

1 issued and payable by or through a financial institution
2 or other entity, or (4) any other item containing
3 information pertaining to any relationship established in
4 the ordinary course of business between a credit union
5 and its member, including financial statements or other
6 financial information provided by the member.

7 (b) This Section does not prohibit:

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

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

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

25 (4) The making of reports or returns required
26 under Chapter 61 of the Internal Revenue Code of
27 1954;

28 (5) Furnishing information concerning the
29 dishonor of any negotiable instrument permitted to
30 be disclosed under the Uniform Commercial Code;

31 (6) The exchange in the regular course of
32 business of (i) credit information between a credit
33 union and other credit unions or financial
34 institutions or commercial enterprises, directly or

1 through a consumer reporting agency or (ii)
2 financial records or information derived from
3 financial records between a credit union and other
4 credit unions or financial institutions or
5 commercial enterprises for the purpose of conducting
6 due diligence pursuant to a merger or a purchase or
7 sale of assets or liabilities of the credit union;

8 (7) The furnishing of information to the
9 appropriate law enforcement authorities where the
10 credit union reasonably believes it has been the
11 victim of a crime;

12 (8) The furnishing of information pursuant to
13 the Uniform Disposition of Unclaimed Property Act;

14 (9) The furnishing of information pursuant to
15 the Illinois Income Tax Act and the Illinois Estate
16 and Generation-Skipping Transfer Tax Act;

17 (10) The furnishing of information pursuant to
18 the federal "Currency and Foreign Transactions
19 Reporting Act", Title 31, United States Code,
20 Section 1051 et sequentia; or

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

26 (12) The furnishing of information in
27 accordance with the federal Personal Responsibility
28 and Work Opportunity Reconciliation Act of 1996. Any
29 credit union governed by this Act shall enter into
30 an agreement for data exchanges with a State agency
31 provided the State agency pays to the credit union a
32 reasonable fee not to exceed its actual cost
33 incurred. A credit union providing information in
34 accordance with this item shall not be liable to any

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

13 (13) The furnishing of information to law
14 enforcement authorities, the Illinois Department on
15 Aging and its regional administrative and provider
16 agencies, the Department of Human Services Office of
17 Inspector General, or public guardians, if the
18 credit union suspects that a member who is an
19 elderly or disabled person has been or may become
20 the victim of financial exploitation. For the
21 purposes of this item (13), the term: (i) "elderly
22 person" means a person who is 60 or more years of
23 age, (ii) "disabled person" means a person who has
24 or reasonably appears to the credit union to have a
25 physical or mental disability that impairs his or
26 her ability to seek or obtain protection from or
27 prevent financial exploitation, and (iii) "financial
28 exploitation" means tortious or illegal use of the
29 assets or resources of an elderly or disabled
30 person, and includes, without limitation,
31 misappropriation of the elderly or disabled person's
32 assets or resources by undue influence, breach of
33 fiduciary relationship, intimidation, fraud,
34 deception, extortion, or the use of assets or

1 resources in any manner contrary to law. A credit
2 union or person furnishing information pursuant to
3 this item (13) shall be entitled to the same rights
4 and protections as a person furnishing information
5 under the Elder Abuse and Neglect Act and the
6 Illinois Domestic Violence Act of 1986.

7 (14) The disclosure of financial records or
8 information as necessary to effect, administer, or
9 enforce a transaction requested or authorized by the
10 member, or in connection with:

11 (A) servicing or processing a financial
12 product or service requested or authorized by
13 the member;

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

16 (C) a proposed or actual securitization
17 or secondary market sale (including sales of
18 servicing rights) related to a transaction of a
19 member.

20 Nothing in this item (14), however, authorizes the
21 sale of the financial records or information of a member
22 without the consent of the member.

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

27 (1) the member has authorized disclosure to the
28 person;

29 (2) the financial records are disclosed in response
30 to a lawful subpoena, summons, warrant or court order
31 that meets the requirements of subparagraph (d) of this
32 Section; or

33 (3) the credit union is attempting to collect an
34 obligation owed to the credit union and the credit union

1 complies with the provisions of Section 2I of the
2 Consumer Fraud and Deceptive Business Practices Act.

3 (d) A credit union shall disclose financial records
4 under subparagraph (c)(2) of this Section pursuant to a
5 lawful subpoena, summons, warrant or court order only after
6 the credit union mails a copy of the subpoena, summons,
7 warrant or court order to the person establishing the
8 relationship with the credit union, if living, and otherwise
9 his personal representative, if known, at his last known
10 address by first class mail, postage prepaid unless the
11 credit union is specifically prohibited from notifying the
12 person by order of court or by applicable State or federal
13 law. In the case of a grand jury subpoena, a credit union
14 shall not mail a copy of a subpoena to any person pursuant to
15 this subsection if the subpoena was issued by a grand jury
16 under the Statewide Grand Jury Act or notifying the person
17 would constitute a violation of the federal Right to
18 Financial Privacy Act of 1978.

19 (e) (1) Any officer or employee of a credit union who
20 knowingly and wilfully furnishes financial records in
21 violation of this Section is guilty of a business offense
22 and upon conviction thereof shall be fined not more than
23 \$1,000.

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

29 (f) A credit union shall be reimbursed for costs which
30 are reasonably necessary and which have been directly
31 incurred in searching for, reproducing or transporting books,
32 papers, records or other data of a member required or
33 requested to be produced pursuant to a lawful subpoena,
34 summons, warrant or court order. The Director may determine,

1 by rule, the rates and conditions under which payment shall
2 be made. Delivery of requested documents may be delayed
3 until final reimbursement of all costs is received.

4 (Source: P.A. 90-18, eff. 7-1-97; 91-929, eff. 12-15-00.)

5 (205 ILCS 305/12) (from Ch. 17, par. 4413)

6 Sec. 12. Regulatory fees ~~for~~---~~examination~~---~~and~~
7 ~~administration~~.

8 (1) A credit union regulated by the Department shall pay
9 a regulatory fee to the Department based upon its total
10 assets as shown by its Year-end Call Report at the following
11 rates:

TOTAL ASSETS	REGULATORY FEE
\$25,000 or less	\$100
Over \$25,000 and not over	
\$100,000	\$100 plus \$4 per \$1,000 of
	assets in excess of \$25,000
Over \$100,000 and not over	
\$200,000	\$400 plus \$3 per \$1,000 of
	assets in excess of \$100,000
Over \$200,000 and not over	
\$500,000	\$700 plus \$2 per \$1,000 of
	assets in excess of \$200,000
Over \$500,000 and not over	
\$1,000,000	\$1,300 plus \$1.40 per \$1,000
	of assets in excess of
	\$500,000
Over \$1,000,000 and not	
over \$5,000,000.....	\$2,000 plus \$0.50 per
	\$1,000 of assets in
	excess of \$1,000,000
Over \$5,000,000 and not	
over \$30,000,000	\$4,000 plus \$0.35
	per \$1,000 assets

1 in excess of \$5,000,000
2 Over \$30,000,000 and not
3 over \$100,000,000 \$12,750 plus \$0.30
4 per \$1,000 of assets in
5 excess of \$30,000,000
6 Over \$100,000,000 and not
7 over \$500,000,000 \$33,750 plus \$0.15 per
8 \$1,000 of assets in excess
9 of \$100,000,000
10 Over \$500,000,000 \$93,750 plus \$0.05 per
11 \$1,000 of assets in excess
12 of \$500,000,000

13 (2) The Director shall review the regulatory fee
14 schedule in subsection (1) and the projected earnings on
15 those fees on an annual basis and adjust the fee schedule no
16 more than 5% annually if necessary to defray the estimated
17 administrative and operational expenses of the Department as
18 defined in subsection (5). The Director shall provide credit
19 unions with written notice of any adjustment made in the
20 regulatory fee schedule.

21 (3) Not later than March 1 of each calendar year, a
22 credit union shall pay to the Department, ~~for the preceding~~
23 ~~calendar year,~~ a regulatory fee for that calendar year in
24 accordance with the regulatory fee schedule in subsection
25 (1), on the basis of assets as of the Year-end Call Report of
26 the preceding year. The regulatory fee shall not be less
27 than \$100 or more than \$125,000, provided that the regulatory
28 fee cap of \$125,000 shall be adjusted to incorporate the same
29 percentage increase as the Director makes in the regulatory
30 fee schedule from time to time under subsection (2). No
31 regulatory fee shall be collected from a credit union until
32 it has been in operation for one year.

33 (4) The aggregate of all fees collected by the
34 Department under this Act shall be paid promptly after they

1 ~~are received~~ receipt-of-the-same, accompanied by a detailed
2 statement thereof, into the State Treasury and shall be set
3 apart in the Credit Union Fund, a special fund hereby created
4 in the State treasury. The amount from time to time
5 deposited in the Credit Union Fund and shall be used to
6 offset the ordinary administrative and operational expenses
7 of the Department under this Act. All earnings received from
8 investments of funds in the Credit Union Fund shall be
9 deposited into the Credit Union Fund and may be used for the
10 same purposes as fees deposited into that Fund.

11 (5) The administrative and operational expenses for any
12 calendar year shall mean the ordinary and contingent expenses
13 for that year incidental to making the examinations provided
14 for by, and for administering, this Act, including all
15 salaries and other compensation paid for personal services
16 rendered for the State by officers or employees of the State
17 to enforce this Act; all expenditures for telephone and
18 telegraph charges, postage and postal charges, office
19 supplies and services, furniture and equipment, office space
20 and maintenance thereof, travel expenses and other necessary
21 expenses; all to the extent that such expenditures are
22 directly incidental to such examination or administration.

23 (6) When the aggregate of all fees collected by the
24 Department under this Act and all earnings thereon for any
25 calendar year exceeds 150% of the total administrative and
26 operational expenses under this Act for that year, such
27 excess shall be credited to credit unions and applied against
28 their regulatory fees for the subsequent year. The amount
29 credited to a credit union shall be in the same proportion as
30 the fee paid by such credit union for the calendar year in
31 which the excess is produced bears to the aggregate of the
32 fees collected by the Department under this Act for the same
33 year.

34 (7) Examination fees for the year 2000 statutory

1 examinations paid pursuant to the examination fee schedule in
2 effect at that time shall be credited toward the regulatory
3 fee to be assessed the credit union in calendar year 2001.

4 (8) Nothing in this Act shall prohibit the General
5 Assembly from appropriating funds to the Department from the
6 General Revenue Fund for the purpose of administering this
7 Act.

8 (Source: P.A. 91-755, eff. 1-1-01.)

9 (205 ILCS 305/51) (from Ch. 17, par. 4452)

10 Sec. 51. Other Loan Programs.

11 (1) Subject to such rules and regulations as the
12 Director may promulgate, a credit union may participate in
13 loans to credit union members jointly with other credit
14 unions, credit union organizations, corporations, or
15 financial institutions. An originating credit union may
16 originate participation loans to its own members. A
17 participating credit union that is not the originating lender
18 may participate in loans made to its own members or to
19 members of another participating credit union. "Originating
20 lender" means the participating credit union with which the
21 member contracts. A master participation agreement must be
22 properly executed, and the agreement must include provisions
23 for identifying, either through documents incorporated by
24 reference or directly in the agreement, the participation
25 loan or loans prior to their sale.

26 (2) Any credit union with assets of \$500,000 or more may
27 loan to its members under the State Scholarships Law or other
28 scholarship programs which are subject to a federal or state
29 law providing 100% repayment guarantee.

30 (3) A credit union may purchase from any source the
31 conditional sales contracts, notes and similar instruments
32 which evidence an indebtedness of its members. A credit
33 union may sell to any source the loans of its members.

1 (4) With approval of the Board of Directors, a credit
2 union may make loans, either on its own or jointly with other
3 credit unions, corporations or financial institutions, to
4 credit union organizations; provided, that the aggregate
5 amount of all such loans outstanding shall not at any time
6 exceed 1% of the paid-in and unimpaired capital and surplus
7 of the credit union.

8 (Source: P.A. 81-329.)

9 (205 ILCS 305/59) (from Ch. 17, par. 4460)

10 Sec. 59. Investment of Funds. Funds not used in loans to
11 members may be invested, pursuant to subsection (7) of
12 Section 30 of this Act, and subject to Departmental rules and
13 regulations:

14 (1) In securities, obligations or other instruments of
15 or issued by or fully guaranteed as to principal and interest
16 by the United States of America or any agency thereof or in
17 any trust or trusts established for investing directly or
18 collectively in the same;

19 (2) In obligations of any state of the United States,
20 the District of Columbia, the Commonwealth of Puerto Rico,
21 and the several territories organized by Congress, or any
22 political subdivision thereof; however, a credit union may
23 not invest more than 10% of its unimpaired capital and
24 surplus in the obligations of one issuer, exclusive of
25 general obligations of the issuer, and investments in
26 municipal securities must be limited to securities rated in
27 one of the 4 highest rating categories by a nationally
28 recognized statistical rating organization;

29 (3) In certificates of deposit or passbook type accounts
30 issued by a state or national bank, mutual savings bank or
31 savings and loan association; provided that such institutions
32 have their accounts insured by the Federal Deposit Insurance
33 Corporation or the Federal Savings and Loan Insurance

1 Corporation; but provided, further, that a credit union's
2 investment in an account in any one institution may exceed
3 the insured limit on accounts;

4 (4) In shares, classes of shares or share certificates
5 of other credit unions, including, but not limited to
6 corporate credit unions; provided that such credit unions
7 have their members' accounts insured by the NCUA or other
8 approved insurers, and that if the members' accounts are so
9 insured, a credit union's investment may exceed the insured
10 limit on accounts;

11 (5) In shares of a cooperative society organized under
12 the laws of this State or the laws of the United States in
13 the total amount not exceeding 10% of the unimpaired capital
14 and surplus of the credit union; provided that such
15 investment shall first be approved by the Department;

16 (6) In obligations of the State of Israel, or
17 obligations fully guaranteed by the State of Israel as to
18 payment of principal and interest;

19 (7) In shares, stocks or obligations of other financial
20 institutions in the total amount not exceeding 5% of the
21 unimpaired capital and surplus of the credit union;

22 (8) In federal funds and bankers' acceptances;

23 (9) In shares or stocks of Credit Union Service
24 Organizations in the total amount not exceeding 1% of the
25 unimpaired capital and surplus of the credit union.

26 As used in this Section, "political subdivision"
27 includes, but is not limited to, counties, townships, cities,
28 villages, incorporated towns, school districts, educational
29 service regions, special road districts, public water supply
30 districts, fire protection districts, drainage districts,
31 levee districts, sewer districts, housing authorities, park
32 districts, and any agency, corporation, or instrumentality of
33 a state or its political subdivisions, whether now or
34 hereafter created and whether herein specifically mentioned

1 or not.

2 (Source: P.A. 86-432.)

3 (205 ILCS 305/70) (from Ch. 17, par. 4471)

4 Sec. 70. Use of name, sentence. No person, firm,
5 association, partnership, or corporation, except corporations
6 organized under this Act, the credit union acts of other
7 states, or under the Federal Credit Union Act, or
8 associations of such corporations, or subsidiaries of such
9 associations, may use any name or title which contains the
10 words "credit union" or any abbreviation thereof, and such
11 use is a Class A Misdemeanor.

12 (Source: P.A. 81-329.)

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