



# NEWS FROM THE FRONT

Community Bankers Association of Illinois  
*One Mission. Community Banks.®*

**Edition: April 22, 2024**

Both the Illinois House and Senate are off this week, with session resuming on Tuesday, April 30. One week remains to consider opposite chamber legislation at the committee level – Friday, May 3, is the committee deadline in both chambers. There are more than 300 Senate bills now in the House and more than 300 House bills moved to the Senate.

Four weeks are remaining in the scheduled Spring session, although both chambers are reserving May 25 through May 31 as contingent session days if the legislature does not meet the May 24 adjournment deadline.

## **State CRA Rules Finalized**

IDFPR's [proposed rules for the State CRA program](#) received legislative approval. Once the Department officially files the approved rules, implementation of the law will begin. [Click here for the memo IDFPR shared outlining their implementation timeline.](#) The Joint Committee on Administrative Rules also approved separate rules for state-chartered credit unions and non-depository mortgage lenders.

The IDFPR Division of Banking has indicated that they intend to conduct joint CRA exams with federal examiners on the federal examiner's schedule. The state examiner will issue a separate CRA report and exam findings. State CRA examinations will begin in two phases. For banks with \$391 million in assets or less, exams will start no sooner than 15 months, and for banks with assets of more than \$391 million, exams will start no sooner than nine months. No bank should expect a state CRA exam before 2025.

The bill defines the "shared appreciation agreement" as written evidence that a transaction or any option, future, or any other derivative between a person and a consumer which the consumer receives money or any other item of value in exchange for interest or future interest in a dwelling or residential real estate or a future obligation to repay a sum on the occurrence of an event, such as (i) the transfer of ownership, (ii) a repayment maturity date, (iii) the death of the consumer, or (iv) any other event contemplated by the writing. *CBAI supported this bill, and the bill passed the Senate 59-0-0 and is in the House.*

**SB 3617 (Feigenholtz)** - Allows the Department of Revenue to design and implement a data match system under which the Department of Revenue can enter into agreements with financial institutions doing business in this state to identify accounts of delinquent taxpayers. Provides that no financial institution is required to enter into a data match agreement with the Department of Revenue. Because it is voluntary in nature, CBAI is neutral on the bill. The bill was amended to additionally state that the Department shall pay a reasonable fee not to exceed the cost to the institution performing the data match. *Passed the Senate 58-0-0 and is in the House.*

**HB 4521 (Croke)** - Amends the Electronic Nontestamentary Estate Planning Documents Article of the Electronic Wills and Remote Witnesses Act. Provides that the Article does not apply to a nontestamentary estate planning document, will, or terms of a trust if the terms governing the document expressly preclude use of an electronic record or electronic signature (rather than does not apply to a

Banks will be assessed an annual CRA examination fee based on a sliding scale relative to asset size. IDFPF is expected to assess the fees in the fall of each year. A bank between \$100 million and \$350 million would pay \$4,500 per year, and a bank between \$350 and \$500 million would pay \$9,000. The complete fee schedule is included in the linked rule.

The state CRA rules were drafted to conform with the current federal CRA standards as much as possible. We have an understanding with the Department that we will take up new rulemaking to align state standards with the new federal standards in the coming years. Several CBAI member banks have already volunteered to allow IDFPF to conduct training exams at their banks to educate the new examiners and streamline the implementation of the program. The CBAI governmental relations and education teams are working with IDFPF to develop educational programs to help compliance officers and other bankers better understand the new CRA program.

### **Disparity Study**

During the rulemaking for the state CRA, activist groups attempted to influence IDFPF to include language inserting race as a factor in state CRA exams. Their guise was a disparity study to look at racial patterns in lending that would allow the Department to automatically insert findings into exam procedures. CBAI objected to this attempt to legislate through rulemaking and the provision was stripped out. The proposal resurfaced this spring as **SB 3235** (Belt, D-East St. Louis). We met with Sen. Chris Belt who told us that he intended to have a true disparity study conducted that the legislative Black caucus could use to inform future policy decisions. His intent wasn't to subvert the legislative process and insert race into CRA as activists wanted. With that understanding, we're able to negotiate changes that completely reworked the proposal.

Under the new proposal, the Illinois Commission on Equity and Inclusion (not IDFPF) would conduct a study using publicly available state CRA exam reports to identify policies, procedures, patterns and practices that may have a disparate impact on lending decisions. The study results could be incorporated into CRA examination standards, but only after going through the legislative rulemaking process (the initial proposal was automatic) and language about protected characteristics, unrelated to CRA, including race were stripped out. The study is expected to cost as much as \$500,000, so we ensured that it was subject to

nontestamentary estate planning document, will, or terms of a trust governing the document expressly preclude use of an electronic record or electronic signature). *Passed the House 108-0-0.*

**HB 4594 (Buckner)** - Amends the Illinois Trust Code and sets forth provisions on virtuous trusts. *Passed the House 111-0-0.*

**HB 4629 (Morgan)** - Creates the Junk Fee Ban Act. Provides that it is a violation of the Act for a person to: (1) offer, display or advertise an amount a consumer may pay for merchandise without clearly and conspicuously disclosing the total price; (2) fail, in any offer, display or advertisement that contains an amount a consumer may pay, to display the total price more prominently than any other pricing information; (3) misrepresent the nature and purpose of any amount a consumer may pay, including the ability to refund the fees and the identity of any merchandise for which fees are charged; (4) fail to disclose clearly and conspicuously before the consumer consents to pay, the nature and purpose of any amount a consumer may pay that is excluded from the total price, including the ability to refund the fees and the identity of any merchandise for which fees are charged; or (5) offer, display or advertise, including through direct offerings, third-party distribution, or metasearch referrals, a total price for a place of short-term lodging that does not include all required fees. Requires total price disclosures for retail mercantile establishments and food service establishments; and the disclosure of delivery fees. Provides that the Attorney General may enforce violations of the Act as an unlawful practice under the Consumer Fraud and Deceptive Business Practices Act. *Passed the House 75-35-1. CBAI is continuing to work with the sponsors on the amendment in the Senate.*

**HB 4891 (Croke)** - Prohibits dentists from arranging open-end credit or loan extended by a third party for a patient without first providing notice to the patient. The Illinois Dental Society opposed the bill and is working with the sponsor on an agreed amendment. *The bill passed out of the House 71-35-2.*

**HB 5143 (Evans)** - Amends the Illinois Trust Code. Requires a trustee to search for and claim any unclaimed or presumptively abandoned property. Requires a trustee to maintain or cause to be maintained trust records for a minimum of seven years after the dissolution of the trust. Provides that, before the destruction of trust records, a trustee must conduct

appropriation, and we were given assurances that the funding would not come from bank examination fees.

CBAI appreciates Sen. Belt and his staff for working with us in good faith to rewrite this proposal. While certainly not perfect, it is a significant improvement over the original proposal from activist groups. *SB 3235 passed the Senate 39-19 and moved to the House for consideration.*

### **Paid Leave For All**

CBAI joined with other leading business groups to object to the Illinois Department of Labor's proposed administrative rules to implement the Paid Leave for All Act. When the legislation was passed last year, there was an agreement, enshrined in the law, that employers who already offered a paid leave program that was equal to, or more robust, than the new state program could continue to operate under their existing policies. In the administrative rulemaking, IDoL is trying to negate that agreement and force all employers to implement the new paid leave standards. This could potentially create significant staffing concerns for banks.

CBAI is among a coalition of 18 employers groups who joined together to issue a formal letter objecting to the proposed rules to the Joint Committee on Administrative Rules. [Click here to read the joint letter.](#)

### **Bills of Interest that Passed First Chamber**

**SB 2919 (Martwick)** – as amended by Senate Amendment #1 amends the Code of Civil Procedure to allow the mortgagee to request in a foreclosure judicial sale, that the judge, sheriff, or other person conduct the sale either in person, if available, or online or both. *Passed the Senate 59-0-0 and is in the House.*

**SB 2933 (Stadelman)** - Addresses medical debt reporting to consumer reporting agencies and was amended to state that debt charged to a credit card to pay medical bills would still be allowed to be reported, however, an open-end or closed-end extension of credit made by a financial institution to a borrower that is used solely for the purchase of health care services would not be allowed to be reported. *Passed the Senate 58-0-0 and is in the House.*

**SB 2979 (Cunningham)** defines a single violation of the Biometric Information Privacy Act. The business community recognizes the improvements with SB 2979

a reasonable search for any trust property that is presumptively abandoned or that has been reported and remitted to a state unclaimed property administrator. *Passed the House 110-0-0 and is in the Senate.*

### **Notes From Springfield**

Governor Pritzker has named Senator Ann Gillespie (D) as the new Director of the Department of Insurance. Gillespie resigned her Senate seat and began her new position on April 16. Both Representatives Mark Walker and Mary Beth Canty are interested in filling Gillespie's open Senate seat.

Representative Tim Ozinga (R) of Mokena has resigned from the House of Representatives. A replacement will be named within the month. Ozinga has served in the House since 2021.

CBAI is sponsoring the annual House vs. Senate softball game this year. The two chambers will face off on May 1 in Springfield.



### **We would like to thank the sponsors of CBAI's Call on Washington!**



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but argues that the bill is not retroactive and is still opposed. *Passed the Senate 46-13 and is in the House.*

**SB 3551 (Feigenholtz)** - Amends the Residential Mortgage License Act of 1987 and requires borrowers to take specified counseling before taking any legally binding action on a shared appreciation agreement.

Want more insight into Illinois politics? The Capitol Fax Blog offers a daily insider perspective. It's a subscription service, but CBAI offers community bankers access for free in the Members Only section of [cbai.com](http://cbai.com). Need access to CBAI's members-only section? Reach out to **Stacy Workman** and she will assist you.

If you have any questions or comments, please contact **Jerry Peck** or **Megan Peck** of the CBAI Governmental Relations Team.

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