



98TH GENERAL ASSEMBLY

State of Illinois

2013 and 2014

SB2866

Introduced 2/4/2014, by Sen. Jacqueline Y. Collins

SYNOPSIS AS INTRODUCED:

See Index

Amends the Illinois Public Aid Code. Provides that whenever the State determines that asset verification is necessary for a determination of eligibility on the basis of being aged, blind, or disabled, the Department of Healthcare and Family Services shall require the applicant for or recipient of medical assistance and any other person whose resources are required by law to be disclosed to determine the eligibility of the applicant or recipient for such assistance to provide authorization for the State to obtain any financial records held by any financial institution with respect to the applicant's or recipient's or such other person's resources, as applicable, from any financial institution holding such records. Provides that the Department shall pay a reasonable fee, not to exceed the actual cost incurred, to the financial institution producing the records. Provides that the records shall be produced at no cost to the applicant, recipient, or such other person. Defines "financial institution" and "financial records". Amends the Illinois Banking Act, the Illinois Savings and Loan Act of 1985, the Savings Bank Act, and the Illinois Credit Union Act. Permits the financial institutions subject to those Acts to furnish information in accordance with the federal requirement of asset verification as set forth in the Social Security Act and pursuant to authorization by a medical assistance applicant or recipient or by any other person whose resources are required by law to be disclosed to determine the eligibility of the applicant or recipient for such assistance.

LRB098 19643 KTG 54846 b

FISCAL NOTE ACT
MAY APPLY

A BILL FOR

1 AN ACT concerning public aid.

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

4 Section 5. The Illinois Banking Act is amended by changing
5 Section 48.1

6 (205 ILCS 5/48.1) (from Ch. 17, par. 360)

7 Sec. 48.1. Customer financial records; confidentiality.

8 (a) For the purpose of this Section, the term "financial
9 records" means any original, any copy, or any summary of:

10 (1) a document granting signature authority over a
11 deposit or account;

12 (2) a statement, ledger card or other record on any
13 deposit or account, which shows each transaction in or with
14 respect to that account;

15 (3) a check, draft or money order drawn on a bank or
16 issued and payable by a bank; or

17 (4) any other item containing information pertaining
18 to any relationship established in the ordinary course of a
19 bank's business between a bank and its customer, including
20 financial statements or other financial information
21 provided by the customer.

22 (b) This Section does not prohibit:

23 (1) The preparation, examination, handling or

1 maintenance of any financial records by any officer,
2 employee or agent of a bank having custody of the records,
3 or the examination of the records by a certified public
4 accountant engaged by the bank to perform an independent
5 audit.

6 (2) The examination of any financial records by, or the
7 furnishing of financial records by a bank to, any officer,
8 employee or agent of (i) the Commissioner of Banks and Real
9 Estate, (ii) after May 31, 1997, a state regulatory
10 authority authorized to examine a branch of a State bank
11 located in another state, (iii) the Comptroller of the
12 Currency, (iv) the Federal Reserve Board, or (v) the
13 Federal Deposit Insurance Corporation for use solely in the
14 exercise of his duties as an officer, employee, or agent.

15 (3) The publication of data furnished from financial
16 records relating to customers where the data cannot be
17 identified to any particular customer or account.

18 (4) The making of reports or returns required under
19 Chapter 61 of the Internal Revenue Code of 1986.

20 (5) Furnishing information concerning the dishonor of
21 any negotiable instrument permitted to be disclosed under
22 the Uniform Commercial Code.

23 (6) The exchange in the regular course of business of
24 (i) credit information between a bank and other banks or
25 financial institutions or commercial enterprises, directly
26 or through a consumer reporting agency or (ii) financial

1 records or information derived from financial records
2 between a bank and other banks or financial institutions or
3 commercial enterprises for the purpose of conducting due
4 diligence pursuant to a purchase or sale involving the bank
5 or assets or liabilities of the bank.

6 (7) The furnishing of information to the appropriate
7 law enforcement authorities where the bank reasonably
8 believes it has been the victim of a crime.

9 (8) The furnishing of information under the Uniform
10 Disposition of Unclaimed Property Act.

11 (9) The furnishing of information under the Illinois
12 Income Tax Act and the Illinois Estate and
13 Generation-Skipping Transfer Tax Act.

14 (10) The furnishing of information under the federal
15 Currency and Foreign Transactions Reporting Act Title 31,
16 United States Code, Section 1051 et seq.

17 (11) The furnishing of information under any other
18 statute that by its terms or by regulations promulgated
19 thereunder requires the disclosure of financial records
20 other than by subpoena, summons, warrant, or court order.

21 (12) The furnishing of information about the existence
22 of an account of a person to a judgment creditor of that
23 person who has made a written request for that information.

24 (13) The exchange in the regular course of business of
25 information between commonly owned banks in connection
26 with a transaction authorized under paragraph (23) of

1 Section 5 and conducted at an affiliate facility.

2 (14) The furnishing of information in accordance with
3 the federal Personal Responsibility and Work Opportunity
4 Reconciliation Act of 1996. Any bank governed by this Act
5 shall enter into an agreement for data exchanges with a
6 State agency provided the State agency pays to the bank a
7 reasonable fee not to exceed its actual cost incurred. A
8 bank providing information in accordance with this item
9 shall not be liable to any account holder or other person
10 for any disclosure of information to a State agency, for
11 encumbering or surrendering any assets held by the bank in
12 response to a lien or order to withhold and deliver issued
13 by a State agency, or for any other action taken pursuant
14 to this item, including individual or mechanical errors,
15 provided the action does not constitute gross negligence or
16 willful misconduct. A bank shall have no obligation to
17 hold, encumber, or surrender assets until it has been
18 served with a subpoena, summons, warrant, court or
19 administrative order, lien, or levy.

20 (15) The exchange in the regular course of business of
21 information between a bank and any commonly owned affiliate
22 of the bank, subject to the provisions of the Financial
23 Institutions Insurance Sales Law.

24 (16) The furnishing of information to law enforcement
25 authorities, the Illinois Department on Aging and its
26 regional administrative and provider agencies, the

1 Department of Human Services Office of Inspector General,
2 or public guardians: (i) upon subpoena by the investigatory
3 entity or the guardian, or (ii) if there is suspicion by
4 the bank that a customer who is an elderly or disabled
5 person has been or may become the victim of financial
6 exploitation. For the purposes of this item (16), the term:
7 (i) "elderly person" means a person who is 60 or more years
8 of age, (ii) "disabled person" means a person who has or
9 reasonably appears to the bank to have a physical or mental
10 disability that impairs his or her ability to seek or
11 obtain protection from or prevent financial exploitation,
12 and (iii) "financial exploitation" means tortious or
13 illegal use of the assets or resources of an elderly or
14 disabled person, and includes, without limitation,
15 misappropriation of the elderly or disabled person's
16 assets or resources by undue influence, breach of fiduciary
17 relationship, intimidation, fraud, deception, extortion,
18 or the use of assets or resources in any manner contrary to
19 law. A bank or person furnishing information pursuant to
20 this item (16) shall be entitled to the same rights and
21 protections as a person furnishing information under the
22 Adult Protective Services Act and the Illinois Domestic
23 Violence Act of 1986.

24 (17) The disclosure of financial records or
25 information as necessary to effect, administer, or enforce
26 a transaction requested or authorized by the customer, or

1 in connection with:

2 (A) servicing or processing a financial product or
3 service requested or authorized by the customer;

4 (B) maintaining or servicing a customer's account
5 with the bank; or

6 (C) a proposed or actual securitization or
7 secondary market sale (including sales of servicing
8 rights) related to a transaction of a customer.

9 Nothing in this item (17), however, authorizes the sale
10 of the financial records or information of a customer
11 without the consent of the customer.

12 (18) The disclosure of financial records or
13 information as necessary to protect against actual or
14 potential fraud, unauthorized transactions, claims, or
15 other liability.

16 (19)(a) The disclosure of financial records or
17 information related to a private label credit program
18 between a financial institution and a private label party
19 in connection with that private label credit program. Such
20 information is limited to outstanding balance, available
21 credit, payment and performance and account history,
22 product references, purchase information, and information
23 related to the identity of the customer.

24 (b) (1) For purposes of this paragraph (19) of
25 subsection (b) of Section 48.1, a "private label credit
26 program" means a credit program involving a financial

1 institution and a private label party that is used by a
2 customer of the financial institution and the private label
3 party primarily for payment for goods or services sold,
4 manufactured, or distributed by a private label party.

5 (2) For purposes of this paragraph (19) of subsection
6 (b) of Section 48.1, a "private label party" means, with
7 respect to a private label credit program, any of the
8 following: a retailer, a merchant, a manufacturer, a trade
9 group, or any such person's affiliate, subsidiary, member,
10 agent, or service provider.

11 (20) The furnishing of information in accordance with
12 the federal requirement of asset verification through
13 access to information held by financial institutions as set
14 forth in Section 1940 of the Social Security Act (42 U.S.C.
15 1396w) and pursuant to authorization by an applicant or
16 recipient of medical assistance under the Illinois Public
17 Aid Code or by any other person whose resources are
18 required by law to be disclosed to determine the
19 eligibility of the applicant or recipient for such
20 assistance. Any bank furnishing information pursuant to
21 this paragraph shall be entitled to a reasonable fee, paid
22 by the State agency making the request for information, not
23 to exceed the actual cost incurred. No bank shall charge a
24 fee to the applicant, recipient, or such other person, as
25 applicable, for the furnishing of information under this
26 paragraph. A bank acting in accordance with this paragraph

1 shall not be liable to any account holder or other person
2 for any disclosure of information to a State agency
3 provided the action does not constitute gross negligence or
4 willful misconduct.

5 (c) Except as otherwise provided by this Act, a bank may
6 not disclose to any person, except to the customer or his duly
7 authorized agent, any financial records or financial
8 information obtained from financial records relating to that
9 customer of that bank unless:

10 (1) the customer has authorized disclosure to the
11 person;

12 (2) the financial records are disclosed in response to
13 a lawful subpoena, summons, warrant, citation to discover
14 assets, or court order which meets the requirements of
15 subsection (d) of this Section; or

16 (3) the bank is attempting to collect an obligation
17 owed to the bank and the bank complies with the provisions
18 of Section 2I of the Consumer Fraud and Deceptive Business
19 Practices Act.

20 (d) A bank shall disclose financial records under paragraph
21 (2) of subsection (c) of this Section under a lawful subpoena,
22 summons, warrant, citation to discover assets, or court order
23 only after the bank mails a copy of the subpoena, summons,
24 warrant, citation to discover assets, or court order to the
25 person establishing the relationship with the bank, if living,
26 and, otherwise his personal representative, if known, at his

1 last known address by first class mail, postage prepaid, unless
2 the bank is specifically prohibited from notifying the person
3 by order of court or by applicable State or federal law. A bank
4 shall not mail a copy of a subpoena to any person pursuant to
5 this subsection if the subpoena was issued by a grand jury
6 under the Statewide Grand Jury Act.

7 (e) Any officer or employee of a bank who knowingly and
8 willfully furnishes financial records in violation of this
9 Section is guilty of a business offense and, upon conviction,
10 shall be fined not more than \$1,000.

11 (f) Any person who knowingly and willfully induces or
12 attempts to induce any officer or employee of a bank to
13 disclose financial records in violation of this Section is
14 guilty of a business offense and, upon conviction, shall be
15 fined not more than \$1,000.

16 (g) A bank shall be reimbursed for costs that are
17 reasonably necessary and that have been directly incurred in
18 searching for, reproducing, or transporting books, papers,
19 records, or other data of a customer required or requested to
20 be produced pursuant to a lawful subpoena, summons, warrant,
21 citation to discover assets, or court order. The Commissioner
22 shall determine the rates and conditions under which payment
23 may be made.

24 (Source: P.A. 98-49, eff. 7-1-13.)

25 Section 10. The Illinois Savings and Loan Act of 1985 is

1 amended by changing Section 3-8 as follows:

2 (205 ILCS 105/3-8) (from Ch. 17, par. 3303-8)

3 Sec. 3-8. Access to books and records; communication with
4 members.

5 (a) Every member or holder of capital shall have the right
6 to inspect the books and records of the association that
7 pertain to his account. Otherwise, the right of inspection and
8 examination of the books and records shall be limited as
9 provided in this Act, and no other person shall have access to
10 the books and records or shall be entitled to a list of the
11 members.

12 (b) For the purpose of this Section, the term "financial
13 records" means any original, any copy, or any summary of (i) a
14 document granting signature authority over a deposit or
15 account; (ii) a statement, ledger card, or other record on any
16 deposit or account that shows each transaction in or with
17 respect to that account; (iii) a check, draft, or money order
18 drawn on an association or issued and payable by an
19 association; or (iv) any other item containing information
20 pertaining to any relationship established in the ordinary
21 course of an association's business between an association and
22 its customer, including financial statements or other
23 financial information provided by the member or holder of
24 capital.

25 (c) This Section does not prohibit:

1 (1) The preparation, examination, handling, or
2 maintenance of any financial records by any officer,
3 employee, or agent of an association having custody of
4 those records or the examination of those records by a
5 certified public accountant engaged by the association to
6 perform an independent audit.

7 (2) The examination of any financial records by, or the
8 furnishing of financial records by an association to, any
9 officer, employee, or agent of the Commissioner of Banks
10 and Real Estate or federal depository institution
11 regulator for use solely in the exercise of his duties as
12 an officer, employee, or agent.

13 (3) The publication of data furnished from financial
14 records relating to members or holders of capital where the
15 data cannot be identified to any particular member, holder
16 of capital, or account.

17 (4) The making of reports or returns required under
18 Chapter 61 of the Internal Revenue Code of 1986.

19 (5) Furnishing information concerning the dishonor of
20 any negotiable instrument permitted to be disclosed under
21 the Uniform Commercial Code.

22 (6) The exchange in the regular course of business of
23 (i) credit information between an association and other
24 associations or financial institutions or commercial
25 enterprises, directly or through a consumer reporting
26 agency or (ii) financial records or information derived

1 from financial records between an association and other
2 associations or financial institutions or commercial
3 enterprises for the purpose of conducting due diligence
4 pursuant to a purchase or sale involving the association or
5 assets or liabilities of the association.

6 (7) The furnishing of information to the appropriate
7 law enforcement authorities where the association
8 reasonably believes it has been the victim of a crime.

9 (8) The furnishing of information pursuant to the
10 Uniform Disposition of Unclaimed Property Act.

11 (9) The furnishing of information pursuant to the
12 Illinois Income Tax Act and the Illinois Estate and
13 Generation-Skipping Transfer Tax Act.

14 (10) The furnishing of information pursuant to the
15 federal "Currency and Foreign Transactions Reporting Act",
16 (Title 31, United States Code, Section 1051 et seq.).

17 (11) The furnishing of information pursuant to any
18 other statute that by its terms or by regulations
19 promulgated thereunder requires the disclosure of
20 financial records other than by subpoena, summons,
21 warrant, or court order.

22 (12) The exchange of information between an
23 association and an affiliate of the association; as used in
24 this item, "affiliate" includes any company, partnership,
25 or organization that controls, is controlled by, or is
26 under common control with an association.

1 (13) The furnishing of information in accordance with
2 the federal Personal Responsibility and Work Opportunity
3 Reconciliation Act of 1996. Any association governed by
4 this Act shall enter into an agreement for data exchanges
5 with a State agency provided the State agency pays to the
6 association a reasonable fee not to exceed its actual cost
7 incurred. An association providing information in
8 accordance with this item shall not be liable to any
9 account holder or other person for any disclosure of
10 information to a State agency, for encumbering or
11 surrendering any assets held by the association in response
12 to a lien or order to withhold and deliver issued by a
13 State agency, or for any other action taken pursuant to
14 this item, including individual or mechanical errors,
15 provided the action does not constitute gross negligence or
16 willful misconduct. An association shall have no
17 obligation to hold, encumber, or surrender assets until it
18 has been served with a subpoena, summons, warrant, court or
19 administrative order, lien, or levy.

20 (14) The furnishing of information to law enforcement
21 authorities, the Illinois Department on Aging and its
22 regional administrative and provider agencies, the
23 Department of Human Services Office of Inspector General,
24 or public guardians: (i) upon subpoena by the investigatory
25 entity or the guardian, or (ii) if there is suspicion by
26 the association that a customer who is an elderly or

1 disabled person has been or may become the victim of
2 financial exploitation. For the purposes of this item (14),
3 the term: (i) "elderly person" means a person who is 60 or
4 more years of age, (ii) "disabled person" means a person
5 who has or reasonably appears to the association to have a
6 physical or mental disability that impairs his or her
7 ability to seek or obtain protection from or prevent
8 financial exploitation, and (iii) "financial exploitation"
9 means tortious or illegal use of the assets or resources of
10 an elderly or disabled person, and includes, without
11 limitation, misappropriation of the elderly or disabled
12 person's assets or resources by undue influence, breach of
13 fiduciary relationship, intimidation, fraud, deception,
14 extortion, or the use of assets or resources in any manner
15 contrary to law. An association or person furnishing
16 information pursuant to this item (14) shall be entitled to
17 the same rights and protections as a person furnishing
18 information under the Adult Protective Services Act and the
19 Illinois Domestic Violence Act of 1986.

20 (15) The disclosure of financial records or
21 information as necessary to effect, administer, or enforce
22 a transaction requested or authorized by the member or
23 holder of capital, or in connection with:

24 (A) servicing or processing a financial product or
25 service requested or authorized by the member or holder
26 of capital;

1 (B) maintaining or servicing an account of a member
2 or holder of capital with the association; or

3 (C) a proposed or actual securitization or
4 secondary market sale (including sales of servicing
5 rights) related to a transaction of a member or holder
6 of capital.

7 Nothing in this item (15), however, authorizes the sale
8 of the financial records or information of a member or
9 holder of capital without the consent of the member or
10 holder of capital.

11 (16) The disclosure of financial records or
12 information as necessary to protect against or prevent
13 actual or potential fraud, unauthorized transactions,
14 claims, or other liability.

15 (17) (a) The disclosure of financial records or
16 information related to a private label credit program
17 between a financial institution and a private label party
18 in connection with that private label credit program. Such
19 information is limited to outstanding balance, available
20 credit, payment and performance and account history,
21 product references, purchase information, and information
22 related to the identity of the customer.

23 (b) (1) For purposes of this paragraph (17) of
24 subsection (c) of Section 3-8, a "private label credit
25 program" means a credit program involving a financial
26 institution and a private label party that is used by a

1 customer of the financial institution and the private label
2 party primarily for payment for goods or services sold,
3 manufactured, or distributed by a private label party.

4 (2) For purposes of this paragraph (17) of subsection
5 (c) of Section 3-8, a "private label party" means, with
6 respect to a private label credit program, any of the
7 following: a retailer, a merchant, a manufacturer, a trade
8 group, or any such person's affiliate, subsidiary, member,
9 agent, or service provider.

10 (18) The furnishing of information in accordance with
11 the federal requirement of asset verification through
12 access to information held by financial institutions as set
13 forth in Section 1940 of the Social Security Act (42 U.S.C.
14 1396w) and pursuant to authorization by an applicant or
15 recipient of medical assistance under the Illinois Public
16 Aid Code or by any other person whose resources are
17 required by law to be disclosed to determine the
18 eligibility of the applicant or recipient for such
19 assistance. Any association furnishing information
20 pursuant to this paragraph shall be entitled to a
21 reasonable fee, paid by the State agency making the request
22 for information, not to exceed the actual cost incurred. No
23 association shall charge a fee to the applicant, recipient,
24 or such other person, as applicable, for the furnishing of
25 information under this paragraph. An association acting in
26 accordance with this paragraph shall not be liable to any

1 account holder or other person for any disclosure of
2 information to a State agency provided the action does not
3 constitute gross negligence or willful misconduct.

4 (d) An association may not disclose to any person, except
5 to the member or holder of capital or his duly authorized
6 agent, any financial records relating to that member or holder
7 of capital of that association unless:

8 (1) The member or holder of capital has authorized
9 disclosure to the person; or

10 (2) The financial records are disclosed in response to
11 a lawful subpoena, summons, warrant, citation to discover
12 assets, or court order that meets the requirements of
13 subsection (e) of this Section.

14 (e) An association shall disclose financial records under
15 subsection (d) of this Section pursuant to a lawful subpoena,
16 summons, warrant, citation to discover assets, or court order
17 only after the association mails a copy of the subpoena,
18 summons, warrant, citation to discover assets, or court order
19 to the person establishing the relationship with the
20 association, if living, and, otherwise, his personal
21 representative, if known, at his last known address by first
22 class mail, postage prepaid, unless the association is
23 specifically prohibited from notifying that person by order of
24 court.

25 (f)(1) Any officer or employee of an association who
26 knowingly and willfully furnishes financial records in

1 violation of this Section is guilty of a business offense and,
2 upon conviction, shall be fined not more than \$1,000.

3 (2) Any person who knowingly and willfully induces or
4 attempts to induce any officer or employee of an association to
5 disclose financial records in violation of this Section is
6 guilty of a business offense and, upon conviction, shall be
7 fined not more than \$1,000.

8 (g) However, if any member desires to communicate with the
9 other members of the association with reference to any question
10 pending or to be presented at a meeting of the members, the
11 association shall give him upon request a statement of the
12 approximate number of members entitled to vote at the meeting
13 and an estimate of the cost of preparing and mailing the
14 communication. The requesting member then shall submit the
15 communication to the Commissioner who, if he finds it to be
16 appropriate and truthful, shall direct that it be prepared and
17 mailed to the members upon the requesting member's payment or
18 adequate provision for payment of the expenses of preparation
19 and mailing.

20 (h) An association shall be reimbursed for costs that are
21 necessary and that have been directly incurred in searching
22 for, reproducing, or transporting books, papers, records, or
23 other data of a customer required to be reproduced pursuant to
24 a lawful subpoena, warrant, citation to discover assets, or
25 court order.

26 (Source: P.A. 98-49, eff. 7-1-13.)

1 Section 15. The Savings Bank Act is amended by changing
2 Section 4013 as follows:

3 (205 ILCS 205/4013) (from Ch. 17, par. 7304-13)

4 Sec. 4013. Access to books and records; communication with
5 members and shareholders.

6 (a) Every member or shareholder shall have the right to
7 inspect books and records of the savings bank that pertain to
8 his accounts. Otherwise, the right of inspection and
9 examination of the books and records shall be limited as
10 provided in this Act, and no other person shall have access to
11 the books and records nor shall be entitled to a list of the
12 members or shareholders.

13 (b) For the purpose of this Section, the term "financial
14 records" means any original, any copy, or any summary of (1) a
15 document granting signature authority over a deposit or
16 account; (2) a statement, ledger card, or other record on any
17 deposit or account that shows each transaction in or with
18 respect to that account; (3) a check, draft, or money order
19 drawn on a savings bank or issued and payable by a savings
20 bank; or (4) any other item containing information pertaining
21 to any relationship established in the ordinary course of a
22 savings bank's business between a savings bank and its
23 customer, including financial statements or other financial
24 information provided by the member or shareholder.

1 (c) This Section does not prohibit:

2 (1) The preparation examination, handling, or
3 maintenance of any financial records by any officer,
4 employee, or agent of a savings bank having custody of
5 records or examination of records by a certified public
6 accountant engaged by the savings bank to perform an
7 independent audit.

8 (2) The examination of any financial records by, or the
9 furnishing of financial records by a savings bank to, any
10 officer, employee, or agent of the Commissioner of Banks
11 and Real Estate or the federal depository institution
12 regulator for use solely in the exercise of his duties as
13 an officer, employee, or agent.

14 (3) The publication of data furnished from financial
15 records relating to members or holders of capital where the
16 data cannot be identified to any particular member,
17 shareholder, or account.

18 (4) The making of reports or returns required under
19 Chapter 61 of the Internal Revenue Code of 1986.

20 (5) Furnishing information concerning the dishonor of
21 any negotiable instrument permitted to be disclosed under
22 the Uniform Commercial Code.

23 (6) The exchange in the regular course of business of
24 (i) credit information between a savings bank and other
25 savings banks or financial institutions or commercial
26 enterprises, directly or through a consumer reporting

1 agency or (ii) financial records or information derived
2 from financial records between a savings bank and other
3 savings banks or financial institutions or commercial
4 enterprises for the purpose of conducting due diligence
5 pursuant to a purchase or sale involving the savings bank
6 or assets or liabilities of the savings bank.

7 (7) The furnishing of information to the appropriate
8 law enforcement authorities where the savings bank
9 reasonably believes it has been the victim of a crime.

10 (8) The furnishing of information pursuant to the
11 Uniform Disposition of Unclaimed Property Act.

12 (9) The furnishing of information pursuant to the
13 Illinois Income Tax Act and the Illinois Estate and
14 Generation-Skipping Transfer Tax Act.

15 (10) The furnishing of information pursuant to the
16 federal "Currency and Foreign Transactions Reporting Act",
17 (Title 31, United States Code, Section 1051 et seq.).

18 (11) The furnishing of information pursuant to any
19 other statute which by its terms or by regulations
20 promulgated thereunder requires the disclosure of
21 financial records other than by subpoena, summons,
22 warrant, or court order.

23 (12) The furnishing of information in accordance with
24 the federal Personal Responsibility and Work Opportunity
25 Reconciliation Act of 1996. Any savings bank governed by
26 this Act shall enter into an agreement for data exchanges

1 with a State agency provided the State agency pays to the
2 savings bank a reasonable fee not to exceed its actual cost
3 incurred. A savings bank providing information in
4 accordance with this item shall not be liable to any
5 account holder or other person for any disclosure of
6 information to a State agency, for encumbering or
7 surrendering any assets held by the savings bank in
8 response to a lien or order to withhold and deliver issued
9 by a State agency, or for any other action taken pursuant
10 to this item, including individual or mechanical errors,
11 provided the action does not constitute gross negligence or
12 willful misconduct. A savings bank shall have no obligation
13 to hold, encumber, or surrender assets until it has been
14 served with a subpoena, summons, warrant, court or
15 administrative order, lien, or levy.

16 (13) The furnishing of information to law enforcement
17 authorities, the Illinois Department on Aging and its
18 regional administrative and provider agencies, the
19 Department of Human Services Office of Inspector General,
20 or public guardians: (i) upon subpoena by the investigatory
21 entity or the guardian, or (ii) if there is suspicion by
22 the savings bank that a customer who is an elderly or
23 disabled person has been or may become the victim of
24 financial exploitation. For the purposes of this item (13),
25 the term: (i) "elderly person" means a person who is 60 or
26 more years of age, (ii) "disabled person" means a person

1 who has or reasonably appears to the savings bank to have a
2 physical or mental disability that impairs his or her
3 ability to seek or obtain protection from or prevent
4 financial exploitation, and (iii) "financial exploitation"
5 means tortious or illegal use of the assets or resources of
6 an elderly or disabled person, and includes, without
7 limitation, misappropriation of the elderly or disabled
8 person's assets or resources by undue influence, breach of
9 fiduciary relationship, intimidation, fraud, deception,
10 extortion, or the use of assets or resources in any manner
11 contrary to law. A savings bank or person furnishing
12 information pursuant to this item (13) shall be entitled to
13 the same rights and protections as a person furnishing
14 information under the Adult Protective Services Act and the
15 Illinois Domestic Violence Act of 1986.

16 (14) The disclosure of financial records or
17 information as necessary to effect, administer, or enforce
18 a transaction requested or authorized by the member or
19 holder of capital, or in connection with:

20 (A) servicing or processing a financial product or
21 service requested or authorized by the member or holder
22 of capital;

23 (B) maintaining or servicing an account of a member
24 or holder of capital with the savings bank; or

25 (C) a proposed or actual securitization or
26 secondary market sale (including sales of servicing

1 rights) related to a transaction of a member or holder
2 of capital.

3 Nothing in this item (14), however, authorizes the sale
4 of the financial records or information of a member or
5 holder of capital without the consent of the member or
6 holder of capital.

7 (15) The exchange in the regular course of business of
8 information between a savings bank and any commonly owned
9 affiliate of the savings bank, subject to the provisions of
10 the Financial Institutions Insurance Sales Law.

11 (16) The disclosure of financial records or
12 information as necessary to protect against or prevent
13 actual or potential fraud, unauthorized transactions,
14 claims, or other liability.

15 (17) (a) The disclosure of financial records or
16 information related to a private label credit program
17 between a financial institution and a private label party
18 in connection with that private label credit program. Such
19 information is limited to outstanding balance, available
20 credit, payment and performance and account history,
21 product references, purchase information, and information
22 related to the identity of the customer.

23 (b) (1) For purposes of this paragraph (17) of
24 subsection (c) of Section 4013, a "private label credit
25 program" means a credit program involving a financial
26 institution and a private label party that is used by a

1 customer of the financial institution and the private label
2 party primarily for payment for goods or services sold,
3 manufactured, or distributed by a private label party.

4 (2) For purposes of this paragraph (17) of subsection
5 (c) of Section 4013, a "private label party" means, with
6 respect to a private label credit program, any of the
7 following: a retailer, a merchant, a manufacturer, a trade
8 group, or any such person's affiliate, subsidiary, member,
9 agent, or service provider.

10 (18) The furnishing of information in accordance with
11 the federal requirement of asset verification through
12 access to information held by financial institutions as set
13 forth in Section 1940 of the Social Security Act (42 U.S.C.
14 1396w) and pursuant to authorization by an applicant or
15 recipient of medical assistance under the Illinois Public
16 Aid Code or by any other person whose resources are
17 required by law to be disclosed to determine the
18 eligibility of the applicant or recipient for such
19 assistance. Any savings bank furnishing information
20 pursuant to this paragraph shall be entitled to a
21 reasonable fee, paid by the State agency making the request
22 for information, not to exceed the actual cost incurred. No
23 savings bank shall charge a fee to the applicant,
24 recipient, or such other person, as applicable, for the
25 furnishing of information under this paragraph. A savings
26 bank acting in accordance with this paragraph shall not be

1 liable to any account holder or other person for any
2 disclosure of information to a State agency provided the
3 action does not constitute gross negligence or willful
4 misconduct.

5 (d) A savings bank may not disclose to any person, except
6 to the member or holder of capital or his duly authorized
7 agent, any financial records relating to that member or
8 shareholder of the savings bank unless:

9 (1) the member or shareholder has authorized
10 disclosure to the person; or

11 (2) the financial records are disclosed in response to
12 a lawful subpoena, summons, warrant, citation to discover
13 assets, or court order that meets the requirements of
14 subsection (e) of this Section.

15 (e) A savings bank shall disclose financial records under
16 subsection (d) of this Section pursuant to a lawful subpoena,
17 summons, warrant, citation to discover assets, or court order
18 only after the savings bank mails a copy of the subpoena,
19 summons, warrant, citation to discover assets, or court order
20 to the person establishing the relationship with the savings
21 bank, if living, and otherwise, his personal representative, if
22 known, at his last known address by first class mail, postage
23 prepaid, unless the savings bank is specifically prohibited
24 from notifying the person by order of court.

25 (f) Any officer or employee of a savings bank who knowingly
26 and willfully furnishes financial records in violation of this

1 Section is guilty of a business offense and, upon conviction,
2 shall be fined not more than \$1,000.

3 (g) Any person who knowingly and willfully induces or
4 attempts to induce any officer or employee of a savings bank to
5 disclose financial records in violation of this Section is
6 guilty of a business offense and, upon conviction, shall be
7 fined not more than \$1,000.

8 (h) If any member or shareholder desires to communicate
9 with the other members or shareholders of the savings bank with
10 reference to any question pending or to be presented at an
11 annual or special meeting, the savings bank shall give that
12 person, upon request, a statement of the approximate number of
13 members or shareholders entitled to vote at the meeting and an
14 estimate of the cost of preparing and mailing the
15 communication. The requesting member shall submit the
16 communication to the Commissioner who, upon finding it to be
17 appropriate and truthful, shall direct that it be prepared and
18 mailed to the members upon the requesting member's or
19 shareholder's payment or adequate provision for payment of the
20 expenses of preparation and mailing.

21 (i) A savings bank shall be reimbursed for costs that are
22 necessary and that have been directly incurred in searching
23 for, reproducing, or transporting books, papers, records, or
24 other data of a customer required to be reproduced pursuant to
25 a lawful subpoena, warrant, citation to discover assets, or
26 court order.

1 (j) Notwithstanding the provisions of this Section, a
2 savings bank may sell or otherwise make use of lists of
3 customers' names and addresses. All other information
4 regarding a customer's account are subject to the disclosure
5 provisions of this Section. At the request of any customer,
6 that customer's name and address shall be deleted from any list
7 that is to be sold or used in any other manner beyond
8 identification of the customer's accounts.

9 (Source: P.A. 98-49, eff. 7-1-13.)

10 Section 20. The Illinois Credit Union Act is amended by
11 changing Section 10 as follows:

12 (205 ILCS 305/10) (from Ch. 17, par. 4411)

13 Sec. 10. Credit union records; member financial records.

14 (1) A credit union shall establish and maintain books,
15 records, accounting systems and procedures which accurately
16 reflect its operations and which enable the Department to
17 readily ascertain the true financial condition of the credit
18 union and whether it is complying with this Act.

19 (2) A photostatic or photographic reproduction of any
20 credit union records shall be admissible as evidence of
21 transactions with the credit union.

22 (3) (a) For the purpose of this Section, the term "financial
23 records" means any original, any copy, or any summary of (1) a
24 document granting signature authority over an account, (2) a

1 statement, ledger card or other record on any account which
2 shows each transaction in or with respect to that account, (3)
3 a check, draft or money order drawn on a financial institution
4 or other entity or issued and payable by or through a financial
5 institution or other entity, or (4) any other item containing
6 information pertaining to any relationship established in the
7 ordinary course of business between a credit union and its
8 member, including financial statements or other financial
9 information provided by the member.

10 (b) This Section does not prohibit:

11 (1) The preparation, examination, handling or
12 maintenance of any financial records by any officer,
13 employee or agent of a credit union having custody of such
14 records, or the examination of such records by a certified
15 public accountant engaged by the credit union to perform an
16 independent audit.

17 (2) The examination of any financial records by or the
18 furnishing of financial records by a credit union to any
19 officer, employee or agent of the Department, the National
20 Credit Union Administration, Federal Reserve board or any
21 insurer of share accounts for use solely in the exercise of
22 his duties as an officer, employee or agent.

23 (3) The publication of data furnished from financial
24 records relating to members where the data cannot be
25 identified to any particular customer of account.

26 (4) The making of reports or returns required under

1 Chapter 61 of the Internal Revenue Code of 1954.

2 (5) Furnishing information concerning the dishonor of
3 any negotiable instrument permitted to be disclosed under
4 the Uniform Commercial Code.

5 (6) The exchange in the regular course of business of
6 (i) credit information between a credit union and other
7 credit unions or financial institutions or commercial
8 enterprises, directly or through a consumer reporting
9 agency or (ii) financial records or information derived
10 from financial records between a credit union and other
11 credit unions or financial institutions or commercial
12 enterprises for the purpose of conducting due diligence
13 pursuant to a merger or a purchase or sale of assets or
14 liabilities of the credit union.

15 (7) The furnishing of information to the appropriate
16 law enforcement authorities where the credit union
17 reasonably believes it has been the victim of a crime.

18 (8) The furnishing of information pursuant to the
19 Uniform Disposition of Unclaimed Property Act.

20 (9) The furnishing of information pursuant to the
21 Illinois Income Tax Act and the Illinois Estate and
22 Generation-Skipping Transfer Tax Act.

23 (10) The furnishing of information pursuant to the
24 federal "Currency and Foreign Transactions Reporting Act",
25 Title 31, United States Code, Section 1051 et sequentia.

26 (11) The furnishing of information pursuant to any

1 other statute which by its terms or by regulations
2 promulgated thereunder requires the disclosure of
3 financial records other than by subpoena, summons, warrant
4 or court order.

5 (12) The furnishing of information in accordance with
6 the federal Personal Responsibility and Work Opportunity
7 Reconciliation Act of 1996. Any credit union governed by
8 this Act shall enter into an agreement for data exchanges
9 with a State agency provided the State agency pays to the
10 credit union a reasonable fee not to exceed its actual cost
11 incurred. A credit union providing information in
12 accordance with this item shall not be liable to any
13 account holder or other person for any disclosure of
14 information to a State agency, for encumbering or
15 surrendering any assets held by the credit union in
16 response to a lien or order to withhold and deliver issued
17 by a State agency, or for any other action taken pursuant
18 to this item, including individual or mechanical errors,
19 provided the action does not constitute gross negligence or
20 willful misconduct. A credit union shall have no obligation
21 to hold, encumber, or surrender assets until it has been
22 served with a subpoena, summons, warrant, court or
23 administrative order, lien, or levy.

24 (13) The furnishing of information to law enforcement
25 authorities, the Illinois Department on Aging and its
26 regional administrative and provider agencies, the

1 Department of Human Services Office of Inspector General,
2 or public guardians: (i) upon subpoena by the investigatory
3 entity or the guardian, or (ii) if there is suspicion by
4 the credit union that a member who is an elderly or
5 disabled person has been or may become the victim of
6 financial exploitation. For the purposes of this item (13),
7 the term: (i) "elderly person" means a person who is 60 or
8 more years of age, (ii) "disabled person" means a person
9 who has or reasonably appears to the credit union to have a
10 physical or mental disability that impairs his or her
11 ability to seek or obtain protection from or prevent
12 financial exploitation, and (iii) "financial exploitation"
13 means tortious or illegal use of the assets or resources of
14 an elderly or disabled person, and includes, without
15 limitation, misappropriation of the elderly or disabled
16 person's assets or resources by undue influence, breach of
17 fiduciary relationship, intimidation, fraud, deception,
18 extortion, or the use of assets or resources in any manner
19 contrary to law. A credit union or person furnishing
20 information pursuant to this item (13) shall be entitled to
21 the same rights and protections as a person furnishing
22 information under the Adult Protective Services Act and the
23 Illinois Domestic Violence Act of 1986.

24 (14) The disclosure of financial records or
25 information as necessary to effect, administer, or enforce
26 a transaction requested or authorized by the member, or in

1 connection with:

2 (A) servicing or processing a financial product or
3 service requested or authorized by the member;

4 (B) maintaining or servicing a member's account
5 with the credit union; or

6 (C) a proposed or actual securitization or
7 secondary market sale (including sales of servicing
8 rights) related to a transaction of a member.

9 Nothing in this item (14), however, authorizes the sale
10 of the financial records or information of a member without
11 the consent of the member.

12 (15) The disclosure of financial records or
13 information as necessary to protect against or prevent
14 actual or potential fraud, unauthorized transactions,
15 claims, or other liability.

16 (16)(a) The disclosure of financial records or
17 information related to a private label credit program
18 between a financial institution and a private label party
19 in connection with that private label credit program. Such
20 information is limited to outstanding balance, available
21 credit, payment and performance and account history,
22 product references, purchase information, and information
23 related to the identity of the customer.

24 (b) (1) For purposes of this paragraph (16) of
25 subsection (b) of Section 10, a "private label credit
26 program" means a credit program involving a financial

1 institution and a private label party that is used by a
2 customer of the financial institution and the private label
3 party primarily for payment for goods or services sold,
4 manufactured, or distributed by a private label party.

5 (2) For purposes of this paragraph (16) of subsection
6 (b) of Section 10, a "private label party" means, with
7 respect to a private label credit program, any of the
8 following: a retailer, a merchant, a manufacturer, a trade
9 group, or any such person's affiliate, subsidiary, member,
10 agent, or service provider.

11 (17) The furnishing of information in accordance with
12 the federal requirement of asset verification through
13 access to information held by financial institutions as set
14 forth in Section 1940 of the Social Security Act (42 U.S.C.
15 1396w) and pursuant to authorization by an applicant or
16 recipient of medical assistance under the Illinois Public
17 Aid Code or by any other person whose resources are
18 required by law to be disclosed to determine the
19 eligibility of the applicant or recipient for such
20 assistance. Any credit union furnishing information
21 pursuant to this paragraph shall be entitled to a
22 reasonable fee, paid by the State agency making the request
23 for information, not to exceed the actual cost incurred. No
24 credit union shall charge a fee to the applicant,
25 recipient, or such other person, as applicable, for the
26 furnishing of information under this paragraph. A credit

1 union acting in accordance with this paragraph shall not be
2 liable to any account holder or other person for any
3 disclosure of information to a State agency provided the
4 action does not constitute gross negligence or willful
5 misconduct.

6 (c) Except as otherwise provided by this Act, a credit
7 union may not disclose to any person, except to the member or
8 his duly authorized agent, any financial records relating to
9 that member of the credit union unless:

10 (1) the member has authorized disclosure to the person;

11 (2) the financial records are disclosed in response to
12 a lawful subpoena, summons, warrant, citation to discover
13 assets, or court order that meets the requirements of
14 subparagraph (d) of this Section; or

15 (3) the credit union is attempting to collect an
16 obligation owed to the credit union and the credit union
17 complies with the provisions of Section 2I of the Consumer
18 Fraud and Deceptive Business Practices Act.

19 (d) A credit union shall disclose financial records under
20 subparagraph (c)(2) of this Section pursuant to a lawful
21 subpoena, summons, warrant, citation to discover assets, or
22 court order only after the credit union mails a copy of the
23 subpoena, summons, warrant, citation to discover assets, or
24 court order to the person establishing the relationship with
25 the credit union, if living, and otherwise his personal
26 representative, if known, at his last known address by first

1 class mail, postage prepaid unless the credit union is
2 specifically prohibited from notifying the person by order of
3 court or by applicable State or federal law. In the case of a
4 grand jury subpoena, a credit union shall not mail a copy of a
5 subpoena to any person pursuant to this subsection if the
6 subpoena was issued by a grand jury under the Statewide Grand
7 Jury Act or notifying the person would constitute a violation
8 of the federal Right to Financial Privacy Act of 1978.

9 (e)(1) Any officer or employee of a credit union who
10 knowingly and wilfully furnishes financial records in
11 violation of this Section is guilty of a business offense and
12 upon conviction thereof shall be fined not more than \$1,000.

13 (2) Any person who knowingly and wilfully induces or
14 attempts to induce any officer or employee of a credit union to
15 disclose financial records in violation of this Section is
16 guilty of a business offense and upon conviction thereof shall
17 be fined not more than \$1,000.

18 (f) A credit union shall be reimbursed for costs which are
19 reasonably necessary and which have been directly incurred in
20 searching for, reproducing or transporting books, papers,
21 records or other data of a member required or requested to be
22 produced pursuant to a lawful subpoena, summons, warrant,
23 citation to discover assets, or court order. The Secretary and
24 the Director may determine, by rule, the rates and conditions
25 under which payment shall be made. Delivery of requested
26 documents may be delayed until final reimbursement of all costs

1 is received.

2 (Source: P.A. 97-133, eff. 1-1-12; 98-49, eff. 7-1-13.)

3 Section 25. The Illinois Public Aid Code is amended by
4 adding Section 11-5.1 as follows:

5 (305 ILCS 5/11-5.1)

6 Sec. 11-5.1. Eligibility verification. Notwithstanding any
7 other provision of this Code, with respect to applications for
8 medical assistance provided under Article V of this Code,
9 eligibility shall be determined in a manner that ensures
10 program integrity and complies with federal laws and
11 regulations while minimizing unnecessary barriers to
12 enrollment. To this end, as soon as practicable, and unless the
13 Department receives written denial from the federal
14 government, this Section shall be implemented:

15 (a) The Department of Healthcare and Family Services or its
16 designees shall:

17 (1) By no later than July 1, 2011, require verification
18 of, at a minimum, one month's income from all sources
19 required for determining the eligibility of applicants for
20 medical assistance under this Code. Such verification
21 shall take the form of pay stubs, business or income and
22 expense records for self-employed persons, letters from
23 employers, and any other valid documentation of income
24 including data obtained electronically by the Department

1 or its designees from other sources as described in
2 subsection (b) of this Section.

3 (2) By no later than October 1, 2011, require
4 verification of, at a minimum, one month's income from all
5 sources required for determining the continued eligibility
6 of recipients at their annual review of eligibility for
7 medical assistance under this Code. Such verification
8 shall take the form of pay stubs, business or income and
9 expense records for self-employed persons, letters from
10 employers, and any other valid documentation of income
11 including data obtained electronically by the Department
12 or its designees from other sources as described in
13 subsection (b) of this Section. The Department shall send a
14 notice to recipients at least 60 days prior to the end of
15 their period of eligibility that informs them of the
16 requirements for continued eligibility. If a recipient
17 does not fulfill the requirements for continued
18 eligibility by the deadline established in the notice a
19 notice of cancellation shall be issued to the recipient and
20 coverage shall end on the last day of the eligibility
21 period. A recipient's eligibility may be reinstated
22 without requiring a new application if the recipient
23 fulfills the requirements for continued eligibility prior
24 to the end of the month following the last date of
25 coverage. Nothing in this Section shall prevent an
26 individual whose coverage has been cancelled from

1 reapplying for health benefits at any time.

2 (3) By no later than July 1, 2011, require verification
3 of Illinois residency.

4 (b) The Department shall establish or continue cooperative
5 arrangements with the Social Security Administration, the
6 Illinois Secretary of State, the Department of Human Services,
7 the Department of Revenue, the Department of Employment
8 Security, and any other appropriate entity to gain electronic
9 access, to the extent allowed by law, to information available
10 to those entities that may be appropriate for electronically
11 verifying any factor of eligibility for benefits under the
12 Program. Data relevant to eligibility shall be provided for no
13 other purpose than to verify the eligibility of new applicants
14 or current recipients of health benefits under the Program.
15 Data shall be requested or provided for any new applicant or
16 current recipient only insofar as that individual's
17 circumstances are relevant to that individual's or another
18 individual's eligibility.

19 (c) ~~(Blank). Within 90 days of the effective date of this~~
20 ~~amendatory Act of the 96th General Assembly, the Department of~~
21 ~~Healthcare and Family Services shall send notice to current~~
22 ~~recipients informing them of the changes regarding their~~
23 ~~eligibility verification.~~

24 (d) Whenever the State determines that asset verification
25 is necessary for a determination of eligibility on the basis of
26 being aged, blind, or disabled, the Department shall require

1 the applicant for or recipient of medical assistance and any
2 other person whose resources are required by law to be
3 disclosed to determine the eligibility of the applicant or
4 recipient for such assistance to provide authorization for the
5 State to obtain any financial records held by any financial
6 institution with respect to the applicant's or recipient's or
7 such other person's resources, as applicable, from any
8 financial institution holding such records.

9 (1) The Department shall pay a reasonable fee, not to
10 exceed the actual cost incurred, to the financial
11 institution producing the records. The records shall be
12 produced at no cost to the applicant, recipient, or such
13 other person, as applicable.

14 (2) For purposes of this subsection, a "financial
15 institution" means an office of any of the following,
16 located in any state or territory of the United States, the
17 District of Columbia, Puerto Rico, Guam, American Samoa, or
18 the Virgin Islands:

19 (A) a bank;

20 (B) a savings bank;

21 (C) a card issuer, meaning any person who issues a
22 credit card, or the agent of such person with respect
23 to such card;

24 (D) an industrial loan company;

25 (E) a trust company;

26 (F) a savings association;

1 (G) a building and loan or homestead association
2 (including a cooperative bank); or

3 (H) a credit union or consumer finance
4 institution.

5 (3) For purposes of this subsection, "financial
6 record" means an original of, a copy of, or information
7 known to have been derived from any record held by a
8 financial institution pertaining to a customer's
9 relationship with the financial institution.

10 (Source: P.A. 96-1501, eff. 1-25-11.)

1 INDEX

2 Statutes amended in order of appearance

3	205 ILCS 5/48.1	from Ch. 17, par. 360
4	205 ILCS 105/3-8	from Ch. 17, par. 3303-8
5	205 ILCS 205/4013	from Ch. 17, par. 7304-13
6	205 ILCS 305/10	from Ch. 17, par. 4411
7	305 ILCS 5/11-5.1	