



95TH GENERAL ASSEMBLY

State of Illinois

2007 and 2008

SB1676

Introduced 2/9/2007, by Sen. Jacqueline Y. Collins

SYNOPSIS AS INTRODUCED:

20 ILCS 3205/6
205 ILCS 5/80

from Ch. 17, par. 456
from Ch. 17, par. 392

Amends the Office of Banks and Real Estate Act. Provides that the Commissioner of Banks and Real Estate shall adopt rules establishing the minimum education requirements and training requirements for examiners appointed or assigned to examine the affairs of State-chartered banks. Provides that the rules are to be proposed no later than 180 days after the effective date after consultation with the State Banking Board of Illinois. Requires the consultation of the Board of Trustees of the Illinois Bank Examiners' Education Foundation only when education or training of examiners is to be funded, in whole or in part, from the Illinois Bank Examiners' Education Fund. Amends the Illinois Banking Act. Requires the Commissioner to consult with the State Banking Board of Illinois and to receive comments from the Board on matters pertaining to the minimum education and training requirements for bank examiners. Requires the Board to submit to the Commissioner proposed suggestions or revisions regarding any rule that the Commissioner may propose pursuant to certain provisions in the Office of Banks and Real Estate Act. Effective immediately.

LRB095 11020 MJR 31335 b

FISCAL NOTE ACT
MAY APPLY

A BILL FOR

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 Office of Banks and Real Estate Act is
5 amended by changing Section 6 as follows:

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

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

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

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

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

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

22 (e) Issue guidelines in the form of rules or regulations
23 which will prohibit discrimination by any State chartered bank

1 against any individual, corporation, partnership, association
2 or other entity because it appears in a so-called blacklist
3 issued by any domestic or foreign corporate or governmental
4 entity.

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

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

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

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

22 (j) Adopt rules establishing the minimum education
23 requirements and training requirements for examiners appointed
24 or assigned to examine the affairs of State-chartered banks.
25 The rules are to be proposed no later than 180 days after the
26 effective date of this amendatory Act of the 95th General

1 Assembly after consultation with the State Banking Board of
2 Illinois. In addition to consultation with the State Banking
3 Board of Illinois, the Commissioner shall consult with and
4 receive approval from the Board of Trustees of the Illinois
5 Bank Examiners' Education Foundation only when education or
6 training of examiners is to be funded, in whole or in part,
7 from the Illinois Bank Examiners' Education Fund.

8 (k) For the purposes of this Section:

9 "Commissioner" means the Director of Financial and
10 Professional Regulation of the Division of Banks and Real
11 Estate; and

12 "Office" or "Office of Banks and Real Estate" means the
13 Department of Financial and Professional Regulation.

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

15 Section 10. The Illinois Banking Act is amended by changing
16 Section 80 as follows:

17 (205 ILCS 5/80) (from Ch. 17, par. 392)

18 Sec. 80. Board; powers. The Board shall have the following
19 powers in addition to any others that may be granted to it by
20 law:

21 (a) To make, alter, and amend rules and regulations
22 proposed for adoption by the Commissioner with respect to the
23 following matters:

24 (i) The scope and nature of showings to be furnished

1 and evidence to be presented in connection with the
2 granting of charters of new banks, and in connection with
3 the approval by the Commissioner of mergers, conversions,
4 consolidations and changes of location, and the forms upon
5 which any of such showings may be made.

6 (ii) The steps to be taken and the showings to be
7 furnished in connection with voluntary dissolutions under
8 Sections 68 to 74, inclusive, of this Act, and the forms
9 upon which such showing are to be made.

10 (iii) The form, content and nature of the reports to be
11 furnished to the Commissioner under Section 47 of this Act,
12 and the definition of the scope of examinations and the
13 data to be furnished in connection with examinations by the
14 Commissioner under subsection (2) and subsection (5) of
15 Section 48 of this Act.

16 (b) To review, consider and make recommendations to the
17 Commissioner upon any banking matters.

18 (c) To require the Commissioner to report periodically to
19 the Board on any banking matters, including the following:

20 (i) Data with respect to banks whose condition or
21 practices are being critically considered or reviewed by
22 the Commissioner pursuant to Section 51 of this Act, and
23 data with respect to banks to which any notice has been
24 given by the Commissioner pursuant to said Section 51; and

25 (ii) The extent and nature of all disciplinary action
26 taken by the Commissioner against any bank or any officer

1 or director thereof, and information with respect to the
2 manner or extent of the remedial action, if any, taken by
3 the criticized bank or director or officer; and

4 (iii) The extent and nature of all action taken by the
5 Commissioner under or pursuant to Section 52 of this Act;
6 and

7 (iv) The extent and nature of all action taken by the
8 Commissioner under or pursuant to Section 31 of this Act.

9 (d) To require the Commissioner to furnish the Board
10 reports in respect of the granting or of the denial of new
11 charters, mergers, changes of location, conversions or
12 consolidations, including the findings made and the basis for
13 the action taken by the Commissioner in connection therewith.

14 (e) To review, consider and submit to the Commissioner and
15 to the Governor proposals for amendments to this Act or for
16 changes in or additions to the administration thereof which in
17 the opinion of the Board are necessary or desirable in order to
18 assure the safe and sound conduct of the banking business.

19 (f) To require the Commissioner to furnish the Board space
20 for meetings to be held by the Board as well as to require the
21 Commissioner to provide such clerical and technical assistance
22 as the Board may require.

23 (g) To adopt its own by-laws with respect to Board meetings
24 and procedures. Such by-laws shall provide that:

25 (i) A majority of the whole Board constitutes a quorum.

26 (ii) A majority of the quorum shall constitute

1 effective action except that a vote of a majority of the
2 whole Board shall be necessary for the approval of rules
3 and regulations proposed for adoption by the Commissioner
4 under Section 80(a), (i), (ii) and (iii) of this Act and
5 shall be necessary for recommendations made to the
6 Commissioner and to the Governor with regard to proposed
7 amendments to this Act or to the administrative practices
8 hereunder.

9 (iii) The Board shall meet at least once in each
10 calendar year and upon the call of the Commissioner or a
11 majority of the Board. The Commissioner or a majority of
12 the Board may call such special or additional meetings as
13 may be deemed necessary or desirable.

14 (h) To make rules to regulate the method of selecting
15 candidates for consideration by the Governor to fill a vacancy
16 in the Office of the Commissioner and the deputy commissioners.

17 (i) To make rules to regulate the method of selecting
18 candidates for consideration by the Governor to fill a vacancy
19 in the office of any of the 10 Class B members of the Board.

20 (j) To make rules to regulate the conduct of hearings under
21 subsection (7) of Section 48 of this Act.

22 (k) To subpoena witnesses, to compel their attendance, to
23 administer an oath, to examine any person under oath and to
24 require the production of any relevant books, papers, accounts
25 and documents in the course of and pursuant to any hearing
26 being conducted under subsection (7) of Section 48 of this Act.

1 (1) To appoint hearing officers to conduct hearings under
2 subsection (7) of Section 48 of this Act.

3 (m) To require the Commissioner to consult with the Board
4 and to receive comments from the Board on matters pertaining to
5 the minimum education and training requirements for bank
6 examiners and require the Board to submit to the Commissioner
7 proposed suggestions or revisions regarding any rule that the
8 Commissioner may propose pursuant to Section 6(j) of the Office
9 of Banks and Real Estate Act.

10 (n) For the purposes of this Section:

11 "Commissioner" means the Director of Financial and
12 Professional Regulation of the Division of Banks and Real
13 Estate; and

14 "Office" means the Department of Financial and
15 Professional Regulation.

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

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