



102ND GENERAL ASSEMBLY

State of Illinois

2021 and 2022

SB3847

Introduced 1/21/2022, by Sen. Christopher Belt

SYNOPSIS AS INTRODUCED:

15 ILCS 516/30-10
15 ILCS 516/30-15
15 ILCS 516/30-25
15 ILCS 516/30-30

Amends the Community Development Loan Guarantee Act. Provides that the State Treasurer may establish the Loan Guarantee Program by establishing one or more Loan Guarantee Accounts at approved financial institutions (currently, one Account as a special account outside the State treasury with the State Treasurer as custodian). Provides that moneys in a Loan Guarantee Account may be paid to a participating financial institution to cover losses on guaranteed loans up to the full amount in the Account or the amount of loss, whichever is lesser. Provides that the State of Illinois and the State Treasurer shall not be responsible for any losses in excess of the full amount in the Loan Guarantee Account designated for a participating financial institution. Provides that the State Treasurer may withdraw funds from any Loan Guarantee Account for a financial institution's failure to comply with Program requirements. Makes conforming and other changes. Effective immediately.

LRB102 24371 RJF 33605 b

1 AN ACT concerning State government.

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

4 Section 5. The Community Development Loan Guarantee Act is
5 amended by changing Sections 30-10, 30-15, 30-25, and 30-30 as
6 follows:

7 (15 ILCS 516/30-10)

8 Sec. 30-10. Definitions. As used in this Act:

9 "Financial institution" means a bank, a savings and loan
10 association, a savings bank, a credit union, a minority
11 depository institution as designated by the Federal Deposit
12 Insurance Corporation, or a community development financial
13 institution certified by the United States Treasury Community
14 Development Financial Institutions Fund, which is operating in
15 the State of Illinois.

16 "Loan Guarantee Account" means an account at a financial
17 institution outside the State Treasury of which the State
18 Treasurer is custodian with the purpose of guaranteeing loans
19 made by a participating financial institution in accordance
20 with this Act.

21 (Source: P.A. 101-657, eff. 3-23-21.)

22 (15 ILCS 516/30-15)

1 Sec. 30-15. Establishment of the Loan Guarantee Program.
2 The State Treasurer may establish the Loan Guarantee Program
3 by establishing one or more Loan Guarantee Accounts at
4 approved financial institutions ~~at any eligible financial~~
5 ~~institution a Loan Guarantee Account as a special account~~
6 ~~outside the State treasury and with the State Treasurer as~~
7 ~~custodian.~~ The Loan Guarantee Accounts ~~This Account~~ may be
8 used to cover the losses on guaranteed loans at a ~~the~~
9 participating financial institution.

10 (Source: P.A. 101-657, eff. 3-23-21.)

11 (15 ILCS 516/30-25)

12 Sec. 30-25. Fees. The State Treasurer may establish, as a
13 component of the Program, fees of no more than 5% of the total
14 guaranteed loan amount. The fees shall be deposited into a ~~the~~
15 Loan Guarantee Account.

16 (Source: P.A. 101-657, eff. 3-23-21.)

17 (15 ILCS 516/30-30)

18 Sec. 30-30. Use of the Loan Guarantee Account.

19 (a) Moneys in a Loan Guarantee ~~the~~ Account may be paid to a
20 ~~used by the~~ participating financial institution to cover
21 losses on guaranteed loans up to the full amount in the Account
22 or the amount of loss, whichever is lesser. The State of
23 Illinois and the State Treasurer shall not be responsible for
24 any losses in excess of the full amount in the Loan Guarantee

1 Account designated for a participating ~~at the~~ financial
2 institution.

3 (b) The State Treasurer may set a cap on the total funds
4 held in any Loan Guarantee Account ~~at any participating~~
5 ~~financial institution~~. Funds in excess of the cap may be
6 withdrawn by the Treasurer.

7 (c) The State Treasurer shall withdraw the full amount in
8 any Loan Guarantee ~~the~~ Account in the event the Loan Guarantee
9 Program is discontinued, or the financial institution leaves
10 the Program.

11 (d) The State Treasurer may withdraw funds from any Loan
12 Guarantee Account for a financial institution's failure to
13 comply with Program requirements.

14 (Source: P.A. 101-657, eff. 3-23-21.)

15 Section 99. Effective date. This Act takes effect upon
16 becoming law.