

1 AN ACT concerning the deposit of State moneys.

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

4 Section 5. The Deposit of State Moneys Act is amended by  
5 changing Sections 1, 3, 11.1, and 22.5 as follows:

6 (15 ILCS 520/1) (from Ch. 130, par. 20)

7 Sec. 1. The State Treasurer shall deposit all moneys  
8 received by him on account of the State within five days  
9 after receiving the same in such banks or savings and loan  
10 associations ~~or credit unions~~ of the State as may be  
11 authorized to receive such deposits under the terms of this  
12 Act. The money so deposited shall be placed to the account of  
13 the State Treasurer.

14 No bank or savings and loan association ~~or credit union~~  
15 shall receive public funds as permitted by this Section,  
16 unless it has complied with the requirements established  
17 pursuant to Section 6 of "An Act relating to certain  
18 investments of public funds by public agencies", approved  
19 July 23, 1943, as now or hereafter amended.

20 ~~For purposes of this Act, the term "bank" or "savings and~~  
21 ~~loan association" shall be deemed to include a credit union,~~  
22 ~~and, unless otherwise specifically set forth in this Act,~~  
23 ~~credit unions shall be subject to all rights, privileges,~~  
24 ~~remedies, duties, and obligations granted or imposed by this~~  
25 ~~Act upon banks and savings and loan associations.~~

26 (Source: P.A. 85-803.)

27 (15 ILCS 520/3) (from Ch. 130, par. 22)

28 Sec. 3. The State Treasurer shall, at such times as he  
29 may in his discretion determine, cause a notice to be sent to  
30 each savings and loan association, ~~Federally insured credit~~

1 ~~union of \$50,000,000 or more assets~~, or regularly established  
 2 National and State bank doing business in this State,  
 3 indicating that on a date named therein not less than one  
 4 month after the date of such notice, he will receive sealed  
 5 proposals for the deposit of the public moneys in his custody  
 6 or control. The State Treasurer may also at any time receive  
 7 a new or supplemental proposal from any savings and loan  
 8 association, ~~credit union~~ or national or State bank.

9 A "regularly established" national or State bank is a  
 10 bank which is doing business in the State under the  
 11 supervision of the Comptroller of the Currency or the Office  
 12 of Banks and Real Estate.

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

14 (15 ILCS 520/11.1) (from Ch. 130, par. 30.1)

15 Sec. 11.1. The State Treasurer may, in his discretion,  
 16 accept as security for State deposits insured certificates of  
 17 deposit or share certificates issued to the depository  
 18 institution pledging them as security and may require  
 19 security in the amount of 125% of the value of the State  
 20 deposit. Such certificate of deposit or share certificate  
 21 shall:

22 (1) be fully insured by the Federal Deposit Insurance  
 23 Corporation or, the Federal Savings and Loan Insurance  
 24 Corporation ~~or the National Credit Union Share Insurance Fund~~  
 25 or issued by a depository institution which is rated within  
 26 the 3 highest classifications established by at least one of  
 27 the 2 standard rating services;

28 (2) be issued by a financial institution having assets  
 29 of \$30,000,000 or more; and

30 (3) be issued by either a savings and loan association  
 31 having a capital to asset ratio of at least 2% or, by a bank  
 32 having a capital to asset ratio of at least 6% ~~or by a credit~~  
 33 ~~union having a capital to asset ratio of at least 4%.~~

1           The depository institution shall effect the assignment of  
2 the certificate of deposit or share certificate to the State  
3 Treasurer and shall agree, that in the event the issuer of  
4 the certificate fails to maintain the capital to asset ratio  
5 required by this Section, such certificate of deposit or  
6 share certificate shall be replaced by additional suitable  
7 security.

8           (Source: P.A. 85-803.)

9           (15 ILCS 520/22.5) (from Ch. 130, par. 41a)

10          Sec. 22.5. The State Treasurer may, with the approval of  
11 the Governor, invest and reinvest any State money in the  
12 treasury which is not needed for current expenditures due or  
13 about to become due, in obligations of the United States  
14 government or its agencies or of National Mortgage  
15 Associations established by or under the National Housing  
16 Act, 1201 U.S.C. 1701 et seq., or in mortgage participation  
17 certificates representing undivided interests in specified,  
18 first-lien conventional residential Illinois mortgages that  
19 are underwritten, insured, guaranteed, or purchased by the  
20 Federal Home Loan Mortgage Corporation or in Affordable  
21 Housing Program Trust Fund Bonds or Notes as defined in and  
22 issued pursuant to the Illinois Housing Development Act. All  
23 such obligations shall be considered as cash and may be  
24 delivered over as cash by a State Treasurer to his successor.

25          The State Treasurer may, with the approval of the  
26 Governor, purchase any state bonds with any money in the  
27 State Treasury that has been set aside and held for the  
28 payment of the principal of and interest on the bonds. The  
29 bonds shall be considered as cash and may be delivered over  
30 as cash by the State Treasurer to his successor.

31          The State Treasurer may, with the approval of the  
32 Governor, invest or reinvest any State money in the treasury  
33 that is not needed for current expenditure due or about to

1 become due, or any money in the State Treasury that has been  
 2 set aside and held for the payment of the principal of and  
 3 the interest on any State bonds, in shares, withdrawable  
 4 accounts, and investment certificates of savings and building  
 5 and loan associations, incorporated under the laws of this  
 6 State or any other state or under the laws of the United  
 7 States; provided, however, that investments may be made only  
 8 in those savings and loan or building and loan associations  
 9 the shares and withdrawable accounts or other forms of  
 10 investment securities of which are insured by the Federal  
 11 Deposit Insurance Corporation.

12 The State Treasurer may not invest State money in any  
 13 savings and loan or building and loan association unless a  
 14 commitment by the savings and loan (or building and loan)  
 15 association, executed by the president or chief executive  
 16 officer of that association, is submitted in the following  
 17 form:

18 The ..... Savings and Loan (or Building  
 19 and Loan) Association pledges not to reject arbitrarily  
 20 mortgage loans for residential properties within any  
 21 specific part of the community served by the savings and  
 22 loan (or building and loan) association because of the  
 23 location of the property. The savings and loan (or  
 24 building and loan) association also pledges to make loans  
 25 available on low and moderate income residential property  
 26 throughout the community within the limits of its legal  
 27 restrictions and prudent financial practices.

28 The State Treasurer may, with the approval of the  
 29 Governor, invest or reinvest, at a price not to exceed par,  
 30 any State money in the treasury that is not needed for  
 31 current expenditures due or about to become due, or any money  
 32 in the State Treasury that has been set aside and held for  
 33 the payment of the principal of and interest on any State  
 34 bonds, in bonds issued by counties or municipal corporations

1 of the State of Illinois.

2 The State Treasurer may, with the approval of the  
3 Governor, invest or reinvest any State money in the Treasury  
4 which is not needed for current expenditure, due or about to  
5 become due, or any money in the State Treasury which has been  
6 set aside and held for the payment of the principal of and  
7 the interest on any State bonds, in participations in loans,  
8 the principal of which participation is fully guaranteed by  
9 an agency or instrumentality of the United States government;  
10 provided, however, that such loan participations are  
11 represented by certificates issued only by banks which are  
12 incorporated under the laws of this State or any other state  
13 or under the laws of the United States, and such banks, but  
14 not the loan participation certificates, are insured by the  
15 Federal Deposit Insurance Corporation.

16 The State Treasurer may, with the approval of the  
17 Governor, invest or reinvest any State money in the Treasury  
18 that is not needed for current expenditure, due or about to  
19 become due, or any money in the State Treasury that has been  
20 set aside and held for the payment of the principal of and  
21 the interest on any State bonds, in any of the following:

22 (1) Bonds, notes, certificates of indebtedness,  
23 Treasury bills, or other securities now or hereafter  
24 issued that are guaranteed by the full faith and credit  
25 of the United States of America as to principal and  
26 interest.

27 (2) Bonds, notes, debentures, or other similar  
28 obligations of the United States of America, its  
29 agencies, and instrumentalities.

30 (3) Interest-bearing savings accounts,  
31 interest-bearing certificates of deposit,  
32 interest-bearing time deposits, or any other investments  
33 constituting direct obligations of any bank as defined by  
34 the Illinois Banking Act.

1           (4) Interest-bearing accounts, certificates of  
2 deposit, or any other investments constituting direct  
3 obligations of any savings and loan associations  
4 incorporated under the laws of this State or any other  
5 state or under the laws of the United States.

6           (5) (Blank). ~~Dividend-bearing-share-accounts, share~~  
7 ~~certificate--accounts,--or--class--of-share-accounts-of-a~~  
8 ~~credit-union-chartered-under-the-laws-of--this--State--or~~  
9 ~~the--laws--of--the--United-States; provided, however, the~~  
10 ~~principal-office-of-the--credit--union--must--be--located~~  
11 ~~within-the-State-of-Illinois.~~

12           (6) Bankers' acceptances of banks whose senior  
13 obligations are rated in the top 2 rating categories by 2  
14 national rating agencies and maintain that rating during  
15 the term of the investment.

16           (7) Short-term obligations of corporations  
17 organized in the United States with assets exceeding  
18 \$500,000,000 if (i) the obligations are rated at the time  
19 of purchase at one of the 3 highest classifications  
20 established by at least 2 standard rating services and  
21 mature not later than 180 days from the date of purchase,  
22 (ii) the purchases do not exceed 10% of the corporation's  
23 outstanding obligations, and (iii) no more than one-third  
24 of the public agency's funds are invested in short-term  
25 obligations of corporations.

26           (8) Money market mutual funds registered under the  
27 Investment Company Act of 1940, provided that the  
28 portfolio of the money market mutual fund is limited to  
29 obligations described in this Section and to agreements  
30 to repurchase such obligations.

31           (9) The Public Treasurers' Investment Pool created  
32 under Section 17 of the State Treasurer Act or in a fund  
33 managed, operated, and administered by a bank.

34           (10) Repurchase agreements of government securities

1 having the meaning set out in the Government Securities  
2 Act of 1986 subject to the provisions of that Act and the  
3 regulations issued thereunder.

4 For purposes of this Section, "agencies" of the United  
5 States Government includes:

6 (i) the federal land banks, federal intermediate  
7 credit banks, banks for cooperatives, federal farm credit  
8 banks, or any other entity authorized to issue debt  
9 obligations under the Farm Credit Act of 1971 (12 U.S.C.  
10 2001 et seq.) and Acts amendatory thereto;

11 (ii) the federal home loan banks and the federal  
12 home loan mortgage corporation;

13 (iii) the Commodity Credit Corporation; and

14 (iv) any other agency created by Act of Congress.

15 The Treasurer may, with the approval of the Governor,  
16 lend any securities acquired under this Act. However,  
17 securities may be lent under this Section only in accordance  
18 with Federal Financial Institution Examination Council  
19 guidelines and only if the securities are collateralized at a  
20 level sufficient to assure the safety of the securities,  
21 taking into account market value fluctuation. The securities  
22 may be collateralized by cash or collateral acceptable under  
23 Sections 11 and 11.1.

24 (Source: P.A. 90-655, eff. 7-30-98.)

25 Section 10. The Public Funds Investment Act is amended  
26 by changing Sections 2 and 6 as follows:

27 (30 ILCS 235/2) (from Ch. 85, par. 902)

28 Sec. 2. Authorized investments.

29 (a) Any public agency may invest any public funds as  
30 follows:

31 (1) in bonds, notes, certificates of indebtedness,  
32 treasury bills or other securities now or hereafter

1 issued, which are guaranteed by the full faith and credit  
2 of the United States of America as to principal and  
3 interest;

4 (2) in bonds, notes, debentures, or other similar  
5 obligations of the United States of America or its  
6 agencies;

7 (3) in interest-bearing savings accounts,  
8 interest-bearing certificates of deposit or  
9 interest-bearing time deposits or any other investments  
10 constituting direct obligations of any bank as defined by  
11 the Illinois Banking Act;

12 (4) in short term obligations of corporations  
13 organized in the United States with assets exceeding  
14 \$500,000,000 if (i) such obligations are rated at the  
15 time of purchase at one of the 3 highest classifications  
16 established by at least 2 standard rating services and  
17 which mature not later than 180 days from the date of  
18 purchase, (ii) such purchases do not exceed 10% of the  
19 corporation's outstanding obligations and (iii) no more  
20 than one-third of the public agency's funds may be  
21 invested in short term obligations of corporations; or

22 (5) in money market mutual funds registered under  
23 the Investment Company Act of 1940, provided that the  
24 portfolio of any such money market mutual fund is limited  
25 to obligations described in paragraph (1) or (2) of this  
26 subsection and to agreements to repurchase such  
27 obligations.

28 (a-1) In addition to any other investments authorized  
29 under this Act, a municipality may invest its public funds in  
30 interest bearing bonds of any county, township, city,  
31 village, incorporated town, municipal corporation, or school  
32 district. The bonds shall be registered in the name of the  
33 municipality or held under a custodial agreement at a bank.  
34 The bonds shall be rated at the time of purchase within the 4



1 highest general classifications established by a rating  
2 service of nationally recognized expertise in rating bonds of  
3 states and their political subdivisions.

4 (b) Investments may be made only in banks which are  
5 insured by the Federal Deposit Insurance Corporation. Any  
6 public agency may invest any public funds in short term  
7 discount obligations of the Federal National Mortgage  
8 Association or in shares or other forms of securities legally  
9 issuable by savings banks or savings and loan associations  
10 incorporated under the laws of this State or any other state  
11 or under the laws of the United States. Investments may be  
12 made only in those savings banks or savings and loan  
13 associations the shares, or investment certificates of which  
14 are insured by the Federal Deposit Insurance Corporation. Any  
15 such securities may be purchased at the offering or market  
16 price thereof at the time of such purchase. All such  
17 securities so purchased shall mature or be redeemable on a  
18 date or dates prior to the time when, in the judgment of such  
19 governing authority, the public funds so invested will be  
20 required for expenditure by such public agency or its  
21 governing authority. The expressed judgment of any such  
22 governing authority as to the time when any public funds will  
23 be required for expenditure or be redeemable is final and  
24 conclusive. ~~Any public agency may invest any public funds in~~  
25 ~~dividend-bearing share accounts, share certificate accounts~~  
26 ~~or class of share accounts of a credit union chartered under~~  
27 ~~the laws of this State or the laws of the United States;~~  
28 ~~provided, however, the principal office of any such credit~~  
29 ~~union must be located within the State of Illinois.~~  
30 ~~Investments may be made only in those credit unions the~~  
31 ~~accounts of which are insured by applicable law.~~

32 (c) For purposes of this Section, the term "agencies of  
33 the United States of America" includes: (i) the federal land  
34 banks, federal intermediate credit banks, banks for

1 cooperative, federal farm credit banks, or any other entity  
2 authorized to issue debt obligations under the Farm Credit  
3 Act of 1971 (12 U.S.C. 2001 et seq.) and Acts amendatory  
4 thereto; (ii) the federal home loan banks and the federal  
5 home loan mortgage corporation; and (iii) any other agency  
6 created by Act of Congress.

7 (d) Except for pecuniary interests permitted under  
8 subsection (f) of Section 3-14-4 of the Illinois Municipal  
9 Code or under Section 3.2 of the Public Officer Prohibited  
10 Practices Act, no person acting as treasurer or financial  
11 officer or who is employed in any similar capacity by or for  
12 a public agency may do any of the following:

13 (1) have any interest, directly or indirectly, in  
14 any investments in which the agency is authorized to  
15 invest.

16 (2) have any interest, directly or indirectly, in  
17 the sellers, sponsors, or managers of those investments.

18 (3) receive, in any manner, compensation of any  
19 kind from any investments in which the agency is  
20 authorized to invest.

21 (e) Any public agency may also invest any public funds  
22 in a Public Treasurers' Investment Pool created under Section  
23 17 of the State Treasurer Act. Any public agency may also  
24 invest any public funds in a fund managed, operated, and  
25 administered by a bank, subsidiary of a bank, or subsidiary  
26 of a bank holding company or use the services of such an  
27 entity to hold and invest or advise regarding the investment  
28 of any public funds.

29 (f) To the extent a public agency has custody of funds  
30 not owned by it or another public agency and does not  
31 otherwise have authority to invest such funds, the public  
32 agency may invest such funds as if they were its own. Such  
33 funds must be released to the appropriate person at the  
34 earliest reasonable time, but in no case exceeding 31 days,

1 after the private person becomes entitled to the receipt of  
2 them. All earnings accruing on any investments or deposits  
3 made pursuant to the provisions of this Act shall be credited  
4 to the public agency by or for which such investments or  
5 deposits were made, except as provided otherwise in Section  
6 4.1 of the State Finance Act or the Local Governmental Tax  
7 Collection Act, and except where by specific statutory  
8 provisions such earnings are directed to be credited to and  
9 paid to a particular fund.

10 (g) A public agency may purchase or invest in repurchase  
11 agreements of government securities having the meaning set  
12 out in the Government Securities Act of 1986 subject to the  
13 provisions of said Act and the regulations issued thereunder.  
14 The government securities, unless registered or inscribed in  
15 the name of the public agency, shall be purchased through  
16 banks or trust companies authorized to do business in the  
17 State of Illinois.

18 (h) Except for repurchase agreements of government  
19 securities which are subject to the Government Securities Act  
20 of 1986, no public agency may purchase or invest in  
21 instruments which constitute repurchase agreements, and no  
22 financial institution may enter into such an agreement with  
23 or on behalf of any public agency unless the instrument and  
24 the transaction meet the following requirements:

25 (1) The securities, unless registered or inscribed  
26 in the name of the public agency, are purchased through  
27 banks or trust companies authorized to do business in the  
28 State of Illinois.

29 (2) An authorized public officer after ascertaining  
30 which firm will give the most favorable rate of interest,  
31 directs the custodial bank to "purchase" specified  
32 securities from a designated institution. The "custodial  
33 bank" is the bank or trust company, or agency of  
34 government, which acts for the public agency in

1 connection with repurchase agreements involving the  
2 investment of funds by the public agency. The State  
3 Treasurer may act as custodial bank for public agencies  
4 executing repurchase agreements. To the extent the  
5 Treasurer acts in this capacity, he is hereby authorized  
6 to pass through to such public agencies any charges  
7 assessed by the Federal Reserve Bank.

8 (3) A custodial bank must be a member bank of the  
9 Federal Reserve System or maintain accounts with member  
10 banks. All transfers of book-entry securities must be  
11 accomplished on a Reserve Bank's computer records through  
12 a member bank of the Federal Reserve System. These  
13 securities must be credited to the public agency on the  
14 records of the custodial bank and the transaction must be  
15 confirmed in writing to the public agency by the  
16 custodial bank.

17 (4) Trading partners shall be limited to banks or  
18 trust companies authorized to do business in the State of  
19 Illinois or to registered primary reporting dealers.

20 (5) The security interest must be perfected.

21 (6) The public agency enters into a written master  
22 repurchase agreement which outlines the basic  
23 responsibilities and liabilities of both buyer and  
24 seller.

25 (7) Agreements shall be for periods of 330 days or  
26 less.

27 (8) The authorized public officer of the public  
28 agency informs the custodial bank in writing of the  
29 maturity details of the repurchase agreement.

30 (9) The custodial bank must take delivery of and  
31 maintain the securities in its custody for the account of  
32 the public agency and confirm the transaction in writing  
33 to the public agency. The Custodial Undertaking shall  
34 provide that the custodian takes possession of the

1 securities exclusively for the public agency; that the  
2 securities are free of any claims against the trading  
3 partner; and any claims by the custodian are subordinate  
4 to the public agency's claims to rights to those  
5 securities.

6 (10) The obligations purchased by a public agency  
7 may only be sold or presented for redemption or payment  
8 by the fiscal agent bank or trust company holding the  
9 obligations upon the written instruction of the public  
10 agency or officer authorized to make such investments.

11 (11) The custodial bank shall be liable to the  
12 public agency for any monetary loss suffered by the  
13 public agency due to the failure of the custodial bank to  
14 take and maintain possession of such securities.

15 (i) Notwithstanding the foregoing restrictions on  
16 investment in instruments constituting repurchase agreements  
17 the Illinois Housing Development Authority may invest in, and  
18 any financial institution with capital of at least  
19 \$250,000,000 may act as custodian for, instruments that  
20 constitute repurchase agreements, provided that the Illinois  
21 Housing Development Authority, in making each such  
22 investment, complies with the safety and soundness guidelines  
23 for engaging in repurchase transactions applicable to  
24 federally insured banks, savings banks, savings and loan  
25 associations or other depository institutions as set forth in  
26 the Federal Financial Institutions Examination Council Policy  
27 Statement Regarding Repurchase Agreements and any regulations  
28 issued, or which may be issued by the supervisory federal  
29 authority pertaining thereto and any amendments thereto;  
30 provided further that the securities shall be either (i)  
31 direct general obligations of, or obligations the payment of  
32 the principal of and/or interest on which are unconditionally  
33 guaranteed by, the United States of America or (ii) any  
34 obligations of any agency, corporation or subsidiary thereof

1 controlled or supervised by and acting as an instrumentality  
2 of the United States Government pursuant to authority granted  
3 by the Congress of the United States and provided further  
4 that the security interest must be perfected by either the  
5 Illinois Housing Development Authority, its custodian or its  
6 agent receiving possession of the securities either  
7 physically or transferred through a nationally recognized  
8 book entry system.

9 (j) In addition to all other investments authorized  
10 under this Section, a community college district may invest  
11 public funds in any mutual funds that invest primarily in  
12 corporate investment grade or global government short term  
13 bonds. Purchases of mutual funds that invest primarily in  
14 global government short term bonds shall be limited to funds  
15 with assets of at least \$100 million and that are rated at  
16 the time of purchase as one of the 10 highest classifications  
17 established by a recognized rating service. The investments  
18 shall be subject to approval by the local community college  
19 board of trustees. Each community college board of trustees  
20 shall develop a policy regarding the percentage of the  
21 college's investment portfolio that can be invested in such  
22 funds.

23 Nothing in this Section shall be construed to authorize  
24 an intergovernmental risk management entity to accept the  
25 deposit of public funds except for risk management purposes.

26 (Source: P.A. 90-319, eff. 8-1-97.)

27 (30 ILCS 235/6) (from Ch. 85, par. 906)

28 Sec. 6. Report of financial institutions.

29 (a) No bank shall receive any public funds unless it has  
30 furnished the corporate authorities of a public agency  
31 submitting a deposit with copies of the last two sworn  
32 statements of resources and liabilities which the bank is  
33 required to furnish to the Commissioner of Banks and Real

1 Estate or to the Comptroller of the Currency. Each bank  
2 designated as a depository for public funds shall, while  
3 acting as such depository, furnish the corporate authorities  
4 of a public agency with a copy of all statements of resources  
5 and liabilities which it is required to furnish to the  
6 Commissioner of Banks and Real Estate or to the Comptroller  
7 of the Currency; provided, that if such funds or moneys are  
8 deposited in a bank, the amount of all such deposits not  
9 collateralized or insured by an agency of the federal  
10 government shall not exceed 75% of the capital stock and  
11 surplus of such bank, and the corporate authorities of a  
12 public agency submitting a deposit shall not be discharged  
13 from responsibility for any funds or moneys deposited in any  
14 bank in excess of such limitation.

15 (b) No savings bank or savings and loan association  
16 shall receive public funds unless it has furnished the  
17 corporate authorities of a public agency submitting a deposit  
18 with copies of the last 2 sworn statements of resources and  
19 liabilities which the savings bank or savings and loan  
20 association is required to furnish to the Commissioner of  
21 Banks and Real Estate or the Federal Deposit Insurance  
22 Corporation. Each savings bank or savings and loan  
23 association designated as a depository for public funds  
24 shall, while acting as such depository, furnish the corporate  
25 authorities of a public agency with a copy of all statements  
26 of resources and liabilities which it is required to furnish  
27 to the Commissioner of Banks and Real Estate or the Federal  
28 Deposit Insurance Corporation; provided, that if such funds  
29 or moneys are deposited in a savings bank or savings and loan  
30 association, the amount of all such deposits not  
31 collateralized or insured by an agency of the federal  
32 government shall not exceed 75% of the net worth of such  
33 savings bank or savings and loan association as defined by  
34 the Federal Deposit Insurance Corporation, and the corporate

1 authorities of a public agency submitting a deposit shall not  
 2 be discharged from responsibility for any funds or moneys  
 3 deposited in any savings bank or savings and loan association  
 4 in excess of such limitation.

5 (c) (Blank). ~~No credit union shall receive public funds~~  
 6 ~~unless it has furnished the corporate authorities of a public~~  
 7 ~~agency submitting a share deposit with copies of the last two~~  
 8 ~~reports of examination prepared by or submitted to the~~  
 9 ~~Illinois Department of Financial Institutions or the National~~  
 10 ~~Credit Union Administration. Each credit union designated as~~  
 11 ~~a depository for public funds shall, while acting as such~~  
 12 ~~depository, furnish the corporate authorities of a public~~  
 13 ~~agency with a copy of all reports of examination prepared by~~  
 14 ~~or furnished to the Illinois Department of Financial~~  
 15 ~~Institutions or the National Credit Union Administration;~~  
 16 ~~provided that if such funds or moneys are invested in a~~  
 17 ~~credit union account, the amount of all such investments not~~  
 18 ~~collateralized or insured by an agency of the federal~~  
 19 ~~government or other approved share insurer shall not exceed~~  
 20 ~~50% of the unimpaired capital and surplus of such credit~~  
 21 ~~union, which shall include shares, reserves and undivided~~  
 22 ~~earnings and the corporate authorities of a public agency~~  
 23 ~~making an investment shall not be discharged from~~  
 24 ~~responsibility for any funds or moneys invested in a credit~~  
 25 ~~union in excess of such limitation.~~

26 (d) Whenever a public agency deposits any public funds  
 27 in a financial institution, the public agency may enter into  
 28 an agreement with the financial institution requiring any  
 29 funds not insured by the Federal Deposit Insurance  
 30 Corporation or the National Credit Union Administration or  
 31 other approved share insurer to be collateralized by  
 32 securities, mortgages, letters of credit issued by a Federal  
 33 Home Loan Bank, or loans covered by a State Guaranty under  
 34 the Illinois Farm Development Act in an amount equal to at



1 least market value of that amount of funds deposited  
2 exceeding the insurance limitation provided by the Federal  
3 Deposit Insurance Corporation or the National Credit Union  
4 Administration or other approved share insurer.

5 (e) Paragraphs (a), (b), ~~(c)~~, and (d) of this Section do  
6 not apply to the University of Illinois, Southern Illinois  
7 University, Chicago State University, Eastern Illinois  
8 University, Governors State University, Illinois State  
9 University, Northeastern Illinois University, Northern  
10 Illinois University, Western Illinois University, the  
11 Cooperative Computer Center and public community colleges.  
12 (Source: P.A. 91-324, eff. 1-1-00; 91-773, eff. 6-9-00.)