

AN ACT concerning regulation.

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

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

(20 ILCS 3205/2.5)

Sec. 2.5. Prohibited activities.

(a) For the purposes of this Section, "regulated entity" means any person, business, company, corporation, institution, or other entity who is subject to regulation by the Office of Banks and Real Estate under Sections 3 and 46 of the Illinois Banking Act, Section 1-5 of the Illinois Savings and Loan Act of 1985, Section 1004 of the Savings Bank Act, Section 1-3 of the Residential Mortgage License Act of 1987, Section 2-4 of the Corporate Fiduciary Act, Section 3.02 of the Illinois Bank Holding Company Act of 1957, the Savings and Loan Share and Account Act, Section 1.5 of the Pawnbroker Regulation Act, Section 3 of the Foreign Banking Office Act, or Section 30 of the Electronic Fund Transfer Act.

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

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

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

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

Except as provided by standards which the Office of Banks and Real Estate may establish, employees of the Office of Banks and Real Estate shall not own shares of stock or hold any other equity interest in a regulated entity or in a corporation or company that owns or controls a regulated entity, or directly or indirectly obtain a loan from a regulated entity, or accept a gratuity from a regulated entity that is intended to influence the performance of official duties. However, in no case shall an employee of the Office of Banks and Real Estate participate in any manner in the examination or direct

regulation of a regulated entity in which the employee owns shares of stock or holds any other equity interest, or which is servicing a loan to which the employee is an obligor.

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

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

(e) No Commissioner, deputy commissioner, employee, or agent of the Office of Banks and Real Estate shall, either during or after the holding of his or her term of office or employment, disclose confidential information concerning any regulated entity or person except as authorized by law or prescribed by rule. "Confidential information", as used in this

Section, means any information that the person or officer obtained during his or her term of office or employment that is not available from the Office of Banks and Real Estate pursuant to a request under the Freedom of Information Act.

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

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

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

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

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

(c) To exercise the rights, powers and duties formerly vested by law in the Director of Financial Institutions under "An act authorizing foreign corporations, including banks and national banking associations domiciled in other states, to act in a fiduciary capacity in this state upon certain conditions herein set forth", approved July 13, 1953, as amended.

(c-5) To exercise all of the rights, powers, and duties granted to the Director or Secretary under the Illinois Banking Act, the Corporate Fiduciary Act, the Electronic Fund Transfer

Act, the Illinois Bank Holding Company Act of 1957, the Savings Bank Act, the Illinois Savings and Loan Act of 1985, the Savings and Loan Share and Account Act, the Residential Mortgage License Act of 1987, and the Pawnbroker Regulation Act.

(c-15) To enter into cooperative agreements with appropriate federal and out-of-state state regulatory agencies to conduct and otherwise perform any examination of a regulated entity as authorized under the Illinois Banking Act, the Corporate Fiduciary Act, the Electronic Fund Transfer Act, the Illinois Bank Holding Company Act of 1957, the Savings Bank Act, the Illinois Savings and Loan Act of 1985, the Residential Mortgage License Act of 1987, and the Pawnbroker Regulation Act.

(d) Whenever the Commissioner is authorized or required by law to consider or to make findings regarding the character of incorporators, directors, management personnel, or other relevant individuals under the Illinois Banking Act, the Corporate Fiduciary Act, the Pawnbroker Regulation Act, or at other times as the Commissioner deems necessary for the purpose of carrying out the Commissioner's statutory powers and responsibilities, the Commissioner shall consider criminal history record information, including nonconviction information, pursuant to the Criminal Identification Act. The Commissioner shall, in the form and manner required by the Department of State Police and the Federal Bureau of

Investigation, cause to be conducted a criminal history record investigation to obtain information currently contained in the files of the Department of State Police or the Federal Bureau of Investigation, provided that the Commissioner need not cause additional criminal history record investigations to be conducted on individuals for whom the Commissioner, a federal bank regulatory agency, or any other government agency has caused such investigations to have been conducted previously unless such additional investigations are otherwise required by law or unless the Commissioner deems such additional investigations to be necessary for the purposes of carrying out the Commissioner's statutory powers and responsibilities. The Department of State Police shall provide, on the Commissioner's request, information concerning criminal charges and their disposition currently on file with respect to a relevant individual. Information obtained as a result of an investigation under this Section shall be used in determining eligibility to be an incorporator, director, management personnel, or other relevant individual in relation to a financial institution or other entity supervised by the Commissioner. Upon request and payment of fees in conformance with the requirements of Section 2605-400 of the Department of State Police Law (20 ILCS 2605/2605-400), the Department of State Police is authorized to furnish, pursuant to positive identification, such information contained in State files as is necessary to fulfill the request.

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

(f) If the Commissioner has reasonable cause to believe that any entity that has not submitted an application for authorization or licensure is conducting any activity that would otherwise require authorization or licensure by the Commissioner, the Commissioner shall have the power to subpoena witnesses, to compel their attendance, to require the production of any relevant books, papers, accounts, and documents, and to conduct an examination of the entity in order to determine whether the entity is subject to authorization or licensure by the Commissioner or the Division. If the Secretary determines that the entity is subject to authorization or licensure by the Secretary, then the Secretary shall have the power to issue orders against or take any other action, including initiating a receivership against the unauthorized or unlicensed entity.

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

(h) Whenever the Commissioner is authorized to take any

action or required by law to consider or make findings, the Commissioner may delegate or appoint, in writing, an officer or employee of the Division to take that action or make that finding.

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

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

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

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

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

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

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

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

(e) Issue guidelines in the form of rules or regulations



which will prohibit discrimination by any State chartered bank against any individual, corporation, partnership, association or other entity because it appears in a so-called blacklist issued by any domestic or foreign corporate or governmental entity.

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

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

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

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

(j) Deposit all funds received, including civil penalties, pursuant to the Illinois Banking Act, the Corporate Fiduciary Act, the Illinois Bank Holding Company Act of 1957, and the Check Printer and Check Number Act in the Bank and Trust

Company Fund.

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

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

(30 ILCS 105/5.786 new)

Sec. 5.786. The Savings Institutions Regulatory Fund.

Section 15. The Illinois Savings and Loan Act of 1985 is amended by changing Sections 1-10.01, 1A-8, 2-5, 3-2, 3-6, 3-7, 5-7, 6-2, 6-2.1, 6-4, 6-5, 6-7, 6-8, 6-9, 6-10, 6-11, 6-12, 6-13, 6-15, 7-5, 7-7, 7-15, 7-19.1, 7-20, 7-21, 7-23, 7-24, 7-25, 7-26, 7-27, and 8-4 and by adding Sections 1-10.40, 6-16, and 7-19.2 as follows:

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

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

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

(205 ILCS 105/1-10.40 new)

Sec. 1-10.40. Depository institution. "Depository institution", as used in this Act, means an insured depository institution as defined by Section 3(c)(2) of the Federal Deposit Insurance Act (12 U.S.C. 1813), as amended, or an

insured credit union as defined by Section 101(7) of the Federal Credit Union Act (12 U.S.C. 1752(7)), as amended.

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

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

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

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

(b) In order to effect reorganization under subsection (a), the Board of Directors of the original association must approve a plan providing for such reorganization which shall be submitted for approval by a majority of the voting members of the association. Approval must occur at a meeting called by the Board of Directors and in accordance with the association's Articles of Incorporation and By-laws. The Secretary may ~~Commissioner shall~~ promulgate rules to regulate the formation of and the ongoing business of the subsidiaries and the holding company, including the rights of members, levels of investment in holding company subsidiaries and stock sales.

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

(205 ILCS 105/2-5) (from Ch. 17, par. 3302-5)

Sec. 2-5. Subscriptions to capital and temporary organization.

Upon receipt of the permit to organize an association, the applicants shall constitute the organization committee and shall perfect a temporary organization by electing a chairman, vice-chairman and a secretary of the association, who shall act as the temporary officers of such association until their successors are duly elected and qualified. Such temporary officers thereupon shall proceed to:

(a) Secure subscriptions for the required amount of capital in form and manner approved by the Secretary ~~Commissioner~~; and

(b) Call a meeting of subscribers, who shall adopt articles of incorporation and elect at least 5 directors to serve until the first annual meeting of the association and until their successors are elected and qualified.

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

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

Sec. 3-2. Members' meetings.

(a) Each annual meeting of the members shall be held at the time specified in the by-laws; but the failure to hold an annual meeting at the time so specified shall not work a forfeiture or dissolution of the association. The board of directors, or the holders of not less than 20% of the outstanding permanent reserve shares or of the withdrawal value

of all withdrawable capital of the association, or such other person or persons as may be designated by the by-laws, may call a special meeting of the members. Every annual or special meeting shall be held at the business office of the association, or, if the space therein available for such meeting is inadequate, in such other place within the same county as shall be specifically designated in the notice of such meeting.

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

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

purpose of the meeting.

(d) A quorum at any meeting of the members shall consist of the members present in person or represented by proxy, who are entitled to cast a majority of the total number of votes which all members of the association are entitled to cast at such meeting; except that the articles of incorporation may specify some other quorum requirement, but not less than one-third of such total number of votes. Any meeting, including one at which a quorum is not present, may be adjourned by majority vote to a specified date without further notice.

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

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

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

(3) Unless the member giving the proxy is told by the person to whom it is given, or his agent or representative, that the proxy is optional and the voting rights it represents can be exercised by the member himself; that if it is given it can be cancelled at any time by giving notice in writing at the association's office at least 5 days prior to any meeting, and that meeting alone, at which the member is present and has given written notification of his intent to exercise his voting rights; the provisions of this paragraph shall only be applicable to associations not maintaining insurance of the association's withdrawable capital;

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

(5) After 11 months from the date of its execution,

unless otherwise provided in the proxy and unless the member giving the proxy is notified in writing when it will terminate.

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

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

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

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

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

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

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

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



(205 ILCS 105/3-6) (from Ch. 17, par. 3303-6)

Sec. 3-6. Officers; Suspension and removal of officers, directors and employees.

(a) The officers of an association shall consist of a president, one or more vice presidents, a secretary, a treasurer and such other officers as the by-laws shall provide, to be elected by the directors; if the by-laws so provide, any 2 or more offices may be held by the same person, except that one person shall not hold the offices of president and secretary. The duties and powers of the secretary of the association may be set forth in the by-laws of the association and may be exercised by any other officer designated by the board of directors.

(b) The existence of an association shall not terminate by reason of the failure to elect officers at the time mentioned in the by-laws, and each officer shall hold his office until his successor is elected and qualified.

(c) Whenever any officer, director or employee of an association or of a holding company operating under this Act is charged in any indictment with the commission of or participation in a crime involving the affairs of any association incorporated under this Act or of a holding company operating under this Act, a federal association or any other financial institution, the Secretary ~~Commissioner~~ may, by written notice served upon such officer, director or employee,

suspend him from office. Such suspension shall remain in effect (unless such officer, director or employee sooner resigns or is not reappointed or reelected at the expiration of his term of office) until such officer, director or employee is convicted or is adjudged not guilty of such offense or the indictment is dismissed or otherwise disposed of. If such officer, director, or employee is convicted of such offense, he shall thereupon cease to be an officer, director, or employee of such association; but if he is found not guilty, his suspension shall automatically be terminated. The Secretary ~~Commissioner~~ may request the Attorney General to file an action on his behalf to enforce any order made under this subsection.

(d) The board of directors shall designate and determine the management structure of the association and elect or appoint all officers. Each of the officers elected or appointed by the board of directors shall serve at the pleasure of the board of directors or pursuant to a written employment contract between the officer and the association.

(e) Whenever the Secretary ~~Commissioner~~ determines that any officer, director or employee of an association or a holding company operating under this Act has committed a violation of any law, rule, regulation or order of the Secretary ~~Commissioner~~, and that such violation or continued violation may result in a substantial financial loss or other substantial damage to the association or holding company or that the interests of its members may be seriously prejudiced

by such violation or continued violation, the Secretary ~~Commissioner~~ shall notify such officer, director or employee of his intention to issue an order and may thereafter issue an order suspending such person from office or prohibiting his participation in the conduct of the affairs of the association or holding company, or both. The notice to such person shall contain a statement of facts constituting the grounds for such order; shall fix a time when such order will be issued; and shall state the effective date of such order, which shall be not less than 10 days after the date of the order. A copy of such notice and order shall be sent to the association or holding company. Such order shall be and remain in effect from the effective date specified in the notice provided for under this Section until such time as the order is removed by the Secretary ~~Commissioner~~ or until the order is removed, modified or stayed pursuant to the Administrative Review Law.

(f) Officers and directors of any entity operating under this Act shall also disclose to the Secretary ~~Commissioner~~ any and all criminal proceedings in which they have been a party or participated which resulted in a grant of immunity from prosecution, a conviction, a plea of nolo contendere or its equivalent, or which are currently pending.

(Source: P.A. 86-137.)

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

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

(a) Every person appointed or elected to any position requiring the receipt, payment, management or use of money belonging to an association, or whose duties permit him to have access to or custody of any of its money or securities or whose duties permit him regularly to make entries in the books or other records of the association, before assuming his duties shall become bonded in some trust or company authorized to issue bonds in this state, or in a fidelity insurance company licensed to do business in this State. Each such bond shall be on a form or forms as the Secretary may ~~Commissioner shall~~ require and in such amount as the board of directors shall fix and approve. Each such bond, payable to the association, shall be an indemnity for any loss the association may sustain in money or other property through any dishonest or criminal act or omission by any person required to be bonded, committed either alone or in concert with others. Such bond shall be in the form and amount prescribed by the Secretary ~~Commissioner~~, who may at any time require one or more additional bonds. Each bond shall provide that a cancellation thereof either by the surety or by the insured shall not become effective unless and until 30 days notice in writing first shall have been given to the Secretary ~~Commissioner~~, unless he shall have approved such cancellation earlier.

(b) Nothing contained herein shall preclude the Secretary ~~Commissioner~~ from proceeding against an association as provided in this Act should he believe that it is being

conducted in an unsafe manner in that the form or amount of bonds so fixed and approved by the board of directors is inadequate to give reasonable protection to the association.

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

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

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

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

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

(c) An association may sell and assign without recourse any master's certificate of sale, defaulted loan or defaulted real

estate contract to any person eligible to purchase the same, for an amount not less than the fair cash market value thereof.

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

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

Sec. 6-2. Procedure to amend articles of incorporation. The procedure to effect an amendment of articles of incorporation shall be as follows:

(a) The board of directors shall adopt a resolution setting forth the proposed amendment and directing that it be submitted to a vote at a meeting of the members, which may be an annual or a special meeting;

(b) The proposed amendment, or a summary of the changes to be effective thereby, shall be set forth in the notice of meeting mailed as prescribed in the Section of this Act concerning Members' Meetings;

(c) The proposed amendment will be adopted upon receiving, in the affirmative, 50% or more of the total number of votes which all members of the association are entitled to cast unless the articles of incorporation set forth, pursuant to Section 2-8 of this Act, a requirement that amendments to the articles of incorporation shall be adopted upon receiving, in the affirmative, two-thirds or more of the total number of votes that all members of the association are entitled to cast; provided that an amendment effecting a retirement of all permanent reserve capital must receive the vote specified in

the Section of this Act concerning Retirement or Reduction of Permanent Reserve Capital. A report of proceedings, verified by the president or a vice-president and attested by the secretary of the association and setting forth the notice given and time of mailing thereof, the amendment adopted, the vote thereon and the total number of votes which all members of the association were entitled to cast thereon, shall be filed promptly with the Commissioner;

(d) Each adopted amendment shall be subject to the same inquiry by the Commissioner as the corresponding provision in original articles of incorporation, including (but not limited to) the availability of a proposed new name of the association. If the Commissioner approves an amendment, he shall issue to the association a certificate setting forth the amendment and his approval thereof. The amendment shall become effective when such certificate is recorded in the same manner as the association's articles of incorporation; and

(e) No amendment of articles of incorporation shall affect any existing cause of action either in favor of or against the association or any pending action in which the association shall be a party or the existing rights of persons other than members of the association; and if the amendment has changed the name of the association, no action brought by or against the association under its former name shall be abated for that reason.

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

(205 ILCS 105/6-2.1) (from Ch. 17, par. 3306-2.1)

Sec. 6-2.1. Procedure to amend articles of incorporation for name change.

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

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

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

Upon satisfactory completion of these requirements, the Secretary shall issue an approved amendment to the articles



of incorporation as provided for in subsection (d) of Section 6-2 of this Act.

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

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

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

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

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

(Source: P.A. 86-137.)

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

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

(a) The name of each of the merging associations or depository institutions, ~~State or national bank, or eligible insured bank~~ and the name of the continuing association or depository institution ~~bank~~ and the location of its business

office;

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

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

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

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

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

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

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

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

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

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

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

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

entitled to cast.

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

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

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

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

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

(c) When duly recorded, the certificate of merger is conclusive evidence, except against the State, of the merger and of the correctness and validity of all proceedings in

connection with the merger.

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

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

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

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

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

Sec. 6-9. Effect of merger.

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

(b) All liabilities of each of the merging associations or depository institutions ~~associations, resulting bank, or eligible insured bank~~ shall be liabilities of the continuing association or resulting bank; and all of the rights, franchises, and interests of each of the merging associations or eligible insured bank in and to every kind of property,

real, personal or mixed, shall vest automatically in the continuing association or depository institution ~~resulting bank~~, without any deed or other transfer.

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

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

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

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

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

Sec. 6-10. Sale of assets.

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

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



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

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

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

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

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

(a) The board of directors shall adopt a resolution setting forth the terms of the proposed sale and shall submit the plan to the Secretary ~~Commissioner~~ for his preliminary approval. Upon receipt of approval by the Secretary ~~Commissioner~~, the plan shall be submitted to a vote at a meeting of the members,

which may be an annual or special meeting;

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

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

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

(e) Upon recording the Secretary's ~~Commissioner's~~ certificate in the same manner as the association's articles of incorporation, the association may complete the sale so authorized; except that an insured association first shall obtain the approval of the insurance corporation;

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

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

(205 ILCS 105/6-12) (from Ch. 17, par. 3306-12)

Sec. 6-12. Conversion from State to Federal association. Any association operating under this Act may become a Federal association pursuant to the laws and regulations of the United States and in accordance with the following procedure:

(a) The board of directors shall approve a plan of conversion by resolution adopted by majority vote of all of the directors. The plan shall set forth, among other terms:

(1) A financial statement of the association as of the last business day of the month preceding the adoption of the plan;

(2) The disposition of withdrawable capital and permanent reserve capital, if any;

(3) Adjustments, if any, in the value of the withdrawable accounts when exchanged for comparable accounts in the Federal association;

(4) The disposition of any segregated surplus established under Section 4-5 of this Act;

(5) The disposition of any obligations or liabilities; and

(6) Such other information as may be required by the Secretary ~~Commissioner~~;

(b) The plan shall not be submitted to the members until approved by the Secretary ~~Commissioner~~;

(c) The Secretary ~~Commissioner~~ may approve the plan; or if the Secretary ~~Commissioner~~ disapproves the plan, he shall state his objections in writing and give the converting association an opportunity to amend the plan to obviate such objections. Approval shall be given in such case if the Secretary ~~Commissioner~~ finds that the plan meets the requirements of this Act and the plan is equitable and protects the rights of all persons affected, including such contingent interests as theretofore may have been created in the segregated surplus, if any;

(d) After receipt of such approval from the Secretary ~~Commissioner~~, the plan of conversion shall be mailed to each member and may be submitted to a vote at an annual or special meeting of the members. The plan will be adopted upon receiving in the affirmative 2/3 or more of the total number of votes

which all members of the association are entitled to cast. A report of proceedings at such meeting, certified by the president or a vice-president and attested by the secretary of the association, shall be filed promptly with the Secretary Commissioner;

(e) Within 90 days after the date of such meeting, the association shall take the action prescribed and authorized by the laws and regulations of the United States to complete its conversion to a Federal association; and

(f) Upon receipt of a Federal charter, the association shall file promptly with the Secretary Commissioner either a copy of such charter or a certificate of the appropriate Federal officers setting forth the facts concerning the issuance of such charter; and upon recording the charter in the same manner as the association's articles of incorporation, the association shall cease to be an association operating under this Act.

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

(205 ILCS 105/6-13) (from Ch. 17, par. 3306-13)

Sec. 6-13. Conversion from Federal to State association. Any Federal association may become an association operating under this Act, pursuant to the laws and regulations of the United States and in accordance with the following procedure:

(a) The board of directors shall adopt a plan of conversion, which shall set forth, among other terms, the

provisions required in sub-section (a) of the preceding Section of this Act. Such plan and resolution shall be submitted to the Secretary ~~Commissioner~~;

(b) If the Secretary ~~Commissioner~~, after appropriate examination, shall find that the association complies sufficiently with the requirements of this Act to entitle it to become an association operating under this Act, he shall approve the plan of conversion. However, he may prescribe terms and conditions, to be fulfilled either prior to or after the conversion, to cause the association to conform with the requirements of this Act;

(c) After receipt of the Secretary's ~~Commissioner's~~ approval, the plan of conversion may be submitted at an annual or special meeting of the members; and the plan will be adopted upon receiving in the affirmative 2/3 or more of the total number of votes which all members of the association are entitled to cast. Thereupon, such action shall be taken to adopt articles of incorporation, to elect directors, to adopt by-laws and to elect officers as is prescribed for a new association in the Article of this Act concerning Incorporation and Organization. A report of proceedings at such meeting, certified by the president or a vice-president and attested by the secretary of the association, shall be filed promptly with the Secretary ~~Commissioner~~;

(d) If the Secretary ~~Commissioner~~ finds that such proceedings have been in accordance with the provisions of this

Section, he shall issue a certificate of conversion, setting forth the articles of incorporation and attaching, as a part of the certificate, a copy of the report of proceedings filed as aforesaid; and

(e) The conversion shall become effective upon the recording of the certificate of conversion in the manner required by this Act for the recording of articles of incorporation.

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

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

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

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

(205 ILCS 105/6-16 new)

Sec. 6-16. Waiver of requirements. Notwithstanding any provision of this Article, the requirements imposed by this Article on an association that seeks to convert to, merge into, or sell substantially all of its assets to a depository institution that is not an association shall be no more burdensome or restrictive than the requirements imposed by federal or other State law on a depository institution that is not an association that seeks to convert to, merge into, or sell substantially all of its assets to an association. The Secretary may waive any such requirement imposed by this Article that is more burdensome or restrictive.

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

Sec. 7-5. Examination.

(a) The Secretary ~~Commissioner~~, at least once every 18 months, but more often if he deems it necessary or expedient, with or without previous notice, shall cause an examination to be made of the affairs of every association, including any holding company and subsidiary thereof. If an association or holding company has not been audited at least once in the preceding 12 months in accordance with this Act, the examination shall include an audit by licensed public accountants employed or appointed by the Secretary ~~Commissioner~~. Such examination shall be made by competent



examiners appointed for that purpose who are not officers or agents of, or in any manner interested in, any association or holding company which they examine, except that they may be holders of withdrawable capital. Notwithstanding any other provision of this Act, every eligible association, as defined by regulation, or, if not so defined, to an equivalent extent as would be permitted in the case of a State bank, the Secretary, in lieu of the examination, may accept on an alternating basis the examination made by the appropriate federal banking regulator, or its successor, pursuant to the federal Home Owners' Loan Act, provided the appropriate federal banking regulator, or its successor, has made an examination.

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

(c) The Secretary ~~Commissioner~~ shall make a report of each examination to the board of directors of the association or holding company examined, which report shall be read by each director, who will then execute a signed statement ~~affidavit~~ to

be filed and preserved by the association or holding company ~~acknowledging~~ that he has read the Secretary's ~~Commissioner's~~ report. If the affairs of the association or holding company are not being conducted in accordance with this Act, the Secretary ~~Commissioner~~ shall require the directors, officers or employees to take any necessary corrective action. If the necessary corrective action is not made, the Secretary ~~Commissioner~~ may issue a formal order to the directors of the association or holding company delivered either personally or by registered or certified mail, specifying a date which may be immediate or may be at a later date for the performance by the association or holding company of the corrective action. ~~Such order or any part thereof shall be subject to Sections 7-24 through 7-27 of this Act.~~ If the formal order of the Secretary ~~Commissioner~~ in whole or in part contains a finding that the business of the association or holding company is being conducted in a fraudulent, illegal or unsafe manner, or that the violation thereof or the continuance by the association or holding company of the practice to be corrected could cause insolvency or substantial dissipation of assets or earnings or the impairment of its capital, such order or part thereof shall be complied with promptly on and after the effective date thereof until modified or withdrawn by the Secretary ~~Commissioner, the Board,~~ or modified or terminated by a circuit court. The Secretary ~~Commissioner~~ may apply to the circuit court of the county in which the association or holding company

is located for enforcement of any such order requiring prompt compliance. If no hearing has been requested within the time specified by this Act, the Secretary ~~Commissioner~~ may, at any time within 90 days after the effective date of the order, institute suit in the Circuit Court of Sangamon County or the circuit court of the county in which the association or holding company is located to compel the directors, officers or employees to make the required corrective action. Such court shall, after due process of law, adjudicate the question and enter the proper order or orders and enforce them. ~~In the interests of the members of the association or holding company, the Commissioner may prepare a statement of the condition of the association or holding company and may mail the statement to the members or may require a single publication thereof.~~

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

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

Sec. 7-7. Reports to Secretary ~~Commissioner~~ and members; penalty.

(a) Every association operating under this Act shall file with the Secretary ~~Commissioner~~ within 90 days following the close of each fiscal year of such association a statement showing its financial condition at the close of the fiscal year and its operations for the year then ended. For good cause shown in writing directed to the Secretary ~~Commissioner~~ within the 90 day period, the Secretary ~~Commissioner~~ may authorize up

to 60 additional days for filing of the statement of financial condition. Each such statement shall be on forms prescribed by the Secretary ~~Commissioner~~ and in conformity with generally accepted accounting principles or regulatory accounting principles permitted, recognized or authorized by the Office of Thrift Supervision, or its successor, for a federal association and subject to the rules and regulations of the Secretary ~~Commissioner~~ and in accord with the provisions of this Act. Each such statement shall contain such information and be in such form as prescribed by the Secretary ~~Commissioner~~ and shall be verified by the secretary of the association and certified by a licensed public accountant appointed by the board of directors or by 2 officers of the association, if a licensed public accountant has been appointed to audit the books and records of the association as provided in the preceding Section of this Act. Every association including its holding company and subsidiaries shall also file such other reports as the Secretary ~~Commissioner~~ may require from time to time.

Any association which, after notice from the Secretary ~~Commissioner~~ sent by certified or registered mail, wilfully fails to submit within the time prescribed the annual financial report required by this Section is subject to a civil penalty of not more than \$500 for each such failure. Any association which, after notice from the Secretary ~~Commissioner~~ sent by certified or registered mail, wilfully fails to submit within the time prescribed any other report required by this Section

is subject to a civil penalty of not more than \$100 for each such failure (which penalties shall be cumulative to any other remedies). For the purposes of this Section, the date on which any report required by this Section is postmarked is the date of filing of any such report. The knowing or intentional filing of any such report which is false in any material respect constitutes a felony, and any person convicted thereof shall be punished by a fine of not more than \$10,000, or imprisonment in the penitentiary for one to 5 years, or both.

(b) An association shall file with the Secretary ~~Commissioner~~ a report of change of ownership of permanent reserve shares when such change of ownership results in any person as defined by this Act holding 10% or more, through any one transaction or related series of transactions, of the outstanding permanent reserves shares of the association. Such report shall include owners who hold as beneficiaries or through nominees as well as in their own names. The report shall be made within 5 business days after knowledge of such change has been obtained by the officer authorized or required to make reports to the Secretary ~~Commissioner~~. The Secretary ~~Commissioner~~ also may require any such person owning 10% or more of permanent reserve shares to report the beneficiary or beneficiaries for whom he is holding title.

Whenever there is a change in the managing officer of an association or a change amounting to a majority of the directors of an association elected at a regular or special

meeting of the members, such change shall likewise be reported within 5 business days to the Secretary ~~Commissioner~~.

The willful failure by any person required to report or disclose change of ownership or control as defined in this Section constitutes a Class 4 felony.

(c) Within 60 days after the date of filing the Statement of Financial Condition with the Secretary ~~Commissioner~~, the association shall mail to each member or make available at each of its offices the annual statement of condition or a condensed form thereof approved by the Secretary ~~Commissioner~~, or shall publish the same at least once, and shall also furnish upon the written or personal request of any member a copy of the complete annual statement of condition. The annual statement of condition, or any condensed form thereof, made available to members by publication, mailing, or at the association's offices shall include a statement setting forth the association's assets, liabilities, regulatory capital and deposits. In addition, the statement shall include a statement of the association's goals and intentions in regard to investment of the association's funds in order to reasonably inform the member as to the security of his interest. Notification of the availability of the complete annual statement shall be prominently and conspicuously posted in areas of public access at each of the association's branches or offices.

(d) Any change of control or ownership of 25% or more of

the permanent reserve shares or stock of (a) any association operating under this Act, or (b) of the shares or stock of a subsidiary of the parent or a subsidiary of any association operating under this Act, must be submitted to the Secretary ~~Commissioner~~ for review and approval on forms, conditions and terms to be specified by the Secretary ~~Commissioner~~. The Secretary ~~Commissioner~~ may accept in satisfaction of this requirement, submissions required under federal statutes and regulations for changes of control. Any doubt as to whether a change of ownership or other change in the outstanding voting stock of any association is sufficient to result in a change of ownership or control, shall be resolved in favor of reporting the facts to the Secretary ~~Commissioner~~. Compliance with this provision shall not relieve an association, its parent or affiliate from complying with other applicable State or federal statutes or regulations. The Secretary ~~Commissioner~~ may disapprove any proposed acquisition if:

(1) The proposed acquisition of control would result in a monopoly or would be in furtherance of any combination or conspiracy to monopolize or to attempt to monopolize the savings and loan business in any part of Illinois;

(2) The effect of the proposed acquisition of control in any section of the State may be substantially to lessen competition or to tend to create a monopoly or the proposed acquisition of control would in any other manner be in restraint of trade, and the anticompetitive effects of the

proposed acquisition of control are not clearly outweighed in the public interest by the probable effect of the transaction in meeting the convenience and needs of the community to be served;

(3) The financial condition or history of any acquiring person is such as might jeopardize the financial stability of the institution or prejudice the interests of the depositors of the institution;

(4) The competence, experience, or integrity of any acquiring person or any of the proposed management personnel indicates that it would not be in the interest of the depositors of the institution or in the interest of the public to permit such person to control the institution; or

(5) Any acquiring person neglects, fails or refuses to furnish the Secretary ~~Commissioner~~ all the information required by the Secretary ~~Commissioner~~.

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

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

Sec. 7-15. Notice of custody; action to enjoin. Immediately upon taking custody of an association or trust, the Secretary ~~Commissioner~~ shall mail a written notice thereof to the president or secretary of the association and to not less than 2 directors of such association or to 2 or more of the trustees of any trust or to 2 or more of the liquidators of an association in liquidation. If the contention is made that the



Secretary ~~Commissioner~~ has no legal grounds for taking custody of the association or trust, the directors or officers of the association or the trustees or liquidators thereof, as the case may be, at any time within 10 days after the mailing of such notice, or within such further periods of time as the Secretary ~~Commissioner~~ may extend, but not to exceed an additional 60 days, may file a complaint in the Circuit Court of Sangamon County, Illinois, or in the Circuit Court of the county in which the association is located, to enjoin further custody. The court thereupon shall cite the Secretary ~~Commissioner~~ to show cause why further custody should not be enjoined. If upon a hearing thereon, the court finds that such grounds did not or do not then exist, it may enter an appropriate order in accordance with the findings of fact or an order enjoining the Secretary ~~Commissioner~~ or any appointees acting under his direction from further custody.

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

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

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

(a) Until the effective date of this amendatory Act of the 97th General Assembly, the ~~The~~ aggregate of all moneys ~~fees~~ collected by the Secretary under this Act shall be paid promptly after receipt of the same, accompanied by a detailed statement thereof, into the State treasury and shall be set

apart in the Savings and Residential Finance Regulatory Fund, a special fund hereby created in the State treasury. The amounts deposited into the Fund shall be used for the ordinary and contingent expenses of the Department of Financial and Professional Regulation and the Division of Banking, or their successors, in administering and enforcing the Illinois Savings and Loan Act of 1985, the Savings Bank Act, and the Residential Mortgage License Act of 1987 and other laws, rules, and regulations as may apply to the administration and enforcement of the foregoing laws, rules, and regulations as amended from time to time. Nothing in this Act shall prevent continuing the practice of paying expenses involving salaries, retirement, social security, and State-paid insurance of State officers by appropriation from the General Revenue Fund.

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

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

(b-10) Notwithstanding provisions in the State Finance Act, as now or hereafter amended, or any other law to the

contrary, the sum of \$27,481,638 shall be transferred from the Savings and Residential Finance Regulatory Fund to the Financial Institutions Settlement of 2008 Fund on the effective date of this amendatory Act of the 95th General Assembly, or as soon thereafter as practical.

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

(c) All earnings received from investments of funds in the

Savings and Residential Finance Regulatory Fund shall be deposited into the Savings and Residential Finance Regulatory Fund and may be used for the same purposes as fees deposited into that Fund.

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

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

(205 ILCS 105/7-19.2 new)

Sec. 7-19.2. Savings Institutions Regulatory Fund.

(a) On or after the effective date of this amendatory Act of the 97th General Assembly, the aggregate of all moneys collected by the Secretary under this Act shall be paid promptly after receipt of the same, accompanied by a detailed statement thereof, into the State treasury and shall be set apart in the Savings Institutions Regulatory Fund, a special fund created in the State treasury. The amounts deposited into the Fund shall be used for the ordinary and contingent expenses of the Department of Financial and Professional Regulation and the Division of Banking, or their successors, in administering and enforcing the Illinois Savings and Loan Act of 1985, the Savings Bank Act, and other laws, rules, and regulations as may apply to the administration and enforcement of the foregoing laws, rules, and regulations, as amended from time to time. Nothing in this Act shall prevent continuing the practice of paying expenses involving salaries, retirement, social security, and State-paid insurance of State officers by appropriation from the General Revenue Fund.

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

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

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

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

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

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

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

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

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

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

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



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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

subpoena, shall be guilty of a petty offense.

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

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

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

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

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

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

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

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

(205 ILCS 105/8-4) (from Ch. 17, par. 3308-4)

Sec. 8-4. Election of new directors; Report and supervision.

(a) Upon the adoption of the plan of reorganization, the offices of all directors and officers of the association shall be vacant, and the members shall proceed to elect directors to fill the vacancies. If the plan provides for the segregation of assets under a trust agreement, the members also shall elect (with cumulative voting permitted as in elections of directors) 3 or more trustees to manage such assets.

(b) A report of proceedings at the meetings of the members, certified by the president or a vice president and attested by the secretary of the association, setting forth the notice given and time of mailing thereof, the vote on the plan of reorganization and the total number of votes which all members of the association were entitled to cast thereon, shall be filed in duplicate with the Secretary Commissioner, together with the plan of reorganization. The Secretary Commissioner thereupon shall issue to the association, and to the trustees if assets have been segregated as a part of the plan, a



certificate of reorganization, and a certificate of amendment of the articles of incorporation if appropriate.

(c) The reorganization shall become effective upon the recording of the certificate of reorganization and the certificate of amendment of articles of incorporation, if any, in the manner required by this Act for the recording of articles of incorporation.

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

Section 20. The Savings Bank Act is amended by changing Sections 1007.50, 1008, 2007, 3001, 3002, 4012, 6007, 6009, 8002, 8003, 8004, 8005, 8006, 8007, 8008, 8009, 8010, 8013, 8014, 8015, 8016, 9002, 9004, 9008, 9011, 9015, 9017, and 9018 and by adding Sections 8002.1, 8018, 9018.1, 9018.2, 9018.3, and 9018.4 as follows:

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

Sec. 1007.50. "Depository institution", as used in this Act, shall mean an insured depository institution as defined by Section 3(c) (2) of the Federal Deposit Insurance Act (12 U.S.C. 1813), as amended, or an insured credit union as defined by Section 101(7) of the Federal Credit Union Act (12 U.S.C. 1752(7)), ~~as amended a commercial bank, a savings bank, a savings and loan association, a trust company, a homestead association, a building and loan association, a cooperative bank, an industrial bank, or a credit union, whether chartered~~

~~by a state or territory or under the laws of the United States.~~

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

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

Sec. 1008. General corporate powers.

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

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

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

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

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

membership or credit.

(5) To make donations in reasonable amounts for the public welfare or for charitable, scientific, religious, or educational purposes.

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

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

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

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

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

~~Commissioner.~~

(11) (Blank).

(12) To establish, maintain, and operate terminals as authorized by the Electronic Fund Transfer Act.

(13) To pledge its assets:

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

(B) to secure deposits;

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

(D) (blank); and

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

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

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

(16) To establish temporary service booths at any

International Fair in this State that is approved by the United States Department of Commerce for the duration of the international fair for the purpose of providing a convenient place for foreign trade customers to exchange their home countries' currency into United States currency or the converse. To provide temporary periodic service to persons residing in a bona fide nursing home, senior citizens' retirement home, or long-term care facility. These powers shall not be construed as establishing a new place or change of location for the savings bank providing the service booth.

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

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

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

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

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

(22) To purchase for its own account shares of stock of

a bankers' bank, described in Section 13(b)(1) of the Illinois Banking Act, on the same terms and conditions as a bank may purchase such shares. In no event shall the total amount of such stock held by a savings bank in such bankers' bank exceed 10% of its capital and surplus (including undivided profits) and in no event shall a savings bank acquire more than 5% of any class of voting securities of such bankers' bank.

(23) With respect to affiliate facilities:

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

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

A savings bank intending to conduct or to authorize an affiliated depository institution to conduct at an affiliate facility any of the transactions specified in

this subsection shall give written notice to the Secretary ~~Commissioner~~ at least 30 days before any such transaction is conducted at an affiliate facility. All conduct under this subsection shall be on terms consistent with safe and sound banking practices and applicable law.

(24) Subject to Article XLIV of the Illinois Insurance Code, to act as the agent for any fire, life, or other insurance company authorized by the State of Illinois, by soliciting and selling insurance and collecting premiums on policies issued by such company; and may receive for services so rendered such fees or commissions as may be agreed upon between the said savings bank and the insurance company for which it may act as agent; provided, however, that no such savings bank shall in any case assume or guarantee the payment of any premium on insurance policies issued through its agency by its principal; and provided further, that the savings bank shall not guarantee the truth of any statement made by an assured in filing his application for insurance.

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

(26) To offer any product or service that is at the time authorized or permitted to a bank by applicable law,

but subject always to the same limitations and restrictions that are applicable to the bank for the product or service by such applicable law and subject to the applicable provisions of the Financial Institutions Insurance Sales Law and rules of the Secretary ~~Commissioner~~.

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

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

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



this Act.

Any organization as, conversion to, and merger with or into a limited liability company shall be subject to the prior approval of the Secretary ~~Commissioner~~.

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

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

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

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

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

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

(2) either of the following:

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

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

(b) In order to effect reorganization under subsection (a), the board of directors of the original savings bank must approve a plan providing for the reorganization that shall be submitted for approval by a majority of the voting members of the savings bank. Approval must occur in accordance with the savings bank's articles of incorporation and bylaws at a meeting called by the board of directors. The Secretary may ~~Commissioner shall~~ promulgate rules to regulate the formation of and the ongoing business of the subsidiaries and the holding company, including the rights of members, levels of investment in holding company subsidiaries, and stock sales.

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

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

Sec. 3001. Application for permit to organize.

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

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

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

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

Sec. 3002. Contents of application for permit to organize. The application for a permit to organize shall be on forms required by the Secretary ~~Commissioner~~, shall include all information as he deems necessary but must include at least the following:

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

(2) The name of the proposed savings bank.

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

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

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

(6) The proposed articles of incorporation and bylaws.

(7) The number of shares of capital stock; the number of shares and classes of preferred stock, if any; the par value of each type of stock which may not be less than \$1; the number of shares to be sold and the per share initial offering price of each share.

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

(205 ILCS 205/4012) (from Ch. 17, par. 7304-12)  
Sec. 4012. Procedure to dissent.

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

(b) If the action giving rise to the right to dissent is not to be approved at a meeting of shareholders, the notice to shareholders describing the action taken shall inform the shareholders of their right to dissent and the procedure to

dissent. Prior to, or concurrently with, the notice the savings bank shall furnish to the shareholders material information with respect to the transaction that will enable a shareholder to objectively determine whether or not to exercise dissenters' rights. A shareholder may assert dissenters' rights only if he delivers to the savings bank within 30 days from the date of mailing the notice a written demand for payment for his shares.

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

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

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

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

(a) Any savings bank may sell any loan or a participating interest in a loan at any time in the usual and regular course of business. Loans sold may be sold with or without recourse except as may otherwise be provided by regulations of the Secretary ~~Commissioner~~. The Secretary ~~Commissioner~~ may, by regulation, adopt limitations upon the sale of loans. The provisions of this subsection (a) do not apply to the sale of

loans to agencies of the United States, the State of Illinois, or other government sponsored agencies as may be approved by the Secretary ~~Commissioner~~.

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

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

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

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

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

(a) A savings bank may acquire and hold real estate in fee simple or leaseholds on which a building or buildings exist or are to be erected suitable for the transaction of the savings bank's business, and from portions of which not required for the savings bank's own use, revenue may be derived; or may own all or part of the capital stock, shares, or interest in any corporation, limited liability company, association, or trust

engaged solely in holding all or part of that real estate. However, the amount so invested under this Section and item (7) of Section 6003 may not exceed a savings bank's total capital unless the Secretary ~~Commissioner~~, upon a proper showing, approves a larger amount consistent with the needs of the savings bank's business and its immediate future expansion.

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

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

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

Sec. 8002. Procedure to amend articles.

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

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

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

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

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

(c) Each adopted amendment shall be subject to the same inquiry as the corresponding provision in the original



articles. If the Secretary ~~Commissioner~~ approves an amendment he shall issue to the savings bank a certificate setting forth the amendment and his approval thereof. The amendment shall become effective upon issuance of the certificate ~~when recorded in the same manner as the savings bank's articles of incorporation. The savings bank shall provide the Commissioner with a copy of the recorded amendment within 5 business days of the date of recording.~~

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

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

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

(205 ILCS 205/8002.1 new)

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

(a) Notwithstanding the requirements of Section 8002 of this Act, a savings bank, after commencing business, may amend its articles of incorporation solely for purposes of changing

the name of the savings bank, upon satisfactory completion of the following requirements:

(1) Submission by the board of directors of a certified resolution approving the proposed name change and approving a plan for notifying all parties who may be affected by the change, including, but not limited to members, account holders, borrowers, creditors, and parties to whom or with whom commitments of any type are pending.

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

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

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

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

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

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

Sec. 8004. Merger; adoption of plan.

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

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

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

(2) With respect to the resulting savings bank or resulting depository institution ~~or State or national bank~~, the amount of capital, surplus, and reserve for operating expenses; the classes and the number of shares of

stock and the par value of each share; the charter and bylaws of the resulting depository institution or savings bank ~~or resulting State or national bank~~; and a detailed financial Statement showing the assets and liabilities after the proposed merger.

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

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

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

(c) After approval by the board of directors of each depository institution, the merger agreement shall be submitted to the Secretary ~~Commissioner~~ for approval, together with the certified copies of the authorizing resolutions of each board of directors showing approval by a majority of the

entire board of each merging depository institution. After receipt of the items specified herein, the Secretary ~~Commissioner~~ may make or cause to be made an examination of the affairs of each of the merging depository institutions and their affiliates and subsidiaries, the expense of which is to be paid by the merging depository institutions.

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

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

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

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

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

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

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

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

Sec. 8005. Merger; vote of approval. If approved by the Secretary ~~Commissioner~~, the plan of merger shall be submitted to the stockholders of the savings bank or depository institution for approval. The Secretary ~~Commissioner~~ may require that the plan of merger be submitted to members of a mutual savings bank. Each meeting of the members or stockholders of a savings bank operating under this Act shall be called and held in accordance with Section 4002. The plan is approved if it receives the affirmative vote of two-thirds or more of the total votes entitled to be cast.

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

(205 ILCS 205/8006) (from Ch. 17, par. 7308-6)

Sec. 8006. Merger; Secretary's ~~Commissioner's~~ certificate. The executed merger agreement together with copies of the resolutions of the members or stockholders of each merging depository institution approving it, certified by the president or vice president ~~managing officer~~, and attested to by the secretary of the savings bank, shall be filed with the Secretary ~~Commissioner~~. The Secretary ~~Commissioner~~ shall then issue to the continuing savings bank a certificate of merger, setting forth the name of each merging depository institution, the name of the continuing savings bank, and the articles of incorporation of the continuing savings bank. The merger takes

effect upon the recording of the certificate in the same manner as the articles of incorporation in each county in which the business office of any of the merging depository institutions was located and in the county in which the business office of the continuing savings bank is located. When duly recorded, the certificate shall be conclusive evidence of the merger and of the correctness of the proceedings therefor except against the State.

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

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

Sec. 8007. Effect of merger. The continuing savings bank or resulting depository institution ~~or State or national bank~~ shall be considered the same business and corporate entity as each merging depository institution, with all the property, rights, duties, and obligations of each merging depository institution, except as otherwise provided by the articles of incorporation of the continuing savings bank or resulting depository institution ~~or State or national bank~~. All liabilities of each of the merging institutions shall be liabilities of the continuing savings bank or resulting depository institution ~~or State or national bank~~; and all of the rights, franchises, and interests of each of the merging depository institutions in and to every kind of property, real, personal, or mixed shall vest automatically in the continuing savings bank or resulting depository institution ~~or State or~~

~~national bank~~ without any deed or other transfer. Any reference to a merging depository institution in any writing, whether executed or effective before or after the merger, shall be deemed a reference to the continuing savings bank or resulting depository institution ~~or State or national bank~~ if not inconsistent with the other provisions of the writing. No pending action or other judicial proceeding to which any merging depository institution is a party shall be abated or dismissed by reason of the merger, but shall be prosecuted to final judgment in the same manner as if the merger had not occurred.

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

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

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

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

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

Sec. 8009. Sale of assets. Subject to regulations of the Secretary ~~Commissioner~~, a savings bank, in one transaction not in the usual course of business, may sell all or substantially all of its assets, with or without its name and goodwill, to



another savings bank or depository institution ~~to any other financial institution~~, in consideration of money, capital, or obligations of the purchasing institution. A savings bank may sell any office or facility and equipment in conformity with the regulations of the Secretary ~~Commissioner~~.

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

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

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

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

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

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

(3) The proposed sale will be approved by the members or stockholders upon receiving in the affirmative two-thirds or more of the total number of votes that all members or stockholders of the savings bank are entitled to cast. A proposal for the voluntary liquidation of the savings bank may be submitted to the members or

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

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

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

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

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

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

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

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

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

Sec. 8014. Emergency sale of assets.

(a) With the approval in writing of the Secretary ~~Commissioner~~, which approval shall state that the proposed sale is, in his opinion, necessary for the protection of the depositors and other creditors, any savings bank that is an eligible depository institution, as defined in Section 2 of the

Illinois Banking Act may, by a vote of a majority of its board of directors and without a vote of its members or stockholders, sell all or any part of its assets to another savings bank or depository institution, ~~savings and loan association, bank, as defined in the Illinois Banking Act,~~ or to the Federal Deposit Insurance Corporation, ~~or to both a State or federally chartered savings bank or savings and loan association or a bank and the Federal Deposit Insurance Corporation,~~ provided that a savings bank or depository institution assumes, ~~State or federally chartered savings and loan association or bank assumes~~ in writing all of the liabilities of the selling savings bank association and that any sale to a bank shall be by an eligible depository institution, as defined in the ~~Illinois Banking Act~~.

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

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

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

Sec. 8015. Change in control.

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

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

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

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

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

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

(3) The business plans of the applicant are consistent with the safe and sound operation of the savings bank and the purposes of this Act.

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

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

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

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

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

(2) obtaining, directly or indirectly, the power to

cast more than five percent of the member votes of a savings bank or savings bank holding company.

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

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

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

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

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

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

(1) The converting savings bank shall notify the Secretary ~~Commissioner~~ of its intent to convert. Notice should be submitted when the savings bank first submits a request to convert to the appropriate State or federal authorities, but in no case less than 30 days before the conversion. Approval of the conversion by the Secretary ~~Commissioner~~ shall not be required except when the savings bank converts to a depository institution that is also

chartered by the Secretary ~~Commissioner~~ in which case the savings bank shall comply with State law and regulations applicable to the conversion to such depository institution.

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

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

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

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

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



~~that effect.~~

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

(205 ILCS 205/8018 new)

Sec. 8018. Waiver of requirements. Notwithstanding any provision of this Article, the requirements imposed by this Article on a savings bank that seeks to convert to, merge into, or sell substantially all of its assets to a depository institution that is not a savings bank shall be no more burdensome or restrictive than the requirements imposed by federal or other state law on a depository institution that is not a savings bank that seeks to convert to, merge into, or sell substantially all of its assets to a savings bank. The Secretary may waive any such requirement imposed by this Article that is more burdensome or restrictive.

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

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

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

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

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

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

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

(6) To establish a reasonable fee structure for savings banks and holding companies operating under this Act and for their service corporations and subsidiaries. The fees shall include, but not be limited to, annual fees, application fees, regular and special examination fees, and other fees as the Secretary establishes and demonstrates to be directly resultant from the Secretary's responsibilities under this Act and as are directly attributable to individual entities operating under this Act. The aggregate of all moneys ~~fees~~ collected by the Secretary on and after the effective date of this Act shall be paid promptly after receipt of the same, accompanied by a detailed statement thereof, into the Savings and Residential Finance Regulatory Fund subject to the provisions of Section 7-19.1 of the Illinois Savings and Loan Act of 1985 including without limitation the provision for credits against regulatory fees. The amounts deposited into the Fund shall be used for the ordinary and contingent expenses of the Office of Banks and Real Estate. Notwithstanding any other

provision of this paragraph (6), the aggregate of all moneys collected by the Secretary under this Act shall be paid promptly after receipt of same, accompanied by a detailed statement thereof, into the Savings Institutions Regulatory Fund upon the creation of that fund under Section 7-19.2 of the Illinois Savings and Loan Act of 1985, subject to the provisions of Section 7-19.2 of the Illinois Savings and Loan Act of 1985, including without limitation the provision for credits against regulatory fees. The amounts deposited into the Savings Institutions Regulatory Fund under this paragraph (6) shall be used for the ordinary and contingent expenses of administering and enforcing this Act. Nothing in this Act shall prevent continuing the practice of paying expenses involving salaries, retirement, social security, and State-paid insurance of State officers by appropriation from the General Revenue Fund. The Secretary may require payment of the fees under this Act by an electronic transfer of funds or an automatic debit of an account of each of the savings banks.

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

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

Sec. 9004. Examination.

(a) At least once every 18 months or more often if it is deemed necessary or expedient, the Secretary ~~Commissioner~~ shall examine the books, records, operations, and affairs of each savings bank operating under this Act. In the course of

the examination, the Secretary may ~~Commissioner shall~~ also examine in the same manner all entities, companies, and individuals which or whom the Secretary ~~Commissioner~~ determines may have a relationship with the savings bank or any subsidiary or entity affiliated with it, if the relationship may adversely affect the affairs, activities, and safety and soundness of the savings bank, including: (i) companies controlled by the savings bank; (ii) entities, including companies controlled by the company, individual, or individuals that control the savings bank; and (iii) the company or other entity which controls or owns the savings bank. ~~For purposes of this subsection, the Commissioner shall deem it necessary or expedient to conduct an examination more often than every 18 months if a required report from a savings bank indicates a material change in financial condition or a material violation of a law or regulation. In that event, the Commissioner shall initiate an examination within 30 days of receipt of that information. In the event that the condition is grounds for taking custody of the savings bank under Section 10001 of this Act, the examination shall be initiated immediately.~~ Notwithstanding any other provision of this Act, every savings bank, as defined by rule, or, if not defined, to the same extent as would be permitted in the case of a State bank, the Secretary, in lieu of the examination, may accept on an alternating basis the examination made by the eligible savings bank's appropriate federal banking agency pursuant to

Section 111 of the Federal Deposit Insurance Corporation Improvement Act of 1991, provided the appropriate federal banking agency has made an examination.

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

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

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

(3) Quality of management policies.

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

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

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

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

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

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

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

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

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

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

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

(a) Each savings bank is required to maintain appropriate books and records, as required by the Secretary ~~Commissioner~~, that are in accordance with generally accepted accounting

principles and the requirements of its insurer of accounts. All books and records shall be current, complete, organized, and accessible to the Secretary Commissioner, the Secretary's Commissioner's agents and examiners, and to the savings bank's auditors and accountants.

(b) Each savings bank shall implement internal control and security measures for its data processing activities. A contract with a data processing service or for data processing services must provide that records maintained shall at all times be available for examination and audit by the Secretary Commissioner.

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

(d) Unless a federal law requires otherwise, the Secretary ~~may Commissioner shall~~ by regulation prescribe periods of time for which savings banks operating under this Act must retain records and after the expiration of which, the savings bank may destroy those records. No liability shall accrue against the savings bank, the Secretary Commissioner, or this State for destruction of records according to regulations of the Secretary Commissioner promulgated under the authority of this Section. In any cause or proceeding in which any records may be called in question or be demanded by any savings bank, a

showing of the expiration of the period so prescribed shall be sufficient excuse for failure to produce them.

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

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

Sec. 9015. Unsafe and unsound practices; orders of prohibition and removal.

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

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

(c) The Secretary ~~may~~ ~~Commissioner shall~~ promulgate rules



and regulations to implement this Section.

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

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

Sec. 9017. Procedure upon the impairment of capital.

(a) If the Secretary ~~Commissioner~~ finds from a report of examination or other required report of a savings bank that the capital is impaired, he may ~~shall~~, in his discretion institute whichever of the following procedures is appropriate:

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

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

(3) Declare the stock worthless and order the directors to cancel the stock or order the directors to sell, merge, or otherwise restructure the savings bank in a manner that will remove the capital impairment, eliminate operating

losses, and restore compliance with all capital requirements.

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

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

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

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

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

(205 ILCS 205/9018.1 new)

Sec. 9018.1. Hearing upon verified complaint. The Secretary shall, upon receiving the verified complaint in writing of any aggrieved person setting forth facts that, if proved, would constitute grounds for reversal or change of any decision, order, or action of the Secretary, except as provided in Section 9018 of this Act, grant a hearing on the complaint. If the aggrieved person desires such a hearing, he or she

shall, within 10 days after receipt of notice of such decision, order, or action, file written notice with the Secretary of intent to demand a hearing and shall, within 30 days after receipt of notice of such decision, order, or action, file his or her verified complaint in writing. The date of the hearing may not be earlier than 15 days nor later than 30 days after the date of receipt of verified complaint in writing. The Secretary shall, at least 10 days prior to the date set for the hearing, notify in writing the person aggrieved by such decision, order, or action, referred to in this Section as the respondent, and all other parties to the action, that a hearing will be held on the date designated and shall afford the respondent and all other parties to the action an opportunity to be heard in person or by counsel in reference thereto. Written notice may be served by delivery of the same personally to the respondent and all other parties to the action or by mailing the notice by registered or certified mail to the place of business specified by the respondent and all other parties to the action in the last notification to the Secretary. At the time and place fixed in the notice, the Secretary or his or her authorized agent, referred to in this Section as the hearing officer, shall proceed to hear the charges and the respondent, all other parties to the action, and the complainant shall be accorded ample opportunity to present in person or by counsel such statements, testimony, evidence, and argument as may be pertinent to the issues. The hearing officer may continue such

hearing from time to time.

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

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

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

(205 ILCS 205/9018.2 new)

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

A copy of the hearing officer's report and the Secretary's orders shall be served as notice of the hearing on the respondent and all other parties to the action by the Secretary, either personally or by registered or certified mail, as provided in this Act. All expenses incurred by the Secretary, including the compensation of the hearing officer, shall be paid by the parties to the hearing and shall be divided among them in equal shares.

(205 ILCS 205/9018.3 new)

Sec. 9018.3. Subpoena; deposition. All subpoenas issued under the laws of this State pertaining to or concerning savings banks may be served by any person who is not a minor. The fees of witnesses for attendance and travel shall be the same as fees of witnesses before the circuit courts of this State. Witness fees are to be paid at the time the witness is excused from further attendance, when the witness is subpoenaed at the instance of the Secretary or any officer or any employee designated by him or her for the purpose of conducting any investigation, inquiry, or hearing. The disbursements made in the payment of witness fees shall be audited and paid in the same manner as are other expenses of the Secretary. Whenever a subpoena is issued at the instance of a complainant, respondent, or other party to any proceeding, the Secretary may require that the cost of service thereof and the fee of the same shall be borne by the party at whose instance the witness

is summoned, and the Secretary shall have power, in his or her discretion, to require a deposit to cover the cost of such service and witness fees and the payment of legal witness fees and mileage to the witness when served with a subpoena. A subpoena issued under this Section shall be served in the same manner as a subpoena issued out of a court.

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

Any circuit court of this State, on application of the Secretary or an officer or an employee designated by the Secretary for the purpose of conducting any investigation, inquiry, or hearing, may, in his or her discretion, compel the attendance of witnesses, the production of books, papers, accounts, and documents, and the giving of testimony before the Secretary or before any officer or any employee designated by the Secretary for the purpose of conducting any such

investigation, inquiry, or hearing, in person or by deposition, in the manner provided in this Section, by an attachment for contempt or otherwise, in the same manner as production of evidence may be compelled before a court.

The Secretary, any officer or employee designated by the Secretary for the purpose of conducting any investigation, inquiry, or hearing, or any party may, in any investigation, inquiry, or hearing, cause the deposition of witnesses residing within or outside of the State to be taken in the manner prescribed by law for taking like depositions in civil cases in courts of this State and, to that end, may compel the attendance of witnesses and the production of papers, books, accounts, and documents.

(205 ILCS 205/9018.4 new)

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

The provisions of the Administrative Review Law, all amendments and modifications to the Administrative Review Law, and the rules adopted under the Administrative Review Law, shall apply to and govern all proceedings for the judicial review of final administrative decisions of the Secretary under this Act. For the purposes of this Section, "administrative

decision" is defined as in Section 3-101 of the Code of Civil Procedure.

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

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

(205 ILCS 620/4A-5)

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

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

(b) A foreign corporation desiring to establish or acquire and maintain a place of business to conduct business as a fiduciary in Illinois under this Section shall provide, or cause its home state regulator to provide, written notice of



the proposed transaction to the Commissioner on or after the date on which the foreign corporation applies to its home state regulator for approval to establish or acquire and maintain a place of business in Illinois. The filing of the notice shall be preceded or accompanied by a copy of the resolution adopted by the board authorizing the additional place of business and the filing fee required by the Commissioner. The Commissioner may prescribe the form of the notice required under this Section. In the Commissioner's discretion, the application or notice submitted to the foreign corporation's home state regulator may be sufficient notice under this Section.

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

(d) A foreign corporation submitting a notice to the Commissioner in accordance with subsection (b) may commence fiduciary business at the place of business listed in its notice after the Commissioner approves the foreign corporation to conduct a fiduciary business in Illinois ~~on the 61st day~~

~~after the date the Commissioner receives the notice unless the Commissioner specifies an earlier or later date.~~ However, if the foreign corporation is not a depository institution and the Commissioner approves the foreign corporation to conduct a fiduciary business in Illinois subject to specific conditions, the foreign corporation shall not commence a fiduciary business in Illinois until it has satisfied those conditions and provided evidence satisfactory to the Commissioner that it has done so. ~~The Commissioner may extend the 60 day review period if additional time or information is needed for approval of the notice.~~ The Commissioner may deny approval of the notice if he finds that the foreign corporation lacks sufficient financial resources to undertake the proposed expansion without adversely affecting its safety or soundness or that the place of business is contrary to the public interest.

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

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

Sec. 5-9. Statement of condition.

(a) Each corporate fiduciary shall file with the Commissioner, when requested, a statement under oath, of the condition of such corporate fiduciary as of the date requested. The statement of condition shall be in such form and contain such statements, returns and information, as to the affairs, business conditions, and resources of the corporate fiduciary or of its trust department, as the case may be, as the said

Commissioner may, from time to time prescribe or require.

(b) Such statement of condition shall be verified by the affidavit of the president, vice president or principal accounting officer of said corporate fiduciary, who shall also state in such affidavit that he has examined the books and accounts of said corporate fiduciary or of its trust department, as the case may be for the purpose of making said report or statement, and that the information contained in the statement or report is accurate to the best of his knowledge and belief. If the statement is submitted in electronic form, the Commissioner may, in the call for the report, specify the manner in which the appropriate officer of the corporate fiduciary shall verify the statement of condition.

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

~~condition may still be required.~~

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

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

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

(205 ILCS 620/6-13.5)

Sec. 6-13.5. Pledging requirements.

(a) The Commissioner may require a trust company holding a certificate of authority under this Act to pledge to the Commissioner securities or a surety bond which shall run to the Commissioner in an amount, not to exceed \$2,000,000 ~~\$1,000,000~~, that the Commissioner deems appropriate for costs associated with the receivership of the trust company. In the event of a receivership of a trust company, the Commissioner may, without regard to any priorities, preferences, or adverse claims, reduce the pledged securities or the surety bond to cash and, as soon as practicable, utilize the cash to cover costs associated with the receivership.

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

(c) If the trust company chooses to purchase a surety bond to satisfy the provisions of this Section, the bond shall be issued by a bonding company, approved by the Commissioner, that is authorized to do business in this State and that has a rating in one of the 3 highest grades as determined by a national rating service. The bond shall be in a form approved by the Commissioner. The trust company may not obtain a surety

bond from any entity in which the trust company has a financial interest.

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

(205 ILCS 620/Art. IX heading)

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

~~FIDUCIARY ADVISORY COMMITTEE~~

(205 ILCS 105/7-11 rep.)

(205 ILCS 105/7-12 rep.)

(205 ILCS 105/7-13 rep.)

(205 ILCS 105/7-14 rep.)

(205 ILCS 105/7-16 rep.)

(205 ILCS 105/7-17 rep.)

(205 ILCS 105/7-18 rep.)

(205 ILCS 105/7-19 rep.)

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

(205 ILCS 205/9010 rep.)

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

(205 ILCS 616/70 rep.)

(205 ILCS 616/75 rep.)

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

(205 ILCS 620/1-5.04 rep.)

(205 ILCS 620/9-1 rep.)

(205 ILCS 620/9-2 rep.)

(205 ILCS 620/9-3 rep.)

(205 ILCS 620/9-4 rep.)

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