummated  
17 and the shareholder does not vote in favor of the proposed  
18 action.

19 (b) If the action giving rise to the right to dissent is  
20 not to be approved at a meeting of shareholders, the notice to  
21 shareholders describing the action taken shall inform the  
22 shareholders of their right to dissent and the procedure to  
23 dissent. Prior to, or concurrently with, the notice the savings  
24 bank shall furnish to the shareholders material information  
25 with respect to the transaction that will enable a shareholder

1 to objectively determine whether or not to exercise dissenters'  
2 rights. A shareholder may assert dissenters' rights only if he  
3 delivers to the savings bank within 30 days from the date of  
4 mailing the notice a written demand for payment for his shares.

5 (c) The Secretary may ~~Commissioner shall~~ promulgate rules  
6 to govern the procedure to be used by savings banks and  
7 dissenters in arriving at a value and price for dissenters'  
8 shares, as well as how distribution shall be made. In no case  
9 shall the rules be more restrictive than the provisions  
10 applicable to ordinary corporations under the Business  
11 Corporation Act of 1983.

12 (Source: P.A. 86-1213.)

13 (205 ILCS 205/6007) (from Ch. 17, par. 7306-7)

14 Sec. 6007. Sale, assignment, and servicing of loans and  
15 contracts.

16 (a) Any savings bank may sell any loan or a participating  
17 interest in a loan at any time in the usual and regular course  
18 of business. Loans sold may be sold with or without recourse  
19 except as may otherwise be provided by regulations of the  
20 Secretary ~~Commissioner~~. The Secretary ~~Commissioner~~ may, by  
21 regulation, adopt limitations upon the sale of loans. The  
22 provisions of this subsection (a) do not apply to the sale of  
23 loans to agencies of the United States, the State of Illinois,  
24 or other government sponsored agencies as may be approved by  
25 the Secretary ~~Commissioner~~.

1 (b) A savings bank may contract to service a loan or a  
2 participating interest in a loan, but a contract therefor shall  
3 conform to any ~~the~~ pertinent regulations prescribed by the  
4 Secretary ~~Commissioner~~ and shall require sufficient  
5 compensation to reimburse the savings bank for all expenses  
6 incurred under the contract.

7 (c) A savings bank may sell and assign, with or without  
8 recourse, any master's certificate of sale, defaulted loan, or  
9 defaulted real estate contract to any person eligible to  
10 purchase it for an amount not less than the fair cash market  
11 value thereof.

12 (Source: P.A. 86-1213.)

13 (205 ILCS 205/6009) (from Ch. 17, par. 7306-9)

14 Sec. 6009. Purchase of real estate for office and rental  
15 purposes.

16 (a) A savings bank may acquire and hold real estate in fee  
17 simple or leaseholds on which a building or buildings exist or  
18 are to be erected suitable for the transaction of the savings  
19 bank's business, and from portions of which not required for  
20 the savings bank's own use, revenue may be derived; or may own  
21 all or part of the capital stock, shares, or interest in any  
22 corporation, limited liability company, association, or trust  
23 engaged solely in holding all or part of that real estate.  
24 However, the amount so invested under this Section and item (7)  
25 of Section 6003 may not exceed a savings bank's total capital

1 unless the Secretary ~~Commissioner~~, upon a proper showing,  
2 approves a larger amount consistent with the needs of the  
3 savings bank's business and its immediate future expansion.

4 (b) Unless prior written approval of the Secretary  
5 ~~Commissioner~~ is obtained, no savings bank may purchase, lease,  
6 or otherwise acquire a site for an office building or interest  
7 in real estate from any officer, director, employee, or  
8 stockholder holding more than 10% of the aggregate capital  
9 stock of the savings bank, or any firm, corporation, entity, or  
10 family in which any officer, director, employee, or stockholder  
11 holding more than 10% of the aggregate capital stock of a  
12 savings bank has any direct or indirect interest.

13 (c) An acquisition prohibited by this Section includes the  
14 purchase, lease, or acquisition of property in which any of the  
15 persons described in this Section held any interest for a  
16 period of 10 years preceding the purchase, lease, or  
17 acquisition, but does not include the acquisition of an option  
18 for a site or real estate where the option is assignable and  
19 exercised by the savings bank in its own name and for its own  
20 benefit.

21 (Source: P.A. 89-320, eff. 1-1-96.)

22 (205 ILCS 205/8002) (from Ch. 17, par. 7308-2)

23 Sec. 8002. Procedure to amend articles.

24 (a) The procedure to effect an amendment of articles of  
25 incorporation shall be as follows:



1           (1) The board of directors shall adopt a resolution  
2           setting forth the proposed amendment and direct that it be  
3           submitted to a vote at an annual or special meeting of the  
4           members or stockholders.

5           (2) The proposed amendment shall be set forth in the  
6           notice of meeting mailed as prescribed in Section 4003 of  
7           this Act.

8           (3) The proposed amendment shall be adopted upon  
9           receiving the affirmative vote of a majority of the votes  
10          entitled to be cast, unless the articles of incorporation  
11          set forth a requirement that amendments of the articles of  
12          incorporation shall be adopted by an affirmative vote of  
13          two-thirds of the total number of votes entitled to be  
14          cast.

15          (b) A report of proceedings, including the notice given,  
16          the time of mailing, the amendment adopted, the vote thereon,  
17          and the total number of votes entitled to be cast, verified by  
18          the president, vice president, or managing officer and attested  
19          to by the Secretary, shall be filed with the Secretary  
20          ~~Commissioner~~ within 5 business days after the vote.

21          (c) Each adopted amendment shall be subject to the same  
22          inquiry as the corresponding provision in the original  
23          articles. If the Secretary ~~Commissioner~~ approves an amendment  
24          he shall issue to the savings bank a certificate setting forth  
25          the amendment and his approval thereof. The amendment shall  
26          become effective upon issuance of the certificate ~~when recorded~~

1 ~~in the same manner as the savings bank's articles of~~  
2 ~~incorporation. The savings bank shall provide the Commissioner~~  
3 ~~with a copy of the recorded amendment within 5 business days of~~  
4 ~~the date of recording.~~

5 (d) An amendment of the articles of incorporation approved  
6 by the board of directors, the Secretary, and members as part  
7 of merger, sale of substantially all assets, change in control,  
8 holding company reorganization, or mutual to stock form  
9 conversion need not be approved under this Section.

10 (e) No amendment of articles of incorporation shall affect  
11 any existing cause of action either in favor of or against the  
12 savings bank or any pending action in which the savings bank  
13 shall be a party or the existing rights of persons other than  
14 members of the savings bank.

15 (Source: P.A. 89-74, eff. 6-30-95.)

16 (205 ILCS 205/8002.1 new)

17 Sec. 8002.1. Procedure to amend articles of incorporation  
18 for name change.

19 (a) Notwithstanding the requirements of Section 8002 of  
20 this Act, a savings bank, after commencing business, may amend  
21 its articles of incorporation solely for purposes of changing  
22 the name of the savings bank, upon satisfactory completion of  
23 the following requirements:

24 (1) Submission by the board of directors of a certified  
25 resolution approving the proposed name change and

1 approving a plan for notifying all parties who may be  
2 affected by the change, including, but not limited to  
3 members, accountholders, borrowers, creditors, and parties  
4 to whom or with whom commitments of any type are pending.

5 (2) The new name, as determined by the Secretary, meets  
6 the requirements for names under this Act or rules  
7 established by the Secretary.

8 On satisfactory completion of these requirements, the  
9 Secretary shall issue an approved amendment to the articles of  
10 incorporation as provided for in subsection (c) of Section 8002  
11 of this Act.

12 (b) No amendment of the articles of incorporation to change  
13 the name of a savings bank shall affect any existing cause of  
14 action either in favor of or against the savings bank or any  
15 pending action in which the savings bank shall be a party, nor  
16 shall it affect the existing rights of persons other than  
17 members of the savings bank. No action brought by or against  
18 the savings bank under its former name shall be abated by  
19 reason of the change.

20 (205 ILCS 205/8003) (from Ch. 17, par. 7308-3)

21 Sec. 8003. Effect upon existing articles and bylaws. Any  
22 adopted or amended articles that contain provisions contrary to  
23 the savings bank's bylaws shall serve to repeal the particular  
24 bylaws without further action by the board. ~~No amendment to a~~  
25 ~~savings bank's bylaws may take effect until the amendment is~~

1 ~~approved by the Commissioner.~~

2 (Source: P.A. 89-74, eff. 6-30-95.)

3 (205 ILCS 205/8004) (from Ch. 17, par. 7308-4)

4 Sec. 8004. Merger; adoption of plan.

5 (a) Any depository institution may merge into a savings  
6 bank operating under this Act, and a savings bank operating  
7 under this Act may merge into a depository institution. The  
8 board of directors of each merging depository institution, by  
9 resolution adopted by a majority vote of all members of the  
10 board, must approve the plan of merger.

11 (b) The plan of merger must include the following:

12 (1) The name of each of the merging depository  
13 institutions, the name of the continuing savings bank or  
14 resulting depository institution ~~or State or national~~  
15 ~~bank~~, the location of the business office, and the location  
16 of the branch offices.

17 (2) With respect to the resulting savings bank or  
18 resulting depository institution ~~or State or national~~  
19 ~~bank~~, the amount of capital, surplus, and reserve for  
20 operating expenses; the classes and the number of shares of  
21 stock and the par value of each share; the charter and  
22 bylaws of the resulting depository institution or savings  
23 bank ~~or resulting State or national bank~~; and a detailed  
24 financial Statement showing the assets and liabilities  
25 after the proposed merger.

1           (3) Provisions stating the method, terms, and  
2 conditions of carrying the merger into effect, including  
3 the manner of converting the shares of the merging  
4 depository institutions into the cash, shares of stock, or  
5 other securities or properties Stated in the merger  
6 agreement to be received by the stockholders of each  
7 merging depository institution.

8           (4) Provisions governing the manner of disposing of any  
9 shares of stock of the resulting savings bank or resulting  
10 depository institution ~~or State or national bank~~ that are  
11 not taken by the dissenting stockholders of each merging  
12 depository institution.

13           (5) Other provisions that appear necessary or  
14 desirable or that the Secretary ~~Commissioner~~ may  
15 reasonably require to enable him to discharge his duties  
16 with respect to the merger.

17           (c) After approval by the board of directors of each  
18 depository institution, the merger agreement shall be  
19 submitted to the Secretary ~~Commissioner~~ for approval, together  
20 with the certified copies of the authorizing resolutions of  
21 each board of directors showing approval by a majority of the  
22 entire board of each merging depository institution. After  
23 receipt of the items specified herein, the Secretary  
24 ~~Commissioner~~ may make or cause to be made an examination of the  
25 affairs of each of the merging depository institutions and  
26 their affiliates and subsidiaries, the expense of which is to

1 be paid by the merging depository institutions.

2 (d) The Secretary ~~Commissioner~~ may then approve or  
3 disapprove the proposed merger agreement. The Secretary  
4 ~~Commissioner~~ shall not approve a merger agreement unless he  
5 finds that:

6 (1) The resulting savings bank meets the requirements  
7 of this Act for the formation of a new savings bank at the  
8 proposed main office of the resulting savings bank.

9 (2) The same conditions exist with respect to the  
10 resulting savings bank that would be required under this  
11 Act for the organization of a new savings bank.

12 (3) The merger agreement is fair to all persons  
13 affected.

14 (4) The resulting savings bank will be operated in a  
15 safe and sound manner.

16 (e) If the Secretary ~~Commissioner~~ disapproves of the  
17 proposed merger, he shall State his objections in writing and  
18 give the merging depository institutions a Stated period of  
19 time in which to amend the plan of merger to address ~~obviate~~  
20 the objections.

21 (Source: P.A. 87-1226; 88-425.)

22 (205 ILCS 205/8005) (from Ch. 17, par. 7308-5)

23 Sec. 8005. Merger; vote of approval. If approved by the  
24 Secretary ~~Commissioner~~, the plan of merger shall be submitted  
25 to the stockholders of the savings bank or depository

1 institution for approval. The Secretary ~~Commissioner~~ may  
2 require that the plan of merger be submitted to members of a  
3 mutual savings bank. Each meeting of the members or  
4 stockholders of a savings bank operating under this Act shall  
5 be called and held in accordance with Section 4002. The plan is  
6 approved if it receives the affirmative vote of two-thirds or  
7 more of the total votes entitled to be cast.

8 (Source: P.A. 86-1213.)

9 (205 ILCS 205/8007) (from Ch. 17, par. 7308-7)

10 Sec. 8007. Effect of merger. The continuing savings bank or  
11 resulting depository institution ~~or State or national bank~~  
12 shall be considered the same business and corporate entity as  
13 each merging depository institution, with all the property,  
14 rights, duties, and obligations of each merging depository  
15 institution, except as otherwise provided by the articles of  
16 incorporation of the continuing savings bank or resulting  
17 depository institution ~~or State or national bank~~. All  
18 liabilities of each of the merging institutions shall be  
19 liabilities of the continuing savings bank or resulting  
20 depository institution ~~or State or national bank~~; and all of  
21 the rights, franchises, and interests of each of the merging  
22 depository institutions in and to every kind of property, real,  
23 personal, or mixed shall vest automatically in the continuing  
24 savings bank or resulting depository institution ~~or State or~~  
25 ~~national bank~~ without any deed or other transfer. Any reference

1 to a merging depository institution in any writing, whether  
2 executed or effective before or after the merger, shall be  
3 deemed a reference to the continuing savings bank or resulting  
4 depository institution ~~or State or national bank~~ if not  
5 inconsistent with the other provisions of the writing. No  
6 pending action or other judicial proceeding to which any  
7 merging depository institution is a party shall be abated or  
8 dismissed by reason of the merger, but shall be prosecuted to  
9 final judgment in the same manner as if the merger had not  
10 occurred.

11 (Source: P.A. 87-1226; 88-425.)

12 (205 ILCS 205/8008) (from Ch. 17, par. 7308-8)

13 Sec. 8008. Merger; Secretary's ~~Commissioner's~~ expenses.  
14 The expenses of any examination made by or at the direction of  
15 the Secretary ~~Commissioner~~ in connection with a proposed merger  
16 shall be paid for by the merging savings banks or depository  
17 institutions.

18 (Source: P.A. 86-1213.)

19 (205 ILCS 205/8009) (from Ch. 17, par. 7308-9)

20 Sec. 8009. Sale of assets. Subject to regulations of the  
21 Secretary ~~Commissioner~~, a savings bank, in one transaction not  
22 in the usual course of business, may sell all or substantially  
23 all of its assets, with or without its name and goodwill, to  
24 another savings bank or depository institution ~~to any other~~



1 ~~financial institution~~, in consideration of money, capital, or  
2 obligations of the purchasing institution. A savings bank may  
3 sell any office or facility and equipment in conformity with  
4 the regulations of the Secretary Commissioner.

5 (Source: P.A. 86-1213.)

6 (205 ILCS 205/8010) (from Ch. 17, par. 7308-10)

7 Sec. 8010. Procedure to effect sale of all assets.

8 (a) The procedure to effect a sale authorized by Section  
9 ~~Sections 8009 and 8014~~ of this Act shall be as follows:

10 (1) The board of directors shall adopt a resolution  
11 setting forth the terms of the proposed sale and shall  
12 submit the plan to the Secretary Commissioner for his  
13 preliminary approval. Upon receipt of approval by the  
14 Secretary Commissioner, the plan shall be submitted to a  
15 vote of the members at a special or annual meeting.

16 (2) The terms shall be set forth in the notice of the  
17 meeting as prescribed in subsection (b) of Section 4003 of  
18 this Act.

19 (3) The proposed sale will be approved by the members  
20 or stockholders upon receiving in the affirmative  
21 two-thirds or more of the total number of votes that all  
22 members or stockholders of the savings bank are entitled to  
23 cast. A proposal for the voluntary liquidation of the  
24 savings bank may be submitted to the members or  
25 stockholders at the same meeting or at any later meeting

1 called for that purpose in accordance with Article 4 of  
2 this Act. A report of proceedings, certified by the  
3 president or vice president and attested by the secretary,  
4 setting forth the terms of the proposed sale, the notice  
5 given and the time of its mailing, the vote on the  
6 proposal, and the total number of votes that all members or  
7 stockholders of the savings bank are entitled to cast,  
8 shall be filed with the Secretary ~~Commissioner~~.

9 (b) If the Secretary ~~Commissioner~~ finds that the proposed  
10 sale is fair to all holders of capital, creditors, and other  
11 persons concerned and provision has been made for the  
12 disposition of the remaining assets, if any, of the savings  
13 bank, as provided in this Act for voluntary liquidation, he  
14 shall issue to the savings bank a certificate of authorization  
15 for the sale with a copy of the filed report of proceedings  
16 attached to the certificate.

17 (c) When the Secretary's ~~Commissioner's~~ certificate is  
18 issued ~~recorded in the same manner as the savings bank's~~  
19 ~~articles of incorporation~~, the savings bank may complete the  
20 sale so authorized; except that the savings bank must also have  
21 the approval of the Federal Deposit Insurance Corporation.

22 (d) If the sale includes the name of the savings bank, the  
23 purchaser shall have the exclusive right to that name for a  
24 period of 5 years.

25 (Source: P.A. 86-1213.)

1 (205 ILCS 205/8013) (from Ch. 17, par. 7308-13)

2 Sec. 8013. Emergency merger. With the prior approval of the  
3 Secretary Commissioner, which approval shall state that the  
4 proposed merger is in his opinion necessary for the protection  
5 of the depositors and other creditors, any savings bank that is  
6 an eligible depository institution, as defined in the Illinois  
7 Banking Act, may, by a vote of a majority of its board of  
8 directors and without a vote of its members or stockholders,  
9 merge with another savings bank or depository institution, ~~a~~  
10 ~~State or federal savings and loan association, or a bank, as~~  
11 ~~defined in the Illinois Banking Act,~~ with the other savings  
12 bank or depository institution, ~~State or federal savings and~~  
13 ~~loan association, or bank~~ being the resulting or continuing  
14 savings bank or depository institution, ~~savings and loan~~  
15 ~~association, or bank.~~

16 (Source: P.A. 86-1213.)

17 (205 ILCS 205/8014) (from Ch. 17, par. 7308-14)

18 Sec. 8014. Emergency sale of assets.

19 (a) With the approval in writing of the Secretary  
20 ~~Commissioner~~, which approval shall state that the proposed sale  
21 is, in his opinion, necessary for the protection of the  
22 depositors and other creditors, any savings bank that is an  
23 eligible depository institution, as defined in Section 2 of the  
24 Illinois Banking Act may, by a vote of a majority of its board  
25 of directors and without a vote of its members or stockholders,

1 sell all or any part of its assets to another savings bank or  
2 depository institution, ~~savings and loan association, bank, as~~  
3 ~~defined in the Illinois Banking Act,~~ or to the Federal Deposit  
4 Insurance Corporation, ~~or to both a State or federally~~  
5 ~~chartered savings bank or savings and loan association or a~~  
6 ~~bank and the Federal Deposit Insurance Corporation,~~ provided  
7 that a savings bank or depository institution assumes, ~~State or~~  
8 ~~federally chartered savings and loan association or bank~~  
9 ~~assumes~~ in writing all of the liabilities of the selling  
10 savings bank ~~association and that any sale to a bank shall be~~  
11 ~~by an eligible depository institution, as defined in the~~  
12 ~~Illinois Banking Act.~~

13 (b) Notwithstanding any other provisions of this Act, a  
14 savings bank may sell to any savings bank or depository  
15 institution, ~~savings and loan association, or bank, as defined~~  
16 ~~in the Illinois Banking Act,~~ an insubstantial portion of its  
17 total deposits ~~which shall have the same meaning as provided in~~  
18 ~~Section 5(d)(2)(D) of the Federal Deposit Insurance Act.~~ The  
19 sale of an insubstantial portion of a savings bank's deposits  
20 may be by vote of a majority of the board of directors, and,  
21 with approval of the Secretary ~~Commissioner~~, without a vote of  
22 its members or stockholders.

23 (Source: P.A. 86-1213.)

24 (205 ILCS 205/8015) (from Ch. 17, par. 7308-15)

25 Sec. 8015. Change in control.

1 (a) No person, whether acting directly or indirectly or  
2 through or in concert with one or more persons, may acquire  
3 control of a savings bank operating under this Act without  
4 prior approval of the Secretary ~~Commissioner~~.

5 (b) Any person seeking to acquire control of a savings bank  
6 or subsidiary of a savings bank operating under this Act shall  
7 submit an application in the form required by the Secretary  
8 ~~Commissioner~~.

9 (c) The Secretary ~~Commissioner~~ may examine the books and  
10 records of the applicant and related persons, investigate any  
11 matter relevant to the application, and require the applicant  
12 to submit additional information and documents.

13 (d) The Secretary ~~Commissioner~~ shall not approve an  
14 acquisition of control unless the application and related  
15 examination and investigation permit the Secretary  
16 ~~Commissioner~~ to find positively on all of the following  
17 matters:

18 (1) The applicant has filed a complete application, has  
19 cooperated with all examinations and investigations of the  
20 Secretary ~~Commissioner~~, and has submitted all information  
21 and documents requested by the Secretary ~~Commissioner~~.

22 (2) The applicant and proposed management have the  
23 necessary competence, experience, integrity, and financial  
24 ability.

25 (3) The business plans of the applicant are consistent  
26 with the safe and sound operation of the savings bank and

1 the purposes of this Act.

2 (4) The acquisition of control would not be inequitable  
3 to members, borrowers or creditors of the savings bank.

4 (5) The applicant and proposed management have  
5 complied with subsection (f) ~~(e)~~ of this Section.

6 (e) Shares of stock or mutual members shares acquired in  
7 violation of subsection (a) of this Section shall not be voted  
8 and shall not be counted in calculating the total number of  
9 shares eligible to vote. In addition to any other action  
10 authorized under this Act, the Secretary ~~Commissioner~~ may  
11 require divestment of shares of stock acquired in violation of  
12 this Section and may require retirement of the withdrawal value  
13 of accounts providing mutual member voting shares acquired in  
14 violation of this Section, in which case the savings bank shall  
15 pay accrued interest on the retired withdrawal value and shall  
16 not assess any penalty for early withdrawal.

17 (f) An individual, whether acting directly or indirectly or  
18 through or in concert with one or more persons, shall file  
19 written notice to the Secretary ~~Commissioner~~ within 10 days of  
20 the occurrence of either of the following events:

21 (1) becoming, directly or indirectly, the beneficial  
22 owner of more than five percent of the voting shares of a  
23 savings bank or savings bank holding company; or

24 (2) obtaining, directly or indirectly, the power to  
25 cast more than five percent of the member votes of a  
26 savings bank or savings bank holding company.

1           The requirements of this subsection (f) are separate and in  
2 addition to the requirements of subsection (a) of this Section.

3           (g) The Secretary ~~Commissioner~~ may promulgate rules to  
4 implement this provision, including definitions, form and  
5 content of application or notice, procedures, exemptions, and  
6 requirements for approval.

7 (Source: P.A. 96-585, eff. 8-18-09.)

8           (205 ILCS 205/8016) (from Ch. 17, par. 7308-16)

9           Sec. 8016. Procedure for conversion from a savings bank  
10 charter.

11           (a) Any savings bank operating under this Act may convert  
12 to any other depository institution chartered under the laws  
13 and regulations of this State or under the laws and regulations  
14 of the United States in accordance with the following  
15 requirements:

16           (1) The converting savings bank shall notify the  
17 Secretary ~~Commissioner~~ of its intent to convert. Notice  
18 should be submitted when the savings bank first submits a  
19 request to convert to the appropriate State or federal  
20 authorities, but in no case less than 30 days before the  
21 conversion. Approval of the conversion by the Secretary  
22 ~~Commissioner~~ shall not be required except when the savings  
23 bank converts to a depository institution that is also  
24 chartered by the Secretary ~~Commissioner~~ in which case the  
25 savings bank shall comply with State law and regulations

1 applicable to the conversion to such depository  
2 institution.

3 (2) The board of directors shall approve a plan of  
4 conversion by resolution adopted by majority vote of all of  
5 the directors.

6 (3) Upon notice prescribed by subsection (a) of Section  
7 4003 of this Act, the plan of conversion shall be adopted  
8 upon receiving in the affirmative two-thirds or more of the  
9 total number of votes that all members of the savings bank  
10 are entitled to cast. A report of proceedings, certified by  
11 the president or a vice president and attested by the  
12 secretary, shall be filed promptly with the Secretary  
13 ~~Commissioner~~.

14 (4) The savings bank shall pay all accrued supervisory  
15 fees and other fees and assessments under this Act as of  
16 the date of conversion.

17 (5) Upon completion of the conversion, the charter of  
18 the savings bank shall automatically terminate and the  
19 savings bank charter or a true copy of the charter shall be  
20 returned to the Secretary ~~Commissioner~~.

21 (b) (Blank). ~~If the Commissioner finds that any requirement~~  
22 ~~of this Section would prevent under applicable law a depository~~  
23 ~~institution that is not a savings bank from converting to a~~  
24 ~~savings bank, the Commissioner may waive any requirement having~~  
25 ~~that effect.~~

26 (Source: P.A. 91-97, eff. 7-9-99.)



1 (205 ILCS 205/8018 new)

2 Sec. 8018. Waiver of requirements. With respect to  
3 applicable law requiring reciprocity, no requirement of the  
4 Secretary or member approval under Article 8 is effective if  
5 the approval requirement prevents a depository institution  
6 that is not a savings bank from converting to, merging into, or  
7 selling substantially all of its assets to, as otherwise  
8 permitted, a savings bank.

9 (205 ILCS 205/9002) (from Ch. 17, par. 7309-2)

10 Sec. 9002. Powers of Secretary. The Secretary shall have  
11 the following powers and duties:

12 (1) To exercise the rights, powers, and duties set forth in  
13 this Act or in any related Act.

14 (2) To establish regulations as may be reasonable or  
15 necessary to accomplish the purposes of this Act.

16 (3) To make an annual report regarding the work of his  
17 office under this Act as he may consider desirable to the  
18 Governor, or as the Governor may request.

19 (4) To cause a suit to be filed in his name to enforce any  
20 law of this State that applies to savings banks, their service  
21 corporations, subsidiaries, affiliates, or holding companies  
22 operating under this Act, including the enforcement of any  
23 obligation of the officers, directors, agents, or employees of  
24 any savings bank.

1           (5) To prescribe a uniform manner in which the books and  
2 records of every savings bank are to be maintained.

3           (6) To establish a reasonable fee structure for savings  
4 banks and holding companies operating under this Act and for  
5 their service corporations and subsidiaries. The fees shall  
6 include, but not be limited to, annual fees, application fees,  
7 regular and special examination fees, and other fees as the  
8 Secretary establishes and demonstrates to be directly  
9 resultant from the Secretary's responsibilities under this Act  
10 and as are directly attributable to individual entities  
11 operating under this Act. The aggregate of all moneys ~~fees~~  
12 collected by the Secretary on and after the effective date of  
13 this Act shall be paid promptly after receipt of the same,  
14 accompanied by a detailed statement thereof, into the Savings  
15 and Residential Finance Regulatory Fund subject to the  
16 provisions of Section 7-19.1 of the Illinois Savings and Loan  
17 Act of 1985 including without limitation the provision for  
18 credits against regulatory fees. The amounts deposited into the  
19 Fund shall be used for the ordinary and contingent expenses of  
20 the Office of Banks and Real Estate. Notwithstanding any other  
21 provision of this paragraph (6), the aggregate of all moneys  
22 collected by the Secretary under this Act shall be paid  
23 promptly after receipt of same, accompanied by a detailed  
24 statement thereof, into the Savings Institutions Regulatory  
25 Fund upon the creation of that fund under Section 7-19.2 of the  
26 Illinois Savings and Loan Act of 1985, subject to the

1 provisions of Section 7-19.2 of the Illinois Savings and Loan  
2 Act of 1985, including without limitation the provision for  
3 credits against regulatory fees. The amounts deposited into the  
4 Savings Institutions Regulatory Fund under this paragraph (6)  
5 shall be used for the ordinary and contingent expenses of  
6 administering and enforcing this Act. Nothing in this Act shall  
7 prevent continuing the practice of paying expenses involving  
8 salaries, retirement, social security, and State-paid  
9 insurance of State officers by appropriation from the General  
10 Revenue Fund. The Secretary may require payment of the fees  
11 under this Act by an electronic transfer of funds or an  
12 automatic debit of an account of each of the savings banks.

13 (Source: P.A. 95-1047, eff. 4-6-09; 96-1365, eff. 7-28-10.)

14 (205 ILCS 205/9004) (from Ch. 17, par. 7309-4)

15 Sec. 9004. Examination.

16 (a) At least once every 18 months or more often if it is  
17 deemed necessary or expedient, the Secretary ~~Commissioner~~  
18 shall examine the books, records, operations, and affairs of  
19 each savings bank operating under this Act. In the course of  
20 the examination, the Secretary may ~~Commissioner shall~~ also  
21 examine in the same manner all entities, companies, and  
22 individuals which or whom the Secretary ~~Commissioner~~  
23 determines may have a relationship with the savings bank or any  
24 subsidiary or entity affiliated with it, if the relationship  
25 may adversely affect the affairs, activities, and safety and

1 soundness of the savings bank, including: (i) companies  
2 controlled by the savings bank; (ii) entities, including  
3 companies controlled by the company, individual, or  
4 individuals that control the savings bank; and (iii) the  
5 company or other entity which controls or owns the savings  
6 bank. ~~For purposes of this subsection, the Commissioner shall~~  
7 ~~deem it necessary or expedient to conduct an examination more~~  
8 ~~often than every 18 months if a required report from a savings~~  
9 ~~bank indicates a material change in financial condition or a~~  
10 ~~material violation of a law or regulation. In that event, the~~  
11 ~~Commissioner shall initiate an examination within 30 days of~~  
12 ~~receipt of that information. In the event that the condition is~~  
13 ~~grounds for taking custody of the savings bank under Section~~  
14 ~~10001 of this Act, the examination shall be initiated~~  
15 ~~immediately.~~ Notwithstanding any other provision of this Act,  
16 every savings bank, as defined by rule, or, if not defined, to  
17 the same extent as would be permitted in the case of a State  
18 bank, the Secretary, in lieu of the examination, may accept on  
19 an alternating basis the examination made by the eligible  
20 savings bank's appropriate federal banking agency pursuant to  
21 Section 111 of the Federal Deposit Insurance Corporation  
22 Improvement Act of 1991, provided the appropriate federal  
23 banking agency has made an examination.

24 (b) The Secretary ~~Commissioner~~ shall examine to determine:

25 (1) Quality of financial condition, including safety  
26 and soundness and investment and loan quality.

1           (2) Compliance with this Act and other applicable  
2 statutes and regulations.

3           (3) Quality of management policies.

4           (4) Overall safety and soundness of the savings bank,  
5 its parent, subsidiaries, and affiliates.

6           (5) Remedial actions required to correct and to restore  
7 compliance with applicable statutes, regulations, and  
8 proper business policies.

9           (c) The Secretary may ~~Commissioner shall~~ promulgate  
10 regulations to implement and administer this Section.

11           (d) If a savings bank, its holding company, or any of its  
12 corporate subsidiaries has not been audited at least once in  
13 the 12 months prior to the Secretary's ~~Commissioner's~~  
14 examination, the Secretary may ~~Commissioner shall~~ cause an  
15 audit of the savings bank's books and records to be made by an  
16 independent licensed public accountant ~~selected by the~~  
17 ~~Commissioner from a list composed of certified public~~  
18 ~~accountants who have experience in savings bank audits.~~ The  
19 cost of the audit shall be paid for by the entity being  
20 audited.

21           (e) The Secretary ~~Commissioner~~ or ~~the~~ his or her  
22 ~~Commissioner's~~ examiners or other formally designated agents  
23 are authorized to administer oaths and to examine and to take  
24 and preserve testimony under oath as to anything in the affairs  
25 or ownership of any savings bank or institution or affiliate  
26 thereof.

1 (Source: P.A. 96-1365, eff. 7-28-10.)

2 (205 ILCS 205/9008) (from Ch. 17, par. 7309-8)

3 Sec. 9008. Report of examination. Upon completion of each  
4 examination, the Secretary may ~~Commissioner shall~~ make a report  
5 of examination to the board of directors of the savings bank or  
6 other entity examined. The report shall be read by each  
7 director who shall then execute a signed statement ~~affidavit~~  
8 ~~affirming~~ that he has read the report. The statement ~~affidavits~~  
9 shall be filed and retained by the savings bank or appropriate  
10 entity examined and shall be examined by the Secretary  
11 ~~Commissioner~~ during regular examinations.

12 (Source: P.A. 86-1213.)

13 (205 ILCS 205/9011) (from Ch. 17, par. 7309-11)

14 Sec. 9011. Record keeping and retention of records by a  
15 savings bank.

16 (a) Each savings bank is required to maintain appropriate  
17 books and records, as required by the Secretary ~~Commissioner~~,  
18 that are in accordance with generally accepted accounting  
19 principles and the requirements of its insurer of accounts. All  
20 books and records shall be current, complete, organized, and  
21 accessible to the Secretary ~~Commissioner~~, the Secretary's  
22 ~~Commissioner's~~ agents and examiners, and to the savings bank's  
23 auditors and accountants.

24 (b) Each savings bank shall implement internal control and

1 security measures for its data processing activities. A  
2 contract with a data processing service or for data processing  
3 services must provide that records maintained shall at all  
4 times be available for examination and audit by the Secretary  
5 ~~Commissioner~~.

6 (c) The Secretary ~~Commissioner~~ may further regulate these  
7 matters by the promulgation of rules concerning data  
8 processing. As used herein, "data processing" means all  
9 electronic or automated systems of communication and data  
10 processing by computer.

11 (d) Unless a federal law requires otherwise, the Secretary  
12 ~~may Commissioner shall~~ by regulation prescribe periods of time  
13 for which savings banks operating under this Act must retain  
14 records and after the expiration of which, the savings bank may  
15 destroy those records. No liability shall accrue against the  
16 savings bank, the Secretary ~~Commissioner~~, or this State for  
17 destruction of records according to regulations of the  
18 Secretary ~~Commissioner~~ promulgated under the authority of this  
19 Section. In any cause or proceeding in which any records may be  
20 called in question or be demanded by any savings bank, a  
21 showing of the expiration of the period so prescribed shall be  
22 sufficient excuse for failure to produce them.

23 (Source: P.A. 90-301, eff. 8-1-97.)

24 (205 ILCS 205/9015) (from Ch. 17, par. 7309-15)

25 Sec. 9015. Unsafe and unsound practices; orders of

1 prohibition and removal.

2 (a) The violation of any of the following provisions of  
3 this Act: Article 5, subsection (b) of Section 4009, Section  
4 7006, Section 9005, and Section 9014 is deemed to be an unsafe  
5 and unsound practice and creates an unsafe and unsound  
6 condition in the savings bank. The savings bank or the  
7 institution affiliated party responsible for the violation may  
8 be subject to the assessment of civil money penalties and other  
9 enforcement powers of the Secretary ~~Commissioner~~, as specified  
10 in this Article, in Article 11, and by regulation of the  
11 Secretary ~~Commissioner~~.

12 (b) Continued violation of any of those provisions after  
13 the Secretary ~~Commissioner~~ issues formal notice to correct  
14 shall subject the directors of the savings bank at fault to  
15 immediate removal from the board and to a permanent order of  
16 prohibition from direct or indirect participation in the  
17 affairs of any financial institution subject to this Act, the  
18 Illinois Savings and Loan Act of 1985, or the Residential  
19 Mortgage License Act of 1987.

20 (c) The Secretary ~~may~~ ~~Commissioner shall~~ promulgate rules  
21 and regulations to implement this Section.

22 (Source: P.A. 90-301, eff. 8-1-97.)

23 (205 ILCS 205/9017) (from Ch. 17, par. 7309-17)

24 Sec. 9017. Procedure upon the impairment of capital.

25 (a) If the Secretary ~~Commissioner~~ finds from a report of



1 examination or other required report of a savings bank that the  
2 capital is impaired, he may ~~shall~~, in his discretion institute  
3 whichever of the following procedures is appropriate:

4 (1) Direct that the board of directors either (i)  
5 require the shareholders to contribute an amount at least  
6 sufficient to eliminate the impairment, or (ii) reduce the  
7 par value of the capital stock in at least the amount of  
8 the impairment and allocate the reduction to undivided  
9 profits or reserves to absorb the loss that created the  
10 impairment.

11 (2) Take custody of the savings bank under Article 10  
12 of this Act, establish a conservatorship, and proceed to  
13 merge, sell, or otherwise dispose of the savings bank in a  
14 manner that will remove the capital impairment, remove  
15 operating losses, and restore compliance with all capital  
16 requirements.

17 (3) Declare the stock worthless and order the directors  
18 to cancel the stock or order the directors to sell, merge,  
19 or otherwise restructure the savings bank in a manner that  
20 will remove the capital impairment, eliminate operating  
21 losses, and restore compliance with all capital  
22 requirements.

23 (b) The Secretary may ~~Commissioner shall~~ promulgate rules  
24 to implement this procedure.

25 (Source: P.A. 86-1213.)

1 (205 ILCS 205/9018) (from Ch. 17, par. 7309-18)

2 Sec. 9018. Administrative review. Except as provided in  
3 Article 10 and as otherwise specifically provided by this Act,  
4 any person aggrieved by a decision of the Secretary  
5 ~~Commissioner~~ under this Act may receive a hearing before the  
6 Secretary under Sections 9018.1 through 9018.4 of this Act  
7 ~~Board of Savings Institutions or otherwise seek administrative~~  
8 ~~review of the decision pursuant to the procedures set forth in~~  
9 ~~Sections 7-20 through 7-27 of the Illinois Savings and Loan Act~~  
10 ~~of 1985.~~

11 (Source: P.A. 89-508, eff. 7-3-96.)

12 (205 ILCS 205/9018.1 new)

13 Sec. 9018.1. Hearing upon verified complaint. The  
14 Secretary shall, upon receiving the verified complaint in  
15 writing of any aggrieved person setting forth facts that, if  
16 proved, would constitute grounds for reversal or change of any  
17 decision, order, or action of the Secretary, except as provided  
18 in Section 7-23 of this Act, grant a hearing on the complaint.  
19 If the aggrieved person desires such a hearing, he or she  
20 shall, within 10 days after receipt of notice of such decision,  
21 order, or action, file written notice with the Secretary of  
22 intent to demand a hearing and shall, within 30 days after  
23 receipt of notice of such decision, order, or action, file his  
24 or her verified complaint in writing. The date of the hearing  
25 may not be earlier than 15 days nor later than 30 days after

1 the date of receipt of verified complaint in writing. The  
2 Secretary shall, at least 10 days prior to the date set for the  
3 hearing, notify in writing the person aggrieved by such  
4 decision, order, or action, referred to in this Section as the  
5 respondent, and all other parties to the action, that a hearing  
6 will be held on the date designated and shall afford the  
7 respondent and all other parties to the action an opportunity  
8 to be heard in person or by counsel in reference thereto.  
9 Written notice may be served by delivery of the same personally  
10 to the respondent and all other parties to the action or by  
11 mailing the notice by registered or certified mail to the place  
12 of business specified by the respondent and all other parties  
13 to the action in the last notification to the Secretary. At the  
14 time and place fixed in the notice, the Secretary or his or her  
15 authorized agent, referred to in this Section as the hearing  
16 officer, shall proceed to hear the charges and the respondent,  
17 all other parties to the action, and the complainant shall be  
18 accorded ample opportunity to present in person or by counsel  
19 such statements, testimony, evidence, and argument as may be  
20 pertinent to the issues. The hearing officer may continue such  
21 hearing from time to time.

22 The hearing officer may subpoena any person in this State  
23 and may take testimony either orally, by deposition, or by  
24 exhibit, with the same fees and mileage and in the same manner  
25 as prescribed by law in judicial proceedings in civil cases in  
26 circuit courts of this State.

1       The hearing officer may administer oaths to witnesses at  
2       any hearing that the hearing officer is authorized by law to  
3       conduct.

4       After the hearing, the Secretary shall make a determination  
5       approving, modifying, or disapproving the decision, order, or  
6       action of the Secretary as his or her final administrative  
7       decision.

8           (205 ILCS 205/9018.2 new)

9       Sec. 9018.2. Record of proceedings; expenses. The  
10       Secretary, at his or her expense, unless otherwise provided in  
11       this Act, shall provide a stenographer to take down the  
12       testimony and preserve a record of all proceedings at the  
13       hearing. The notice of hearing, complaint, and all other  
14       documents in the nature of pleadings and written motions filed  
15       in the proceedings, the transcript of testimony, the report of  
16       the hearing officer, and orders of the Secretary shall be the  
17       record of such proceedings. The Secretary shall furnish a  
18       transcript of the record to any person interested in such  
19       hearing upon payment of the actual cost thereof.

20       A copy of the hearing officer's report and the Secretary's  
21       orders shall be served as notice of the hearing on the  
22       respondent and all other parties to the action by the  
23       Secretary, either personally or by registered or certified  
24       mail, as provided in this Act. All expenses incurred by the  
25       Secretary, including the compensation of the hearing officer,

1 shall be paid by the parties to the hearing and shall be  
2 divided among them in equal shares.

3 (205 ILCS 205/9018.3 new)

4 Sec. 9018.3. Subpoena; deposition. All subpoenas issued  
5 under the laws of this State pertaining to or concerning  
6 savings banks may be served by any person who is not a minor.  
7 The fees of witnesses for attendance and travel shall be the  
8 same as fees of witnesses before the circuit courts of this  
9 State. Witness fees are to be paid at the time the witness is  
10 excused from further attendance, when the witness is subpoenaed  
11 at the instance of the Secretary or any officer or any employee  
12 designated by him or her for the purpose of conducting any  
13 investigation, inquiry, or hearing. The disbursements made in  
14 the payment of witness fees shall be audited and paid in the  
15 same manner as are other expenses of the Secretary. Whenever a  
16 subpoena is issued at the instance of a complainant,  
17 respondent, or other party to any proceeding, the Secretary may  
18 require that the cost of service thereof and the fee of the  
19 same shall be borne by the party at whose instance the witness  
20 is summoned, and the Secretary shall have power, in his or her  
21 discretion, to require a deposit to cover the cost of such  
22 service and witness fees and the payment of legal witness fees  
23 and mileage to the witness when served with subpoena. A  
24 subpoena issued under this Section shall be served in the same  
25 manner as a subpoena issued out of a court.

1       Any person served with a subpoena to appear and testify or  
2 to produce books, papers, accounts, or documents, either in  
3 person or by deposition, in the manner provided in this  
4 Section, issued by the Secretary or by any officer or any  
5 employee designated by him or her to conduct any such  
6 investigation, inquiry, or hearing, in the course of an  
7 investigation, inquiry, or hearing conducted under any of the  
8 provisions of the laws of this State pertaining to savings  
9 banks, and who refuses or neglects to appear or to testify, or  
10 to produce books, papers, accounts, and documents relative to  
11 such investigation, inquiry, or hearing as commanded in such  
12 subpoena, shall be guilty of a petty offense.

13       Any circuit court of this State, on application of the  
14 Secretary or an officer or an employee designated by the  
15 Secretary for the purpose of conducting any investigation,  
16 inquiry, or hearing, may, in his or her discretion, compel the  
17 attendance of witnesses, the production of books, papers,  
18 accounts, and documents, and the giving of testimony before the  
19 Secretary or before any officer or any employee designated by  
20 the Secretary for the purpose of conducting any such  
21 investigation, inquiry, or hearing, in person or by deposition,  
22 in the manner provided in this Section, by an attachment for  
23 contempt or otherwise, in the same manner as production of  
24 evidence may be compelled before a court.

25       The Secretary, any officer or employee designated by the  
26 Secretary for the purpose of conducting any investigation,

1 inquiry, or hearing, or any party may, in any investigation,  
2 inquiry, or hearing, cause the deposition of witnesses residing  
3 within or outside of the State to be taken in the manner  
4 prescribed by law for taking like depositions in civil cases in  
5 courts of this State and, to that end, may compel the  
6 attendance of witnesses and the production of papers, books,  
7 accounts, and documents.

8 (205 ILCS 205/9018.4 new)

9 Sec. 9018.4. Review under Administrative Review Law.  
10 Except as provided in Article 10, any person affected by a  
11 final administrative decision of the Secretary may have the  
12 decision reviewed only under and in accordance with the  
13 Administrative Review Law.

14 The provisions of the Administrative Review Law, all  
15 amendments and modifications to the Administrative Review Law,  
16 and the rules adopted under the Administrative Review Law,  
17 shall apply to and govern all proceedings for the judicial  
18 review of final administrative decisions of the Secretary under  
19 this Act. For the purposes of this Section, "administrative  
20 decision" is defined as in Section 3-101 of the Code of Civil  
21 Procedure.

22 Appeals from all final orders and judgments entered by a  
23 court in review of any final administrative decision of the  
24 Board under this Act may be taken as in other civil cases.

1           Section 25. The Corporate Fiduciary Act is amended by  
2 changing the heading of Article IX by changing Sections 4A-5,  
3 5-9, and 6-13.5 as follows:

4           (205 ILCS 620/4A-5)

5           Sec. 4A-5. Foreign corporations establishing places of  
6 business to conduct fiduciary activities in Illinois.

7           (a) A foreign corporation may establish or acquire and  
8 maintain a place of business for the conduct of business as a  
9 fiduciary in this State provided that a corporate fiduciary  
10 that has its principal place of business in Illinois is  
11 permitted to establish or acquire and maintain a similar place  
12 of business that may engage in activities substantially similar  
13 to those permitted to foreign corporations under this Act in  
14 the state where the foreign corporation has its principal place  
15 of business.

16           (b) A foreign corporation desiring to establish or acquire  
17 and maintain a place of business to conduct business as a  
18 fiduciary in Illinois under this Section shall provide, or  
19 cause its home state regulator to provide, written notice of  
20 the proposed transaction to the Commissioner on or after the  
21 date on which the foreign corporation applies to its home state  
22 regulator for approval to establish or acquire and maintain a  
23 place of business in Illinois. The filing of the notice shall  
24 be preceded or accompanied by a copy of the resolution adopted  
25 by the board authorizing the additional place of business and



1 the filing fee required by the Commissioner. The Commissioner  
2 may prescribe the form of the notice required under this  
3 Section. In the Commissioner's discretion, the application or  
4 notice submitted to the foreign corporation's home state  
5 regulator may be sufficient notice under this Section.

6 (c) A foreign corporation desiring to establish or acquire  
7 and maintain a place of business to conduct business as a  
8 fiduciary shall (i) confirm in writing to the Commissioner that  
9 for as long as it maintains a place of business in Illinois, it  
10 will comply with the laws of this State and (ii) provide  
11 satisfactory evidence to the Commissioner of compliance with  
12 any applicable requirements of state foreign corporation  
13 qualification laws and applicable requirements of its home  
14 state regulator for acquiring or establishing and maintaining  
15 the office.

16 (d) A foreign corporation submitting a notice to the  
17 Commissioner in accordance with subsection (b) may commence  
18 fiduciary business at the place of business listed in its  
19 notice after the Commissioner approves the foreign corporation  
20 to conduct a fiduciary business in Illinois ~~on the 61st day~~  
21 ~~after the date the Commissioner receives the notice unless the~~  
22 ~~Commissioner specifies an earlier or later date.~~ However, if  
23 the foreign corporation is not a depository institution and the  
24 Commissioner approves the foreign corporation to conduct a  
25 fiduciary business in Illinois subject to specific conditions,  
26 the foreign corporation shall not commence a fiduciary business

1 in Illinois until it has satisfied those conditions and  
2 provided evidence satisfactory to the Commissioner that it has  
3 done so. ~~The Commissioner may extend the 60 day review period~~  
4 ~~if additional time or information is needed for approval of the~~  
5 ~~notice.~~ The Commissioner may deny approval of the notice if he  
6 finds that the foreign corporation lacks sufficient financial  
7 resources to undertake the proposed expansion without  
8 adversely affecting its safety or soundness or that the place  
9 of business is contrary to the public interest.

10 (Source: P.A. 92-483, eff. 8-23-01.)

11 (205 ILCS 620/5-9) (from Ch. 17, par. 1555-9)

12 Sec. 5-9. Statement of condition.

13 (a) Each corporate fiduciary shall file with the  
14 Commissioner, when requested, a statement under oath, of the  
15 condition of such corporate fiduciary as of the date requested.  
16 The statement of condition shall be in such form and contain  
17 such statements, returns and information, as to the affairs,  
18 business conditions, and resources of the corporate fiduciary  
19 or of its trust department, as the case may be, as the said  
20 Commissioner may, from time to time prescribe or require.

21 (b) Such statement of condition shall be verified by the  
22 affidavit of the president, vice president or principal  
23 accounting officer of said corporate fiduciary, who shall also  
24 state in such affidavit that he has examined the books and  
25 accounts of said corporate fiduciary or of its trust

1 department, as the case may be for the purpose of making said  
2 report or statement, and that the information contained in the  
3 statement or report is accurate to the best of his knowledge  
4 and belief. If the statement is submitted in electronic form,  
5 the Commissioner may, in the call for the report, specify the  
6 manner in which the appropriate officer of the corporate  
7 fiduciary shall verify the statement of condition.

8 (c) (Blank). ~~The corporate fiduciary shall cause a proper~~  
9 ~~abstract of the statements of assets and liabilities reported~~  
10 ~~under sub section (a) of this Section to be published once in a~~  
11 ~~newspaper of general circulation, circulated in the city, town~~  
12 ~~or village where the corporate fiduciary is located. Such~~  
13 ~~publication shall be paid for by said corporate fiduciary which~~  
14 ~~shall cause to be provided to the Commissioner a certificate of~~  
15 ~~publication from the publishing newspaper in such form as the~~  
16 ~~Commissioner shall require. When the corporate fiduciary is a~~  
17 ~~State bank, qualified under this Act, the statements published~~  
18 ~~in compliance with the Illinois Banking Act may be accepted by~~  
19 ~~the Commissioner in compliance with the publication~~  
20 ~~requirements of this Section although an annual statement of~~  
21 ~~condition may still be required.~~

22 (d) Any corporate fiduciary which fails to file an accurate  
23 statement of condition on or before the date it is due, ~~to~~  
24 ~~publish the report if required to be published, or which fails~~  
25 ~~to provide evidence of such publication~~ may be fined \$100 for  
26 each day of noncompliance.

1           (e) Any corporate fiduciary which is the victim of a  
2 robbery or experiences a shortage of funds in excess of  
3 \$10,000, an apparent misapplication of the corporate  
4 fiduciary's funds by an officer, employee, director, or agent,  
5 a charge-off of assets of the corporate fiduciary, or any  
6 adverse legal action in an amount in excess of 10% of total  
7 capital and surplus of the corporate fiduciary, including but  
8 not limited to, the entry of an adverse money judgment against  
9 the corporate fiduciary shall report that information in  
10 writing to the Commissioner within 7 days. Neither the  
11 corporate fiduciary, its directors, officers, employees or  
12 agents, in the preparation or filing of the reports required by  
13 this subsection, shall be subject to any liability for libel,  
14 slander or other charges resulting from information supplied in  
15 such reports, except when the supplying of such information is  
16 done in a corrupt or malicious manner or otherwise not in good  
17 faith.

18           (Source: P.A. 89-364, eff. 8-18-95.)

19           (205 ILCS 620/6-13.5)

20           Sec. 6-13.5. Pledging requirements.

21           (a) The Commissioner may require a trust company holding a  
22 certificate of authority under this Act to pledge to the  
23 Commissioner securities or a surety bond which shall run to the  
24 Commissioner in an amount, not to exceed \$2,000,000 ~~\$1,000,000~~,  
25 that the Commissioner deems appropriate for costs associated

1 with the receivership of the trust company. In the event of a  
2 receivership of a trust company, the Commissioner may, without  
3 regard to any priorities, preferences, or adverse claims,  
4 reduce the pledged securities or the surety bond to cash and,  
5 as soon as practicable, utilize the cash to cover costs  
6 associated with the receivership.

7 (b) If the trust company chooses to pledge securities to  
8 satisfy the provisions of this Section, the securities shall be  
9 held at a depository institution or a Federal Reserve Bank  
10 approved by the Commissioner. The Commissioner may specify the  
11 types of securities that may be pledged in accordance with this  
12 Section. Any fees associated with holding such securities shall  
13 be the responsibility of the trust company.

14 (c) If the trust company chooses to purchase a surety bond  
15 to satisfy the provisions of this Section, the bond shall be  
16 issued by a bonding company, approved by the Commissioner, that  
17 is authorized to do business in this State and that has a  
18 rating in one of the 3 highest grades as determined by a  
19 national rating service. The bond shall be in a form approved  
20 by the Commissioner. The trust company may not obtain a surety  
21 bond from any entity in which the trust company has a financial  
22 interest.

23 (Source: P.A. 92-485, eff. 8-23-01.)

24 (205 ILCS 620/Art. IX heading)

25 ARTICLE IX. MISCELLANEOUS PROVISIONS<sup>7</sup>

1 ~~FIDUCIARY ADVISORY COMMITTEE~~

2 (205 ILCS 105/7-11 rep.)

3 (205 ILCS 105/7-12 rep.)

4 (205 ILCS 105/7-13 rep.)

5 (205 ILCS 105/7-14 rep.)

6 (205 ILCS 105/7-15 rep.)

7 (205 ILCS 105/7-16 rep.)

8 (205 ILCS 105/7-17 rep.)

9 (205 ILCS 105/7-18 rep.)

10 (205 ILCS 105/7-19 rep.)

11 Section 28. The Illinois Savings and Loan Act of 1985 is  
12 amended by repealing Sections 7-11, 7-12, 7-13, 7-14, 7-15,  
13 7-16, 7-17, 7-18, and 7-19.

14 (205 ILCS 205/9010 rep.)

15 Section 30. The Savings Bank Act is amended by repealing  
16 Section 9010.

17 (205 ILCS 616/70 rep.)

18 (205 ILCS 616/75 rep.)

19 Section 35. The Electronic Fund Transfer Act is amended by  
20 repealing Sections 70 and 75.

21 (205 ILCS 620/1-5.04 rep.)

22 (205 ILCS 620/9-1 rep.)

1 (205 ILCS 620/9-2 rep.)

2 (205 ILCS 620/9-3 rep.)

3 (205 ILCS 620/9-4 rep.)

4 Section 40. The Corporate Fiduciary Act is amended by  
5 repealing Sections 1-5.04, 9-1, 9-2, 9-3, and 9-4.

1

## INDEX

2

## Statutes amended in order of appearance

3

20 ILCS 3205/2.5

4

20 ILCS 3205/5

from Ch. 17, par. 455

5

20 ILCS 3205/6

from Ch. 17, par. 456

6

30 ILCS 105/5.786 new

7

205 ILCS 105/1-10.01

from Ch. 17, par. 3301-10.01

8

205 ILCS 105/1-10.40 new

9

205 ILCS 105/1A-8

from Ch. 17, par. 3301A-8

10

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3	205 ILCS 105/7-23	from Ch. 17, par. 3307-23
4	205 ILCS 105/7-24	from Ch. 17, par. 3307-24
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11	205 ILCS 205/3001	from Ch. 17, par. 7303-1
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18	205 ILCS 205/8003	from Ch. 17, par. 7308-3
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4 205 ILCS 205/9002 from Ch. 17, par. 7309-2  
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11 205 ILCS 205/9018.1 new  
12 205 ILCS 205/9018.2 new  
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15 205 ILCS 620/4A-5  
16 205 ILCS 620/5-9 from Ch. 17, par. 1555-9  
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18 205 ILCS 620/Art. IX  
19 heading  
20 205 ILCS 105/7-11 rep.  
21 205 ILCS 105/7-12 rep.  
22 205 ILCS 105/7-13 rep.  
23 205 ILCS 105/7-14 rep.  
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- 1 205 ILCS 105/7-18 rep.
- 2 205 ILCS 105/7-19 rep.
- 3 205 ILCS 205/9010 rep.
- 4 205 ILCS 616/70 rep.
- 5 205 ILCS 616/75 rep.
- 6 205 ILCS 620/1-5.04 rep.
- 7 205 ILCS 620/9-1 rep.
- 8 205 ILCS 620/9-2 rep.
- 9 205 ILCS 620/9-3 rep.
- 10 205 ILCS 620/9-4 rep.