



Bureau of Residential Finance
Thrift Division

**[Supervisory Information, Savings Banks and Associations
Confidentiality and Disclosure
General Requirements (eff. July 22, 2003)]**

August 18, 2003

TO: Savings Association and Savings Bank Directors and Officers

RE: Disclosure of Confidential Supervisory Information

The state requirements on the disclosure of OBRE confidential supervisory information of Illinois chartered savings associations and savings banks recently changed. Specifically, effective July 22, 2003, Public Act 93-271 (H.B. 3663) amended section 7-9 of the Illinois Savings and Loan Act (205 ILCS 105/7-9) and section 9012 of the Savings Bank Act (205 ILCS 205/9012). The new provisions provide detailed guidance on permissible disclosures of confidential supervisory information and are consistent with the former provisions as well as OBRE Thrift Division policy statements and opinions on supervisory information. (Policy statements and opinions may be viewed at "Selected Thrift Legal Opinions" at www.obre.state.il.us).

A summary of the new provisions that govern disclosures by a savings association or savings banks follows. This summary is not an OBRE legal opinion. For complete information, please refer to the law itself (see, More Information, below).

Confidential Supervisory Information Defined

Savings and Loan Act Section 7-9(a)
Savings Bank Act Section 9012(a)

Confidential supervisory information, which is the property of the Commissioner, includes any report, document, or record, or part, summary or derivation thereof, that is prepared, obtained, or summarized, in connection with any examination, visitation, or investigation made by the Commissioner.

Confidential supervisory information does not include information and records that are routinely prepared by the institution and maintained in the ordinary course of business or information and records that must be publicly available under state or federal law or rule.

Note: These provisions do not govern the disclosure of confidential information of the FDIC or other depository institutions regulators. Please contact the relevant regulator for more information about their requirements.

Permissible Disclosures

Savings and Loan Act Section 7-9(b)

Savings Bank Act Section 9012(b)

The new provisions permit a savings association or savings bank to disclosure confidential supervisory information in limited circumstances. In summary:

Disclosure may be made to directors, to officers to whom the board of directors delegates duties with respect to recommendations for actions, and to the board of directors of a holding company with at least 80% ownership of the institution.

An institution may disclose confidential supervisory information to its attorney and to a certified public accountant performing an independent audit of the institution. Attorneys and accountants may not further disseminate the information.

Disclosures may be made to a person seeking to acquire or merge with the institution provided that the person maintains confidentiality and limits dissemination of the information to his or her attorneys, certified public accountants, and employees.

The institution's insurance company may view confidential supervisory information only if the disclosure of information is strictly necessary to obtain coverage or to pursue a claim and then only as relevant to the coverage or claim and no other source of the desired information exists. Confidentiality of the institution's customers must be maintained and the institution as appropriate may delete identifying information.

Legal Privileges

Savings and Loan Act Section 7-9(b)

Savings Bank Act Section 9012(b)

Disclosures by an institution to the Commissioner or other regulatory agencies do not constitute a waiver of any legal privilege that may be available to the institution with respect to the information disclosed.

Violation

Savings and Loan Act Section 7-9(d)

Savings Bank Act Section 9012(d)

Knowing and willful violation of the new provisions is subject to civil money penalties of up to \$1,000 against the officer, agent, attorney or employee in violation.

More Information

For a copy of Public Act 93-271 or more information regarding disclosures under section 7-9 of the Illinois Savings and Loan Act and section 9012 of the Savings Bank Act, please contact Robert Stearn at (312) 793-1454 or rstearn@bre.state.il.us. Public Act 93-271 also may be obtained at www.legis.state.il.us.