



## 102ND GENERAL ASSEMBLY

### State of Illinois

### 2021 and 2022

### SB3787

Introduced 1/21/2022, by Sen. John Connor

#### SYNOPSIS AS INTRODUCED:

205 ILCS 305/8	from Ch. 17, par. 4409
205 ILCS 305/9	from Ch. 17, par. 4410
205 ILCS 305/20	from Ch. 17, par. 4421
205 ILCS 305/59	from Ch. 17, par. 4460

Amends the Illinois Credit Union Act. In provisions concerning reports and examinations, provides that one or more credit unions may be examined less frequently than biennially upon the Secretary of Financial and Professional Regulation's written statement. Provides that the Secretary's written statement shall include a finding that good cause exists; a finding that there is no reasonable expectation that harm to members will result; and, to the extent reasonable under the circumstances, identification of the affected credit unions and the expected frequency of examination. Provides that a written statement made pursuant to the provisions may be superseded by a subsequent statement. Provides that the Secretary is not required to conduct examinations that the Secretary would have been required to conduct but for a written statement. Provides that the written statement shall not be confidential supervisory information except to the extent it names or permits the identification of specific credit unions. Provides that the Secretary may accept an examination from the National Credit Union Administration or a private insurer instead of an examination conducted by the Department of Financial and Professional Regulation or by a public accountant registered by the Department. Provides that upon amendment of a credit union's bylaws (rather than upon amendment of a credit union's bylaws approved by the members), in all elections for directors, every member who is a natural person shall have the right to cast one vote in person, by proxy, or by secure electronic record if approved by the board of directors, for as many persons as there are directors to be elected. Changes a reference from "categories" to "investment grades". Makes other changes. Effective immediately.

LRB102 21295 BMS 30406 b

1 AN ACT concerning regulation.

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

4 Section 5. The Illinois Credit Union Act is amended by  
5 changing Sections 8, 9, 20 and 59 as follows:

6 (205 ILCS 305/8) (from Ch. 17, par. 4409)

7 Sec. 8. Secretary's powers and duties. Credit unions are  
8 regulated by the Department. The Secretary in executing the  
9 powers and discharging the duties vested by law in the  
10 Department has the following powers and duties:

11 (1) To exercise the rights, powers and duties set  
12 forth in this Act or any related Act. The Director shall  
13 oversee the functions of the Division and report to the  
14 Secretary, with respect to the Director's exercise of any  
15 of the rights, powers, and duties vested by law in the  
16 Secretary under this Act. All references in this Act to  
17 the Secretary shall be deemed to include the Director, as  
18 a person authorized by the Secretary or this Act to assume  
19 responsibility for the oversight of the functions of the  
20 Department relating to the regulatory supervision of  
21 credit unions under this Act.

22 (2) To prescribe rules and regulations for the  
23 administration of this Act. The provisions of the Illinois

1 Administrative Procedure Act are hereby expressly adopted  
2 and incorporated herein as though a part of this Act, and  
3 shall apply to all administrative rules and procedures of  
4 the Department under this Act.

5 (3) To direct and supervise all the administrative and  
6 technical activities of the Department including the  
7 employment of a Credit Union Supervisor who shall have  
8 knowledge in the theory and practice of, or experience in,  
9 the operations or supervision of financial institutions,  
10 preferably credit unions, and such other persons as are  
11 necessary to carry out his functions. The Secretary shall  
12 ensure that all examiners appointed or assigned to examine  
13 the affairs of State-chartered credit unions possess the  
14 necessary training and continuing education to effectively  
15 execute their jobs.

16 (4) To issue cease and desist orders when in the  
17 opinion of the Secretary, a credit union is engaged or has  
18 engaged, or the Secretary has reasonable cause to believe  
19 the credit union is about to engage, in an unsafe or  
20 unsound practice, or is violating or has violated or the  
21 Secretary has reasonable cause to believe is about to  
22 violate a law, rule or regulation or any condition imposed  
23 in writing by the Department.

24 (5) To suspend from office and to prohibit from  
25 further participation in any manner in the conduct of the  
26 affairs of any ~~his~~ credit union any director, officer or

1 committee member who has committed any violation of a law,  
2 rule, regulation or of a cease and desist order or who has  
3 engaged or participated in any unsafe or unsound practice  
4 in connection with the credit union or who has committed  
5 or engaged in any act, omission, or practice which  
6 constitutes a breach of his fiduciary duty as such  
7 director, officer or committee member, when the Secretary  
8 has determined that such action or actions have resulted  
9 or will result in substantial financial loss or other  
10 damage that seriously prejudices the interests of the  
11 members.

12 (6) To assess a civil penalty against a credit union  
13 provided that:

14 (A) the Secretary reasonably determines, based on  
15 objective facts and an accurate assessment of  
16 applicable legal standards, that the credit union has:

17 (i) committed a violation of this Act, any  
18 rule adopted in accordance with this Act, or any  
19 order of the Secretary issued pursuant to his or  
20 her authority under this Act; or

21 (ii) engaged or participated in any unsafe or  
22 unsound practice;

23 (B) before a civil penalty is assessed under this  
24 item (6), the Secretary must make the further  
25 reasonable determination, based on objective facts and  
26 an accurate assessment of applicable legal standards,

1           that the credit union's action constituting a  
2 violation under subparagraph (i) of paragraph (A) of  
3 item (6) or an unsafe and unsound practice under  
4 subparagraph (ii) of paragraph (A) of item (6):

5                   (i) directly resulted in a substantial and  
6 material financial loss or created a reasonable  
7 probability that a substantial and material  
8 financial loss will directly result; or

9                   (ii) constituted willful misconduct or a  
10 material breach of fiduciary duty of any director,  
11 officer, or committee member of the credit union;

12           Material financial loss, as referenced in this  
13 paragraph (B), shall be assessed in light of  
14 surrounding circumstances and the relative size and  
15 nature of the financial loss or probable financial  
16 loss. Certain benchmarks shall be used in determining  
17 whether financial loss is material, such as a  
18 percentage of total assets or total gross income for  
19 the immediately preceding 12-month period. Absent  
20 compelling and extraordinary circumstances, no civil  
21 penalty shall be assessed, unless the financial loss  
22 or probable financial loss is equal to or greater than  
23 either 1% of the credit union's total assets for the  
24 immediately preceding 12-month period, or 1% of the  
25 credit union's total gross income for the immediately  
26 preceding 12-month period, whichever is less;

1 (C) before a civil penalty is assessed under this  
 2 item (6), the credit union must be expressly advised  
 3 in writing of the:

4 (i) specific violation that could subject it  
 5 to a penalty under this item (6); and

6 (ii) specific remedial action to be taken  
 7 within a specific and reasonable time frame to  
 8 avoid imposition of the penalty;

9 (D) Civil penalties assessed under this item (6)  
 10 shall be remedial, not punitive, and reasonably  
 11 tailored to ensure future compliance by the credit  
 12 union with the provisions of this Act and any rules  
 13 adopted pursuant to this Act;

14 (E) a credit union's failure to take timely  
 15 remedial action with respect to the specific violation  
 16 may result in the issuance of an order assessing a  
 17 civil penalty up to the following maximum amount,  
 18 based upon the total assets of the credit union:

19 (i) Credit unions with assets of less than \$10  
 20 million..... \$1,000

21 (ii) Credit unions with assets of at least \$10  
 22 million and less than \$50 million ..... \$2,500

23 (iii) Credit unions with assets of at least  
 24 \$50 million and less than \$100 million .... \$5,000

25 (iv) Credit unions with assets of at least  
 26 \$100 million and less than \$500 million .. \$10,000

1 (v) Credit unions with assets of at least \$500  
2 million and less than \$1 billion ..... \$25,000

3 (vi) Credit unions with assets of \$1 billion  
4 and greater..... \$50,000; and

5 (F) an order assessing a civil penalty under this  
6 item (6) shall take effect upon service of the order,  
7 unless the credit union makes a written request for a  
8 hearing under 38 IL. Adm. Code 190.20 of the  
9 Department's rules for credit unions within 90 days  
10 after issuance of the order; in that event, the order  
11 shall be stayed until a final administrative order is  
12 entered.

13 This item (6) shall not apply to violations separately  
14 addressed in rules as authorized under item (7) of this  
15 Section.

16 (7) Except for the fees established in this Act, to  
17 prescribe, by rule and regulation, fees and penalties for  
18 preparing, approving, and filing reports and other  
19 documents; furnishing transcripts; holding hearings;  
20 investigating applications for permission to organize,  
21 merge, or convert; failure to maintain accurate books and  
22 records to enable the Department to conduct an  
23 examination; and taking supervisory actions.

24 (8) To destroy, in his discretion, any or all books  
25 and records of any credit union in his possession or under  
26 his control after the expiration of three years from the

1 date of cancellation of the charter of such credit unions.

2 (9) To make investigations and to conduct research and  
3 studies and to publish some of the problems of persons in  
4 obtaining credit at reasonable rates of interest and of  
5 the methods and benefits of cooperative saving and lending  
6 for such persons.

7 (10) To authorize, foster or establish experimental,  
8 developmental, demonstration or pilot projects by public  
9 or private organizations including credit unions which:

10 (a) promote more effective operation of credit  
11 unions so as to provide members an opportunity to use  
12 and control their own money to improve their economic  
13 and social conditions; or

14 (b) are in the best interests of credit unions,  
15 their members and the people of the State of Illinois.

16 (11) To cooperate in studies, training or other  
17 administrative activities with, but not limited to, the  
18 NCUA, other state credit union regulatory agencies and  
19 industry trade associations in order to promote more  
20 effective and efficient supervision of Illinois chartered  
21 credit unions.

22 (12) Notwithstanding the provisions of this Section,  
23 the Secretary shall not:

24 (1) issue an order against a credit union  
25 organized under this Act for unsafe or unsound banking  
26 practices solely because the entity provides or has



1 provided financial services to a cannabis-related  
2 legitimate business;

3 (2) prohibit, penalize, or otherwise discourage a  
4 credit union from providing financial services to a  
5 cannabis-related legitimate business solely because  
6 the entity provides or has provided financial services  
7 to a cannabis-related legitimate business;

8 (3) recommend, incentivize, or encourage a credit  
9 union not to offer financial services to an account  
10 holder or to downgrade or cancel the financial  
11 services offered to an account holder solely because:

12 (A) the account holder is a manufacturer or  
13 producer, or is the owner, operator, or employee  
14 of a cannabis-related legitimate business;

15 (B) the account holder later becomes an owner  
16 or operator of a cannabis-related legitimate  
17 business; or

18 (C) the credit union was not aware that the  
19 account holder is the owner or operator of a  
20 cannabis-related legitimate business; and

21 (4) take any adverse or corrective supervisory  
22 action on a loan made to an owner or operator of:

23 (A) a cannabis-related legitimate business  
24 solely because the owner or operator owns or  
25 operates a cannabis-related legitimate business;  
26 or

1                   (B) real estate or equipment that is leased to  
2                   a cannabis-related legitimate business solely  
3                   because the owner or operator of the real estate  
4                   or equipment leased the equipment or real estate  
5                   to a cannabis-related legitimate business.

6                   (Source: P.A. 101-27, eff. 6-25-19.)

7                   (205 ILCS 305/9) (from Ch. 17, par. 4410)

8                   Sec. 9. Reports and examinations.

9                   (1) Credit unions shall report to the Department on forms  
10                  supplied by the Department, in accordance with a schedule  
11                  published by the Department. A recapitulation of the annual  
12                  reports shall be compiled and published annually by the  
13                  Department, for the use of the General Assembly, credit  
14                  unions, various educational institutions and other interested  
15                  parties. A credit union which fails to file any report when due  
16                  shall pay to the Department a late filing fee for each day the  
17                  report is overdue as prescribed by rule. The Secretary may  
18                  extend the time for filing a report.

19                  (2) The Secretary may require special examinations of and  
20                  special financial reports from a credit union or a credit  
21                  union organization in which a credit union loans, invests, or  
22                  delegates substantially all managerial duties and  
23                  responsibilities when he determines that such examinations and  
24                  reports are necessary to enable the Department to determine  
25                  the safety of a credit union's operation or its solvency. The

1 cost to the Department of the aforesaid special examinations  
2 shall be borne by the credit union being examined as  
3 prescribed by rule.

4 (3) All credit unions incorporated under this Act shall be  
5 examined at least biennially by the Department or, at the  
6 discretion of the Secretary, by a public accountant registered  
7 by the Department of Financial and Professional Regulation.  
8 The costs of an examination shall be paid by the credit union.  
9 The scope of all examinations by a public accountant shall be  
10 at least equal to the examinations made by the Department. The  
11 examiners shall have full access to, and may compel the  
12 production of, all the books, papers, securities and accounts  
13 of any credit union. A special examination shall be made by the  
14 Department or by a public accountant approved by the  
15 Department upon written request of 5 or more members, who  
16 guarantee the expense of the same. Any credit union refusing  
17 to submit to an examination when ordered by the Department  
18 shall be reported to the Attorney General, who shall institute  
19 proceedings to have its charter revoked. If the Secretary  
20 determines that the examination of a credit union is to be  
21 conducted by a public accountant registered by the Department  
22 of Financial and Professional Regulation and the examination  
23 is done in conjunction with the credit union's external  
24 independent audit of financial statements, the requirements of  
25 this Section and subsection (3) of Section 34 shall be deemed  
26 met.

1           (3.5) Pursuant to Section 8, the Secretary shall adopt  
2 rules that ensure consistency and due process in the  
3 examination process. The Secretary may also establish  
4 guidelines that (i) define the scope of the examination  
5 process and (ii) clarify examination items to be resolved. The  
6 rules, formal guidance, interpretive letters, or opinions  
7 furnished to credit unions by the Secretary may be relied upon  
8 by the credit unions.

9           (4) A copy of the completed report of examination and a  
10 review comment letter, if any, citing exceptions revealed  
11 during the examination, shall be submitted to the credit union  
12 by the Department. A detailed report stating the corrective  
13 actions taken by the board of directors on each exception set  
14 forth in the review comment letter shall be filed with the  
15 Department within 40 days after the date of the review comment  
16 letter, or as otherwise directed by the Department. Any credit  
17 union through its officers, directors, committee members or  
18 employees, which willfully provides fraudulent or misleading  
19 information regarding the corrective actions taken on  
20 exceptions appearing in a review comment letter may have its  
21 operations restricted to the collection of principal and  
22 interest on loans outstanding and the payment of normal  
23 expenses and salaries until all exceptions are corrected and  
24 accepted by the Department.

25           (5) Notwithstanding the biennial examination requirement  
26 of subsection (3), one or more credit unions may be examined

1 less frequently upon the Secretary's written statement. The  
2 Secretary's statement shall include the following:

3 (a) a finding that good cause exists;

4 (b) a finding that there is no reasonable expectation  
5 that harm to members will result; and

6 (c) to the extent reasonable under the circumstances,  
7 identification of the affected credit unions and the  
8 expected frequency of examination.

9 A written statement made pursuant to this subsection may  
10 be superseded by a subsequent statement made pursuant to this  
11 subsection. The Secretary is not required to conduct  
12 examinations that the Secretary would have been required to  
13 conduct but for a written statement made pursuant to this  
14 subsection. Nothing in this subsection shall be construed to  
15 limit the Secretary's authority under this Act. The written  
16 statement shall not be confidential supervisory information  
17 except to the extent it names or permits the identification of  
18 specific credit unions.

19 (6) The Secretary may accept an examination from the  
20 National Credit Union Administration or a private insurer  
21 instead of an examination conducted by the Department or by a  
22 public accountant registered by the Department pursuant to  
23 subsection (3).

24 (Source: P.A. 102-558, eff. 8-20-21.)

25 (205 ILCS 305/20) (from Ch. 17, par. 4421)

1           Sec. 20. Election or appointment of officials.

2           (1) The credit union shall be directed by a board of  
3 directors consisting of no less than 7 in number, to be elected  
4 at the annual meeting by and from the members. Directors shall  
5 hold office until the next annual meeting, unless their terms  
6 are staggered. Upon amendment of its bylaws, a credit union  
7 may divide the directors into 2 or 3 classes with each class as  
8 nearly equal in number as possible. The term of office of the  
9 directors of the first class shall expire at the first annual  
10 meeting after their election, that of the second class shall  
11 expire at the second annual meeting after their election, and  
12 that of the third class, if any, shall expire at the third  
13 annual meeting after their election. At each annual meeting  
14 after the classification, the number of directors equal to the  
15 number of directors whose terms expire at the time of the  
16 meeting shall be elected to hold office until the second  
17 succeeding annual meeting if there are 2 classes or until the  
18 third succeeding annual meeting if there are 3 classes. A  
19 director shall hold office for the term for which he or she is  
20 elected and until his or her successor is elected and  
21 qualified.

22           (1.5) Except as provided in subsection (1.10), in all  
23 elections for directors, every member has the right to vote,  
24 in person, by proxy, or by secure electronic record if  
25 approved by the board of directors, the number of shares owned  
26 by him, or in the case of a member other than a natural person,

1 the member's one vote, for as many persons as there are  
2 directors to be elected, or to cumulate such shares, and give  
3 one candidate as many votes as the number of directors  
4 multiplied by the number of his shares equals, or to  
5 distribute them on the same principle among as many candidates  
6 as he may desire and the directors shall not be elected in any  
7 other manner. Shares held in a joint account owned by more than  
8 one member may be voted by any one of the members, however, the  
9 number of cumulative votes cast may not exceed a total equal to  
10 the number of shares multiplied by the number of directors to  
11 be elected. A majority of the shares entitled to vote shall be  
12 represented either in person or by proxy for the election of  
13 directors. Each director shall wholly take and subscribe to an  
14 oath that he will diligently and honestly perform his duties  
15 in administering the affairs of the credit union, that while  
16 he may delegate to another the performance of those  
17 administrative duties he is not thereby relieved from his  
18 responsibility for their performance, that he will not  
19 knowingly violate or permit to be violated any law applicable  
20 to the credit union, and that he is the owner of at least one  
21 share of the credit union.

22 (1.10) Upon amendment of a credit union's bylaws ~~approved~~  
23 ~~by the members~~, in all elections for directors, every member  
24 who is a natural person shall have the right to cast one vote,  
25 regardless of the number of his or her shares, in person, by  
26 proxy, or by secure electronic record if approved by the board

1 of directors, for as many persons as there are directors to be  
2 elected.

3 (1.15) If the board of directors has adopted a policy  
4 addressing age eligibility standards on voting, holding  
5 office, or petitioning the board, then a credit union may  
6 require (i) that members be at least 18 years of age by the  
7 date of the meeting in order to vote at meetings of the  
8 members, sign nominating petitions, or sign petitions  
9 requesting special meetings, and (ii) that members be at least  
10 18 years of age by the date of election or appointment in order  
11 to hold elective or appointive office.

12 (2) The board of directors shall appoint from among the  
13 members of the credit union, a supervisory committee of not  
14 less than 3 members at the organization meeting and within 30  
15 days following each annual meeting of the members for such  
16 terms as the bylaws provide. Members of the supervisory  
17 committee may, but need not be, on the board of directors, but  
18 shall not be officers of the credit union, members of the  
19 credit committee, or the credit manager if no credit committee  
20 has been appointed.

21 (3) The board of directors may appoint, from among the  
22 members of the credit union, a credit committee consisting of  
23 an odd number, not less than 3 for such terms as the bylaws  
24 provide. Members of the credit committee may, but need not be,  
25 directors or officers of the credit union, but shall not be  
26 members of the supervisory committee.



1           (4) The board of directors may appoint from among the  
2 members of the credit union a membership committee of one or  
3 more persons. If appointed, the committee shall act upon all  
4 applications for membership and submit a report of its actions  
5 to the board of directors at the next regular meeting for  
6 review. If no membership committee is appointed, credit union  
7 management shall act upon all applications for membership and  
8 submit a report of its actions to the board of directors at the  
9 next regular meeting for review.

10           (5) As used in this Section, "electronic" and "electronic  
11 record" have the meanings ascribed to those terms in the  
12 Uniform Electronic Transactions Act. As used in this Section,  
13 "secured electronic record" means an electronic record that  
14 meets the criteria set forth in the Uniform Electronic  
15 Transactions Act.

16           (Source: P.A. 102-38, eff. 6-25-21; revised 8-3-21.)

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

18           Sec. 59. Investment of funds.

19           (a) Funds not used in loans to members may be invested,  
20 pursuant to subsection (7) of Section 30 of this Act, and  
21 subject to Departmental rules and regulations:

22           (1) In securities, obligations or other instruments of  
23 or issued by or fully guaranteed as to principal and  
24 interest by the United States of America or any agency  
25 thereof or in any trust or trusts established for

1 investing directly or collectively in the same;

2 (2) In obligations of any state of the United States,  
3 the District of Columbia, the Commonwealth of Puerto Rico,  
4 and the several territories organized by Congress, or any  
5 political subdivision thereof; however, a credit union may  
6 not invest more than 10% of its unimpaired capital and  
7 surplus in the obligations of one issuer, exclusive of  
8 general obligations of the issuer, and investments in  
9 municipal securities must be limited to securities rated  
10 in one of the 4 highest rating investment grades  
11 ~~categories~~ by a nationally recognized statistical rating  
12 organization;

13 (3) In certificates of deposit or passbook type  
14 accounts issued by a state or national bank, mutual  
15 savings bank or savings and loan association; provided  
16 that such institutions have their accounts insured by the  
17 Federal Deposit Insurance Corporation or the Federal  
18 Savings and Loan Insurance Corporation; but provided,  
19 further, that a credit union's investment in an account in  
20 any one institution may exceed the insured limit on  
21 accounts;

22 (4) In shares, classes of shares or share certificates  
23 of other credit unions, including, but not limited to  
24 corporate credit unions; provided that such credit unions  
25 have their members' accounts insured by the NCUA or other  
26 approved insurers, and that if the members' accounts are

1 so insured, a credit union's investment may exceed the  
2 insured limit on accounts;

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

8 (6) In obligations of the State of Israel, or  
9 obligations fully guaranteed by the State of Israel as to  
10 payment of principal and interest;

11 (7) In shares, stocks or obligations of other  
12 financial institutions in the total amount not exceeding  
13 5% of the unimpaired capital and surplus of the credit  
14 union;

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

16 (9) In shares or stocks of Credit Union Service  
17 Organizations in the total amount not exceeding the  
18 greater of 6% of the unimpaired capital and surplus of the  
19 credit union or the amount authorized for federal credit  
20 unions;

21 (10) In corporate bonds identified as investment grade  
22 by at least one nationally recognized statistical rating  
23 organization, provided that:

24 (i) the board of directors has established a  
25 written policy that addresses corporate bond  
26 investment procedures and how the credit union will

1 manage credit risk, interest rate risk, liquidity  
2 risk, and concentration risk; and

3 (ii) the credit union has documented in its  
4 records that a credit analysis of a particular  
5 investment and the issuing entity was conducted by the  
6 credit union, a third party on behalf of the credit  
7 union qualified by education or experience to assess  
8 the risk characteristics of corporate bonds, or a  
9 nationally recognized statistical rating agency before  
10 purchasing the investment and the analysis is updated  
11 at least annually for as long as it holds the  
12 investment;

13 (11) To aid in the credit union's management of its  
14 assets, liabilities, and liquidity in the purchase of an  
15 investment interest in a pool of loans, in whole or in part  
16 and without regard to the membership of the borrowers,  
17 from other depository institutions and financial type  
18 institutions, including mortgage banks, finance companies,  
19 insurance companies, and other loan sellers, subject to  
20 such safety and soundness standards, limitations, and  
21 qualifications as the Department may establish by rule or  
22 guidance from time to time;

23 (12) To aid in the credit union's management of its  
24 assets, liabilities, and liquidity by receiving funds from  
25 another financial institution as evidenced by certificates  
26 of deposit, share certificates, or other classes of shares

1 issued by the credit union to the financial institution;

2 (13) In the purchase and assumption of assets held by  
3 other financial institutions, with approval of the  
4 Secretary and subject to any safety and soundness  
5 standards, limitations, and qualifications as the  
6 Department may establish by rule or guidance from time to  
7 time; and

8 (14) In the shares, stocks, or obligations of  
9 community development financial institutions as defined in  
10 regulations issued by the U.S. Department of the Treasury  
11 and minority depository institutions as defined by the  
12 National Credit Union Administration; however the  
13 aggregate amount of all such investments shall not at any  
14 time exceed 5% of the paid-in and unimpaired capital and  
15 surplus of the credit union.

16 (b) As used in this Section:

17 "Political subdivision" includes, but is not limited to,  
18 counties, townships, cities, villages, incorporated towns,  
19 school districts, educational service regions, special road  
20 districts, public water supply districts, fire protection  
21 districts, drainage districts, levee districts, sewer  
22 districts, housing authorities, park districts, and any  
23 agency, corporation, or instrumentality of a state or its  
24 political subdivisions, whether now or hereafter created and  
25 whether herein specifically mentioned or not.

26 "Financial institution" includes any bank, savings bank,

1 savings and loan association, or credit union established  
2 under the laws of the United States, this State, or any other  
3 state.

4 (c) A credit union investing to fund an employee benefit  
5 plan obligation is not subject to the investment limitations  
6 of this Act and this Section and may purchase an investment  
7 that would otherwise be impermissible if the investment is  
8 directly related to the credit union's obligation under the  
9 employee benefit plan and the credit union holds the  
10 investment only for so long as it has an actual or potential  
11 obligation under the employee benefit plan.

12 (d) If a credit union acquires loans from another  
13 financial institution or financial-type institution pursuant  
14 to this Section, the credit union shall be authorized to  
15 provide loan servicing and collection services in connection  
16 with those loans.

17 (Source: P.A. 101-567, eff. 8-23-19; 102-496, eff. 8-20-21.)

18 Section 99. Effective date. This Act takes effect upon  
19 becoming law.