

Section 35-1. Short title. This Act may be cited as the Illinois Community Reinvestment Act. References in this Article to "this Act" mean this Article.

Section 35-5. Definitions. As used in this Act:

"Covered financial institution" means a bank chartered under the Illinois Banking Act, a savings bank chartered under the Illinois Savings Bank Act, a credit union incorporated under the Illinois Credit Union Act, an entity licensed under the Illinois Residential Mortgage License Act of 1987 which lent or originated 50 or more residential mortgage loans in the previous calendar year, and any other financial institution under the jurisdiction of the Department as designated by rule by the Secretary.

"Department" means the Department of Financial and Professional Regulation.

"Division of Banking" means the Division of Banking within the Department.

"Division of Financial Institutions" means the Division of Financial Institutions within the Department.

"Secretary" means the Secretary of Financial and Professional Regulation, or his or her designee, including the Director of the Division of Banking or the Director of the Division of Financial Institutions.

Section 35-10. Financial services needs of local

communities; assessment factors.

(a) Each covered financial institution shall have a continuing and affirmative obligation to meet the financial services needs of the communities in which its offices, branches, and other facilities are maintained, consistent with the safe and sound operation of the financial institution, and for credit unions, consistent with its common bond. In addition, each covered financial institution that provides all or a majority of its products and services via mobile and other digital channels shall have a continuing and affirmative obligation to help meet the financial services needs of deposit-based assessment areas, including areas contiguous thereto, low-income and moderate-income neighborhoods, and areas where there is a lack of access to safe and affordable banking and lending services, consistent with the safe and sound operation of such financial institutions, and for credit unions, consistent with its common bond.

(b) The Secretary shall assess the record of each covered financial institution in satisfying its obligation under subsection (a). To assist in carrying out this Act, the Secretary shall adopt rules incorporating the regulations applicable to covered financial institutions under federal law, and the Secretary may make such adjustments and exceptions thereto as are deemed necessary.

(c) In addition, the Secretary shall adopt rules providing for an assessment of the following factors pertaining to

whether covered financial institutions are meeting the financial services needs of local communities:

(1) activities to ascertain the financial services needs of the community, including communication with community members regarding the financial services provided;

(2) extent of marketing to make members of the community aware of the financial services offered;

(3) origination of mortgage loans, including, but not limited to, home improvement and rehabilitation loans, and other efforts to assist existing low-income and moderate-income residents to be able to remain in affordable housing in their neighborhoods;

(4) for small business lenders, the origination of loans to businesses with gross annual revenues of \$1,000,000 or less, particularly those in low-income and moderate-income neighborhoods;

(5) participation, including investments, in community development and redevelopment programs, small business technical assistance programs, minority-owned depository institutions, community development financial institutions, and mutually-owned financial institutions;

(6) efforts working with delinquent customers to facilitate a resolution of the delinquency;

(7) origination of loans that show an undue concentration and a systematic pattern of lending

resulting in the loss of affordable housing units;

(8) evidence of discriminatory and prohibited practices; and

(9) such other factors or requirements as in the judgment of the Secretary reasonably bear upon the extent to which a covered financial institution is meeting the financial services needs of its entire community, including responsiveness to community needs as reflected by public comments.

Section 35-15. Examinations.

(a) The Secretary shall have the authority to examine each covered financial institution for compliance with this Act, in consultation with State and federal regulators with an appropriate regulatory interest, for and in compliance with applicable State and federal fair lending laws, including, but not limited to, the Illinois Human Rights Act, the federal Equal Credit Opportunity Act, and the federal Home Mortgage Disclosure Act, as often as the Secretary deems necessary and proper. The Secretary may adopt rules with respect to the frequency and manner of examination including the imposition of examination fees. The Secretary shall appoint a suitable person to perform such examination. The Secretary and his or her appointees may examine the entire books, records, documents, and operations of each covered financial institution, its parent company, and its subsidiaries, affiliates, or agents,

and may examine any of the covered financial institution's, its parent company's or its subsidiaries', affiliates', or agents' officers, directors, employees, and agents under oath. Any document or record prepared or obtained in connection with or relating to any such examination, and any record prepared or obtained by the Secretary to the extent that the record summarizes or contains information derived from any document or record described in this subsection (a), shall not be disclosed to the public unless otherwise provided by this Act.

(b) Upon the completion of the examination of a covered financial institution under this Section, the Secretary shall prepare a written evaluation of the covered financial institution's record of performance relative to this Act. Each written evaluation required under this subsection (b) shall have a public section, which shall include no less information than would be disclosed in a written evaluation under the federal Community Reinvestment Act, and a confidential section. The Secretary shall give the covered financial institution an opportunity to comment on the evaluation, and then shall make the public section of the written evaluation open to public inspection upon request. The written evaluation shall include, but is not limited to:

(1) the assessment factors utilized to determine the covered financial institution's descriptive rating;

(2) the Secretary's conclusions with respect to each such assessment factor;

(3) a discussion of the facts supporting such conclusions;

(4) the covered financial institution's descriptive rating and the basis therefor; and

(5) a summary of public comments.

(c) Based upon the examination, the covered financial institution shall be assigned one of the following ratings:

(1) outstanding record of performance in meeting its community financial services needs;

(2) satisfactory record of performance in meeting its community financial services needs;

(3) needs to improve record of performance in meeting its community services needs; or

(4) substantial noncompliance in meeting its community financial services needs.

(d) Notwithstanding the foregoing provisions of this Section, the Secretary may establish an alternative examination procedure for any covered financial institution, which, as of the most recent examination, has been assigned a rating of outstanding or satisfactory for its record of performance in meeting its community financial services needs.

Section 35-20. Public notice. Each covered financial institution shall provide, in the public lobby of each of its offices, if any, and on its website, a public notice that is substantially similar to the following:

"STATE OF ILLINOIS  
COMMUNITY REINVESTMENT NOTICE

The Department of Financial and Professional Regulation (Department) evaluates our performance in meeting the financial services needs of this community, including the needs of low-income to moderate-income households. The Department takes this evaluation into account when deciding on certain applications submitted by us for approval by the Department. Your involvement is encouraged. You may obtain a copy of our evaluation. You may also submit signed, written comments about our performance in meeting community financial services needs to the Department."

Section 35-25. Cooperative agreements.

(a) For the purposes of this Act, the Secretary may conduct any examinations under this Act with State, other state, and federal regulators, and may enter into cooperative agreements relative to the coordination of or joint participation in any such examinations, the amount and assessment of fees therefor or enforcement actions relevant thereto, and may accept reports of examinations by such regulators under such arrangements or agreements.

(b) Nothing in this Section shall be construed as limiting in any way the authority of the Secretary to independently conduct examinations of and enforcement actions against any

covered financial institution.

(c) Any coordination or joint participation established under this Section may seek to promote efficient regulation and effect cost reductions for the Department and covered financial institutions. Any information or material shared for purposes of such coordination or joint participation shall continue to be subject to the requirements under any federal law or State law regarding the privacy or confidentiality of the information or material, and any privilege arising under federal or State law, including the rules of any federal or State court, with respect to the information or material, shall continue to apply to the information or material, but any such coordination or joint participation shall not limit public participation as permitted under certain federal regulations.

Section 35-30. Corporate activities and renewal applications. In considering an application for the establishment of a branch, office, or other facility, the relocation of a main office, branch, office, or other facility, a license renewal, change in control of a covered financial institution, or a merger or consolidation with or the acquisition of assets or assumption of liabilities of any covered financial institution, out-of-state bank, credit union, or residential mortgage licensee, national bank or credit union, or foreign financial institution, the Secretary shall consider, but not be limited to, the record of



performance of the covered financial institution and its parent company, including all subsidiaries thereof, relative to this Act. The record of performance of the covered financial institution may be the basis for the denial of any such application.

Section 35-35. Rules. In addition to such powers as may be prescribed by this Act, the Secretary is hereby authorized and empowered to adopt rules consistent with the purposes of this Act, including, but not limited to: (i) rules in connection with the lending, service, and investment activities of covered financial institutions as may be necessary and appropriate for promoting access to appropriate financial services for all communities in this State; (ii) rules as may be necessary and appropriate to define fair lending practices in connection with the activities of covered financial institutions in this State; (iii) rules that define the terms used in this Act and as may be necessary and appropriate to interpret and implement the provisions of this Act; (iv) rules that create a public comments process; and (v) rules as may be necessary for the enforcement of this Act.

Section 35-40. Superiority of Act. To the extent this Act conflicts with any other State law, this Act is superior and supersedes those laws; provided that, nothing herein shall apply to any lender that is a bank, savings bank, savings and

loan association, or credit union chartered under the laws of the United States.

Section 35-45. Severability. The provisions of this Act are severable under Section 1.31 of the Statute on Statutes.

Section 35-100. The Deposit of State Moneys Act is amended by changing Section 16.3 as follows:

(15 ILCS 520/16.3)

Sec. 16.3. Consideration of financial institution's commitment to its community.

(a) In addition to any other requirements of this Act, the State Treasurer shall ~~is authorized to~~ consider the financial institution's record and current level of financial commitment to its local community when deciding whether to deposit State funds in that financial institution. The State Treasurer may consider factors including, but not necessarily limited to:

(1) for financial institutions subject to the federal Community Reinvestment Act of 1977, the current and historical ratings that the financial institution has received, to the extent that those ratings are publicly available, under the federal Community Reinvestment Act of 1977;

(2) any changes in ownership, management, policies, or practices of the financial institution that may affect the

level of the financial institution's commitment to its community;

(3) the financial impact that the withdrawal or denial of deposits of State funds might have on the financial institution; and

(4) the financial impact to the State as a result of withdrawing State funds or refusing to deposit additional State funds in the financial institution.

(a-5) Effective January 1, 2022, no State funds may be deposited in a financial institution subject to the federal Community Reinvestment Act of 1977 unless the institution has a current rating of satisfactory or outstanding under the Community Reinvestment Act of 1977.

(a-10) When investing or depositing State funds, the State Treasurer may give preference to financial institutions that have a current rating of outstanding under the federal Community Reinvestment Act of 1977.

(b) Nothing in this Section shall be construed as authorizing the State Treasurer to conduct an examination or investigation of a financial institution or to receive information that is not publicly available and the disclosure of which is otherwise prohibited by law.

(Source: P.A. 93-251, eff. 7-1-04.)

Section 35-105. The Public Funds Investment Act is amended by changing Section 8 as follows:

(30 ILCS 235/8)

Sec. 8. Consideration of financial institution's commitment to its community.

(a) In addition to any other requirements of this Act, a public agency shall ~~is authorized to~~ consider the financial institution's record and current level of financial commitment to its local community when deciding whether to deposit public funds in that financial institution. The public agency may consider factors including, but not necessarily limited to:

(1) for financial institutions subject to the federal Community Reinvestment Act of 1977, the current and historical ratings that the financial institution has received, to the extent that those ratings are publicly available, under the federal Community Reinvestment Act of 1977;

(2) any changes in ownership, management, policies, or practices of the financial institution that may affect the level of the financial institution's commitment to its community;

(3) the financial impact that the withdrawal or denial of deposits of public funds might have on the financial institution;

(4) the financial impact to the public agency as a result of withdrawing public funds or refusing to deposit additional public funds in the financial institution; and

(5) any additional burden on the resources of the public agency that might result from ceasing to maintain deposits of public funds at the financial institution under consideration.

(a-5) Effective January 1, 2022, no public funds may be deposited in a financial institution subject to the federal Community Reinvestment Act of 1977 unless the institution has a current rating of satisfactory or outstanding under the Community Reinvestment Act of 1977.

(a-10) When investing or depositing public funds, the public agency may give preference to financial institutions that have a current rating of outstanding under the federal Community Reinvestment Act of 1977.

(b) Nothing in this Section shall be construed as authorizing the public agency to conduct an examination or investigation of a financial institution or to receive information that is not publicly available and the disclosure of which is otherwise prohibited by law.

(Source: P.A. 93-251, eff. 7-1-04.)

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