



Sen. Kimberly A. Lightford

Filed: 3/23/2004

09300SB2710sam002

LRB093 19061 AMC 48908 a

1 AMENDMENT TO SENATE BILL 2710

2 AMENDMENT NO. _____. Amend Senate Bill 2710 on page 1,
3 line 5, by changing "Sections 21.2 and 80" to "Section 21.2";
4 and

5 on page 2, by replacing line 3 with the following:
6 "reciprocal with Illinois and would be eligible to establish";
7 and

8 on page 2, line 20, after the semicolon, by inserting "and";
9 and

10 on page 2, by replacing line 22 with the following:
11 "authority from, or provides notice to, the Commissioner as
12 provided in subsection (b) of this"; and

13 on page 2, by replacing lines 24 through 35 with the following:
14 "(b) Before such out-of-state bank may establish a branch
15 in this State, the out-of-state bank must obtain a certificate
16 of authority from the Commissioner. The out-of-state bank must
17 file an application for a certificate of authority on a form
18 prescribed by the Commissioner.

19 The application for a certificate of authority shall not be
20 required if the state in which the out-of-state bank is
21 chartered permits a state bank to establish a branch in that
22 state without filing an application. An out-of-state bank

1 chartered in such a state may establish a branch in this State
2 pursuant to this Section after providing the Commissioner with
3 written notice. The Commissioner may prescribe the form of such
4 notice and may accept a copy of a notice or application
5 provided by the out-of-state bank to its chartering authority
6 or to its appropriate federal banking agency."; and

7 on page 3, by deleting lines 1 through 7; and

8 on page 3 by replacing lines 11 through 23 with the following:

9 "shall be made in writing by the Commissioner. The Commissioner
10 shall not make a finding of reciprocity unless the Commissioner
11 determines that the laws of the other state permit a State bank
12 to establish a branch in such other state under terms and
13 conditions that are substantially similar to the provisions of
14 this Section. The Commissioner shall consider, at a minimum,
15 whether the laws of such other state discriminate in any way
16 against a State bank and whether the laws of such other state
17 impose administrative or regulatory burdens that are
18 substantially more restrictive than those imposed by this Act
19 on an out-of-state bank or national bank seeking to establish a
20 branch in this State."; and

21 on page 3, by replacing lines 33 through 36 with the following:

22 "notice shall be specified by the Commissioner."; and

23 on page 4, by deleting lines 1 and 2; and

24 on page 4, by replacing lines 5 through 35 with the following:

25 "Section 10. The Illinois Bank Holding Company Act of 1957
26 is amended by changing Section 3.071 as follows:

27 (205 ILCS 10/3.071) (from Ch. 17, par. 2510.01)

1 Sec. 3.071. Out of state bank holding companies.

2 (a) An out of state bank holding company may acquire
3 ownership of more than 5% of the voting shares of or control of
4 one or more Illinois banks or Illinois bank holding companies
5 pursuant to a transaction, occurrence or event that is
6 described in paragraphs (1) through (5) of subsection (a) of
7 Section 3.02, provided the acquisition is made in accordance
8 with Sections 3.02 and 3.07 of this Act in accordance with
9 subsection (i) of this Section and provided the following
10 conditions are met:

11 (1) (Blank).

12 (2) An out of state bank holding company seeking to
13 acquire an Illinois bank or Illinois bank holding company
14 pursuant to subsection (a) of Section 3.071 shall, if
15 change in control of the bank is governed by Section 18 of
16 the Illinois Banking Act, file with the Commissioner the
17 application required by that Section containing
18 information satisfactory to the Commissioner.

19 (b) (Blank).

20 (c) (Blank).

21 (d) (Blank).

22 (e) (Blank).

23 (f) (Blank).

24 (g) (Blank).

25 (h) (Blank).

26 (i) (1) An out of state bank holding company which directly
27 or indirectly controls or has control over an Illinois bank
28 that has existed and continuously operated as a bank for 5
29 years or less, may not cause the Illinois bank to merge
30 with or into, or to have all or substantially all of the
31 assets acquired by a bank that is an out of state bank.

32 (2) For purposes of subsection (i) (1) of this Section,
33 an Illinois bank that is the resulting bank following a
34 merger involving an Illinois interim bank shall be

1 considered to have been in existence and continuously
2 operated during the existence and continuous operation of
3 the Illinois merged bank. As used in this subsection
4 (i)(2), the words "resulting bank" and "merged bank" shall
5 have the meanings ascribed to those words in Section 2 of
6 the Illinois Banking Act. As used in this subsection
7 (i)(2), the words "interim bank" shall mean a bank which
8 shall not accept deposits, make loans, pay checks, or
9 engage in the general business of banking or any part
10 thereof, and is chartered solely for the purpose of merging
11 with or acquiring control of, or acquiring all or
12 substantially all of the assets of an existing Illinois
13 bank.

14 (3) The provisions of subsection (i)(1) of this Section
15 shall not apply to the merger or acquisition of all or
16 substantially all of the assets of an Illinois bank:

17 (i) if the merger or acquisition is part of a
18 purchase or acquisition with respect to which the
19 Federal Deposit Insurance Corporation provides
20 assistance under Section 13(c) of the Federal Deposit
21 Insurance Act; or

22 (ii) if the Illinois bank is in default or in
23 danger of default. As used in this subsection
24 (i)(3)(ii), the words "in default" and "in danger of
25 default" shall have the meaning ascribed to those words
26 in Section 2 of the Illinois Banking Act; or -

27 (iii) if the bank with which the Illinois bank is
28 being merged or that is acquiring all or substantially
29 all of the assets of the Illinois bank has its main
30 banking premises in a state that is deemed to be
31 reciprocal with Illinois and would be eligible to
32 establish a branch pursuant to Section 21.4 of the
33 Illinois Banking Act.

34 (Source: P.A. 89-208, eff. 9-29-95; 89-567, eff. 7-26-96;

1 90-226, eff. 7-25-97; 90-655, eff. 7-30-98.)

2 Section 15. The Savings Bank Act is amended by changing
3 Section 1006 and by adding Sections 1006.05 and 1007.130 as
4 follows:

5 (205 ILCS 205/1006) (from Ch. 17, par. 7301-6)

6 Sec. 1006. Parity.

7 (a) Subject to the regulation of the Commissioner and in
8 addition to the powers granted by this Act, each savings bank
9 operating under this Act shall possess those powers granted by
10 regulation promulgated under the Federal Deposit Insurance Act
11 for state savings banks.

12 (b) A savings bank may establish branches or offices at
13 which savings or investments are regularly received or loans
14 approved as follows:

15 (1) to the extent branch powers and offices are granted
16 to State banks under the Illinois Banking Act;

17 (2) within the geographic area defined in Article 2 of
18 this Act and subject to the provisions of Article 2 of this
19 Act;

20 (3) within the same geographic areas or states as those
21 states from which a holding company is permitted to acquire
22 an Illinois savings bank or an Illinois savings bank
23 holding company;

24 (4) to the same extent that holding companies and
25 savings and loan associations headquartered outside the
26 State of Illinois are allowed to operate in Illinois by
27 virtue of Articles 1A and 2B of the Illinois Savings and
28 Loan Act of 1985;

29 (5) as the result of mergers, consolidations, or bulk
30 sales of facilities in the case of relocations; and -

31 (6) to the extent the Commissioner deems states to be
32 reciprocal under the provisions of Section 1006.05 of this

1 Act.

2 (c) The Commissioner may adopt regulations that provide for
3 the establishment of branches as defined by the Commissioner.

4 (d) Notwithstanding any other provision of this Act, a
5 savings bank that purchases or assumes all or any part of the
6 assets or liabilities of a bank, savings bank, or savings and
7 loan association or merges or consolidates with a bank, savings
8 bank, or savings and loan association may retain and maintain
9 the main premises or branches of the former bank, savings bank,
10 or savings and loan association as branches of the purchasing,
11 merging, or consolidating savings bank, provided it assumes the
12 deposit liabilities of the bank, savings bank, or savings and
13 loan association maintained at the main premises or branches.

14 (e) A savings bank has any power reasonably incident,
15 convenient, or useful to the accomplishment of the powers
16 conferred upon the savings bank by this Act.

17 (Source: P.A. 89-74, eff. 6-30-95; 90-301, eff. 8-1-97; 90-665,
18 eff. 7-30-98.)

19 (205 ILCS 205/1006.05 new)

20 Sec. 1006.05. Out-of-state savings banks establishing
21 branches.

22 (a) No out-of-state savings bank whose main banking
23 premises is located in a state other than Illinois shall
24 establish a branch in this State, other than a branch
25 authorized pursuant to any other provision of this Act, unless:

26 (1) the laws of the state in which such out-of-state
27 savings bank has its main banking premises permit the
28 out-of-state savings bank to establish a branch in this
29 State;

30 (2) the out-of-state savings bank has its main banking
31 premises in a state that permits an Illinois State savings
32 bank to establish a branch in that state pursuant to terms
33 and conditions that are deemed to be reciprocal with the

1 provisions of this Act; and

2 (3) the out-of-state savings bank obtains a
3 certificate of authority from, or provides notice to, the
4 Commissioner as provided in subsection (b) of this Section.

5 (b) Before the out-of-state savings bank may establish a
6 branch in this State, the out-of-state savings bank must obtain
7 a certificate of authority from the Commissioner. The
8 out-of-state savings bank must file an application for a
9 certificate of authority on a form prescribed by the
10 Commissioner.

11 The application for a certificate of authority shall not be
12 required if the state in which the out-of-state savings bank is
13 chartered permits an Illinois State savings bank to establish a
14 branch in that state without filing an application. An
15 out-of-state savings bank chartered in such a state may
16 establish a branch in this State pursuant to this Section after
17 providing the Commissioner with written notice. The
18 Commissioner may prescribe the form of such notice and may
19 accept a copy of a notice or application provided by the
20 out-of-state savings bank to its chartering authority.

21 (c) The determination of whether the laws of the state in
22 which the out-of-state savings bank has its main banking
23 premises are reciprocal with the provisions of this Act shall
24 be made in writing by the Commissioner. The Commissioner shall
25 not make a finding of reciprocity unless the Commissioner
26 determines that the laws of the other state permit an Illinois
27 State savings bank to establish a branch in the other state
28 under terms and conditions that are substantially similar to
29 the provisions of this Section. The Commissioner shall
30 consider, at a minimum, whether the laws of the other state
31 discriminate in any way against an Illinois State savings bank
32 and whether the laws of the other state impose administrative
33 or regulatory burdens that are substantially more restrictive
34 than those imposed by this Act on an out-of-state savings bank

1 seeking to establish a branch in this State.

2 (d) After the out-of-state savings bank lawfully
3 establishes a branch in this State pursuant to the provisions
4 of this Section, the out-of-state savings bank may establish
5 and maintain additional branches in this State to the same
6 extent as an Illinois State savings bank. An out-of-state
7 savings bank shall provide written notice to the Commissioner
8 of its intent to establish an additional branch or additional
9 branches in this State within 30 days after receiving approval
10 from its chartering authority or other appropriate regulatory
11 agency to establish the branch or branches. The form of the
12 notice shall be specified by the Commissioner.

13 (e) A branch of an out-of-state savings bank may not
14 conduct any activity that is not authorized for an Illinois
15 State savings bank.

16 (205 ILCS 205/1007.130 new)

17 Sec. 1007.130. Out-of-state savings bank. "Out-of-state
18 savings bank" means a savings bank chartered under the laws of
19 a state other than Illinois, a territory of the United States,
20 or the District of Columbia.

21 Section 99. Effective date. This Act takes effect upon
22 becoming law."; and

23 by deleting pages 5 and 6.