



99TH GENERAL ASSEMBLY

State of Illinois

2015 and 2016

HB2542

Introduced 2/18/2015, by Rep. Monique D. Davis

SYNOPSIS AS INTRODUCED:

205 ILCS 5/47.5 new
205 ILCS 305/9.5 new

Amends the Illinois Banking Act and the Illinois Credit Union Act. Requires financial institutions and credit unions to maintain and submit a record of applications for credit from women-owned businesses, minority-owned businesses, or small businesses. Provides requirements for the maintenance and collection of those records. Authorizes the Department of Financial and Professional Regulation to adopt rules necessary to implement the provisions. Provides that the provisions shall be operative only until the effective date of the federal regulations implementing a specified provision of the federal Dodd-Frank Wall Street Reform and Consumer Protection Act. Effective immediately.

LRB099 09938 MGM 30156 b

1 AN ACT concerning regulation.

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

4 Section 5. The Illinois Banking Act is amended by adding
5 Section 47.5 as follows:

6 (205 ILCS 5/47.5 new)

7 Sec. 47.5. Records and report; women-owned business,
8 minority-owned business, and small business.

9 (a) The purpose of this Section is to facilitate the
10 enforcement of fair lending laws and enable communities,
11 governmental entities, and creditors to identify business and
12 community development needs and opportunities of women-owned
13 businesses, minority-owned businesses, and small businesses.
14 For the purposes of this Section, "women-owned business",
15 "minority-owned business", and "small business" have the
16 meanings as given to those terms in the Dodd-Frank Wall Street
17 Reform and Consumer Protection Act.

18 (b) Subject to the requirements of this Section, for any
19 application to a financial institution for credit, the
20 financial institution shall:

21 (1) inquire whether the business is a women-owned
22 business, minority-owned business, or small business,
23 without regard to whether the application is received in

1 person, by mail, by telephone, by electronic mail or other
2 form of electronic transmission, or by any other means, and
3 whether the application is in response to a solicitation by
4 the financial institution; and

5 (2) maintain a record of the responses to the inquiries
6 separately from the application and accompanying
7 information on forms supplied by the Department.

8 Any applicant for credit may refuse to provide any
9 information requested pursuant to this subsection (b) in
10 connection with any application for credit.

11 (c) Where feasible, no loan underwriter or other officer or
12 employee of a financial institution, or any affiliate of a
13 financial institution, involved in making any determination
14 concerning an application for credit shall have access to any
15 information provided by the applicant pursuant to a request
16 under subsection (b) in connection with an application.

17 If a financial institution determines that a loan
18 underwriter or other officer, employee, or affiliate of a
19 financial institution involved in making any determination
20 concerning an application for credit should have access to any
21 information provided by the applicant pursuant to a request
22 under subsection (b), the financial institution shall provide
23 notice to the applicant of the access of the underwriter to the
24 information, along with notice that the financial institution
25 may not discriminate on the basis of the information.

26 (d) Each financial institution shall compile and maintain a

1 record of the information provided by any loan applicant
2 pursuant to a request under subsection (b) on forms supplied by
3 the Department.

4 Information compiled and maintained under subsection (b)
5 shall be itemized in order to clearly and conspicuously
6 disclose:

7 (1) the number of the application and the date on which
8 the application was received;

9 (2) the type and purpose of the loan or other credit
10 being applied for;

11 (3) the amount of the credit or credit limit applied
12 for and the amount of the credit transaction or the credit
13 limit approved for the applicant;

14 (4) the type of action taken with respect to the
15 application and the date of the action;

16 (5) the census tract in which the principal place of
17 business of the women-owned business, minority-owned
18 business, or small business loan applicant is located;

19 (6) the gross annual revenue of the business in the
20 last fiscal year of the women-owned business,
21 minority-owned business, or small business loan applicant
22 preceding the date of the application;

23 (7) the race, sex, and ethnicity of the principal
24 owners of the business; and

25 (8) any additional data that the Department determines
26 would aid in fulfilling the purposes of this Section.

1 (e) In compiling and maintaining any record of information
2 under this Section, a financial institution shall not include
3 in the record the name, specific address (other than the census
4 tract required by paragraph (5) of subsection (d)), telephone
5 number, electronic mail address, or any other personally
6 identifiable information concerning any individual who is, or
7 is connected with, the women-owned business, minority-owned
8 business, or small business loan applicant.

9 (f) The data required to be compiled and maintained under
10 this Section by the financial institution shall be submitted
11 annually to the Department. If the financial institution has
12 not received any credit applications from women-owned,
13 minority-owned, or small businesses, the financial institution
14 shall not be required to submit an annual report as required
15 under this Section.

16 (h) The Department shall adopt rules necessary to implement
17 this Section.

18 (i) This Section shall be operative only until the
19 effective date of the federal regulations implementing Section
20 1071 of the federal Dodd-Frank Wall Street Reform and Consumer
21 Protection Act.

22 Section 10. The Illinois Credit Union Act is amended by
23 adding Section 9.5 as follows:

24 (205 ILCS 305/9.5 new)

1 Sec. 9.5. Records and report; women-owned business,
2 minority-owned business, and small business.

3 (a) The purpose of this Section is to facilitate the
4 enforcement of fair lending laws and enable communities,
5 governmental entities, and creditors to identify business and
6 community development needs and opportunities of women-owned
7 businesses, minority-owned businesses, and small businesses.
8 For the purposes of this Section, "women-owned business",
9 "minority-owned business", and "small business" have the
10 meanings as given to those terms in the Dodd-Frank Wall Street
11 Reform and Consumer Protection Act.

12 (b) Subject to the requirements of this Section, for any
13 application to a credit union for credit, the credit union
14 shall:

15 (1) inquire whether the business is a women-owned
16 business, minority-owned business, or small business,
17 without regard to whether the application is received in
18 person, by mail, by telephone, by electronic mail or other
19 form of electronic transmission, or by any other means, and
20 whether the application is in response to a solicitation by
21 the credit union; and

22 (2) maintain a record of the responses to the inquiries
23 separately from the application and accompanying
24 information on forms supplied by the Department.

25 Any applicant for credit may refuse to provide any
26 information requested pursuant to this subsection (b) in

1 connection with any application for credit.

2 (c) Where feasible, no loan underwriter or other officer or
3 employee of a credit union, or any affiliate of a credit union,
4 involved in making any determination concerning an application
5 for credit shall have access to any information provided by the
6 applicant pursuant to a request under subsection (b) in
7 connection with an application.

8 If a credit union determines that a loan underwriter or
9 other officer, employee, or affiliate of a credit union
10 involved in making any determination concerning an application
11 for credit should have access to any information provided by
12 the applicant pursuant to a request under subsection (b), the
13 credit union shall provide notice to the applicant of the
14 access of the underwriter to the information, along with notice
15 that the credit union may not discriminate on the basis of the
16 information.

17 (d) Each credit union shall compile and maintain a record
18 of the information provided by any loan applicant pursuant to a
19 request under subsection (b) on forms supplied by the
20 Department.

21 Information compiled and maintained under subsection (b)
22 shall be itemized in order to clearly and conspicuously
23 disclose:

24 (1) the number of the application and the date on which
25 the application was received;

26 (2) the type and purpose of the loan or other credit

1 being applied for;

2 (3) the amount of the credit or credit limit applied
3 for and the amount of the credit transaction or the credit
4 limit approved for the applicant;

5 (4) the type of action taken with respect to the
6 application and the date of the action;

7 (5) the census tract in which the principal place of
8 business of the women-owned business, minority-owned
9 business, or small business loan applicant is located;

10 (6) the gross annual revenue of the business in the
11 last fiscal year of the women-owned business,
12 minority-owned business, or small business loan applicant
13 preceding the date of the application;

14 (7) the race, sex, and ethnicity of the principal
15 owners of the business; and

16 (8) any additional data that the Department determines
17 would aid in fulfilling the purposes of this Section.

18 (e) In compiling and maintaining any record of information
19 under this Section, a credit union shall not include in the
20 record the name, specific address (other than the census tract
21 required by paragraph (5) of subsection (d)), telephone number,
22 electronic mail address, or any other personally identifiable
23 information concerning any individual who is, or is connected
24 with, the women-owned business, minority-owned business, or
25 small business loan applicant.

26 (f) The data required to be compiled and maintained under

1 this Section by the credit union shall be submitted annually to
2 the Department. If the credit union has not received any credit
3 applications from women-owned, minority-owned, or small
4 businesses, the credit union shall not be required to submit an
5 annual report as required under this Section.

6 (h) The Department shall adopt rules necessary to implement
7 this Section.

8 (i) This Section shall be operative only until the
9 effective date of the federal regulations implementing Section
10 1071 of the federal Dodd-Frank Wall Street Reform and Consumer
11 Protection Act.

12 Section 99. Effective date. This Act takes effect upon
13 becoming law.