

1 AN ACT concerning the State Treasurer.

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

4 Section 5. The Deposit of State Moneys Act is amended by
5 changing Section 7 as follows:

6 (15 ILCS 520/7) (from Ch. 130, par. 26)

7 Sec. 7. (a) Proposals made may either be approved or
8 rejected by the State Treasurer. A bank or savings and loan
9 association whose proposal is approved shall be eligible to
10 become a State depository for the class or classes of funds
11 covered by its proposal. A bank or savings and loan
12 association whose proposal is rejected shall not be so
13 eligible. The State Treasurer shall seek to have at all times
14 a total of not less than 20 banks or savings and loan
15 associations which are approved as State depositories for
16 time deposits.

17 (b) The State Treasurer may, in his discretion, accept a
18 proposal from an eligible institution which provides for a
19 reduced rate of interest provided that such institution
20 documents the use of deposited funds for community
21 development projects.

22 (b-5) The State Treasurer may, in his or her discretion,
23 accept a proposal from an eligible institution that provides
24 for a reduced rate of interest, provided that such
25 institution agrees to expend an amount of money equal to the
26 amount of the reduction for the preservation of Cahokia
27 Mounds.

28 (c) The State Treasurer may, in his or her discretion,
29 accept a proposal from an eligible institution that provides
30 for interest earnings on deposits of State moneys to be held
31 by the institution in a separate account that the State

1 Treasurer may use to secure up to 10% of any (i) home loans
2 to Illinois citizens purchasing a home in Illinois in
3 situations where the institution would not offer the borrower
4 a home loan under the institution's prevailing credit
5 standards without the incentive of a reduced rate of interest
6 on deposits of State moneys and (ii) existing home loans of
7 Illinois citizens who have failed to make payments on the
8 home loan as a result of a temporary layoff or disability,
9 but who have resumed making payments on the home loan and
10 have made at least 2 consecutive payments, when under the
11 institution's prevailing policies it would commence or pursue
12 foreclosure proceedings if it were not for the incentive of a
13 reduced rate of interest on deposits of State moneys.

14 For the purposes of this Section, "home loan" means a
15 loan, other than an open-end credit plan or a reverse
16 mortgage transaction, for which (i) the principal amount of
17 the loan does not exceed 50% of the conforming loan size
18 limit for a single-family dwelling as established from time
19 to time by the Federal National Mortgage Association, (ii)
20 the borrower is a natural person, (iii) the debt is incurred
21 by the borrower primarily for personal, family, or household
22 purposes, and (iv) the loan is secured by a mortgage or deed
23 of trust on real estate upon which there is located or there
24 is to be located a structure designed principally for the
25 occupancy of one family and that is or will be occupied by
26 the borrower as the borrower's principal dwelling.

27 (d) If there is an agreement between the State Treasurer
28 and an eligible institution that details the use of deposited
29 funds, the agreement may not require the gift of money,
30 goods, or services to a third party; this provision does not
31 restrict the eligible institution from contracting with third
32 parties in order to carry out the intent of the agreement or
33 restrict the State Treasurer from placing requirements upon
34 third-party contracts entered into by the eligible

1 institution.

2 (Source: P.A. 92-482, eff. 8-23-01.)

3 Section 99. Effective date. This Act takes effect upon
4 becoming law.