



## **SUPPORT**

### **SB 2885 (Nybo)**

## **Changes to the Illinois Banking Act**

SB 2885 amends the Illinois Banking Act by making three separate changes to the Act:

- **Modernizes the standard for very small banks to adjust the makeup of their board of directors.** Currently banks with less than \$20 million in total assets can petition the State Banking Board to adjust their board of directors from a minimum of 5 to 3 members. This standard hasn't been updated in 30 years and has failed to keep up with inflation. This legislation raises the maximum threshold to \$50 million dollars. Keep in mind most mega-banks have hundreds of billions of dollars in assets so this would only impact small community banks.
- **Resolves an issue with inconsistent language regarding United States government-backed obligations.** This change treats direct investments in the bonds or securities of government agencies consistently with loans to an individual that are secured by those very same government agency bonds or securities.
- **Ensures that banks are properly regulated by providing transparency into the process.** State chartered banks are regulated by the Division of Banking within the Illinois Department of Financial and Professional Regulations. No general revenue funds are used in this process. Instead banks pay fees to cover the cost of examinations and other functions of the Division. This legislation would allow the State Banking Board of Illinois to receive information about these call report fees, allowing greater transparency into the use of those funds to ensure that banks are properly regulated.

**The Community Bankers Association of Illinois  
Respectfully Urges You to Please Vote YES!**