



March 30, 2026

Department of Financial and Professional Regulation
Attention: Craig Cellini
320 West Washington, 2nd Floor
Springfield, Illinois 62786

Re: **IDFPR Notice of Proposed Amendments
Bank Community Reinvestment
50 Ill. Reg. 2080 (February 13, 2026)**

Dear Director Soriano,

The Illinois Bankers Association (IBA)¹ is writing on behalf of our members to comment on the Notice of Proposed Amendments for banks covered by the Illinois Community Reinvestment Act (Illinois CRA).

As Illinois CRA examinations have started ramping up for banks, we appreciate your agency's efforts to coordinate examination schedules with our federal banking regulators and to accept data and other reports and submissions through the same portal as that used by the federal regulators. We also appreciate your agency's progress in recruiting and retaining qualified Illinois CRA examiners.

In the proposed amendments, we commend the proposed addition of Appendix D to provide concrete examples of activities and investments that may contribute to a bank's favorable Illinois CRA rating, as we requested in our comment letter of 2023.

However, concerns we expressed in our 2023 comment letter about the uneven treatment of entities covered by the Illinois CRA remain, and these concerns have been compounded by a lack of transparency and accountability in the collection and spending of Illinois CRA examination fees. **We ask that the IDFPR withdraw the proposed rulemaking until the department addresses the concerns outlined below — including by meeting its statutory obligations to provide transparent accountability of bank fee revenue and addressing last year's troubling fund sweeps.**

Examinations should focus on entities with no federal CRA oversight, not Illinois banks. The Illinois CRA applies equally to covered mortgage licensees, covered credit unions, and covered banks — not just to Illinois banks and thrifts. But in practice, the burden falls disproportionately on Illinois banks. Our members are subjected to increasing numbers of CRA examinations, falling on five or more banks per quarter, while Illinois credit unions are subjected to one or two examinations per quarter.

Even more troubling, we are not aware of any reported examinations of mortgage licensees in Illinois. This lack of oversight creates significant risk for the very consumers that the Illinois CRA seeks to protect. According to the National Community Reinvestment Coalition (NCRC), as of 2024, mortgage lenders dominate by representing 69.8% of the largest 50 home purchase lenders in the nation. NCRC notes that "mortgage companies lack [CRA] oversight and are free to pick and choose the communities

¹ The Illinois Bankers Association is a full-service trade association dedicated to creating a positive business climate for the entire banking industry and the communities we serve. Founded in 1891, the IBA brings together state and national banks and savings banks of all sizes in Illinois. Over 52% of IBA members are community banks with less than \$250 million in assets, and over 75% of IBA members are community banks with less than \$750 million in assets. Collectively, the IBA represents nearly 90% of the assets of the Illinois banking industry, which employs more than 105,000 men and women in over 5,000 offices across the state.

in which they operate. This allows neighborhoods that have been traditionally excluded from mortgage lending to remain at the margins”²

Illinois CRA examinations must begin with the entities that operate under no federal CRA regulation or oversight. ***There is no basis under the Illinois CRA law to disproportionately burden the Illinois banking industry.***

The IBA strongly supports community reinvestment goals, and our members have dedicated immense resources since the federal Community Reinvestment Act was enacted in 1977 to meet the credit needs of their communities. In addition to requiring extensive community development investments and activities, the federal CRA also demands large amounts of staff time and resources to record data about a bank’s CRA investments and activities (increasingly through the use of pricey third party vendors, at the insistence of regulators and auditors), validate and audit that data, and prepare for examinations that demand reams of documents, electronic data, and lengthy written narratives.

And many commendable, community-focused efforts never make it into a CRA examination. For example, one Illinois bank reported dedicating hundreds of staff hours to a single customer — a relationship that was unprofitable but was important to the bank’s outreach efforts to unbanked and underbanked persons.

In light of our industry’s long track record of federal CRA compliance, it is difficult to see the value of duplicative activities under the Illinois CRA. Instead, the focus of Illinois CRA supervision and enforcement must fall on those entities that continue to operate with absolutely no federal legal requirements, regulatory burden, or supervisory oversight on their community investments.

The IDFPR must follow transparency requirements when collecting and spending examination fees. Illinois state-chartered banks continue to object to paying up to \$25,000 annually in Illinois CRA examination fees without transparency about the activities and personnel costs funded by those fees.

Even worse, last spring lawmakers swept over \$900,000 from bank and thrift regulatory funds just as the CRA fees began to accumulate.

The Illinois Banking Act requires the IDFPR Division of Banking to identify the expenses and costs of conducting Illinois CRA bank examinations and “make copies of the analyses” of such expenses and costs “available to the banking industry in a timely manner.” To date, we have not seen such analyses made available to the banking industry, and we urge the IDFPR to fulfill this statutory requirement as soon as possible.

The IDFPR also should follow the example of the Office of the Comptroller of the Currency, which has leveraged efficiencies to implement large reductions in examination fees. Instead, the IDFPR is continuing to collect large fees without transparency or accountability on the spending or management of those fees — while seemingly continuing its operations even while the funds are swept into the General Revenue Fund. If the required analyses reveal that Illinois CRA revenue exceeds spending, future Illinois CRA examination fees must be lowered accordingly.

The Illinois CRA is one of several threats to the Illinois bank charter. Due to concerns about fairness and transparency in implementation of the Illinois CRA, we are greatly concerned about a potential exodus from the Illinois bank and savings bank charters. The combined threats of a challenging business climate, uneven regulation, increased and duplicative examination burdens, lack of preemption protections, and higher examination fees than their federally-chartered peers are creating significant

² National Community Reinvestment Coalition: Top 50 Home Purchase Lenders Analysis for 2024: <https://ncrc.org/mortgage-market-report-series-part-5-top-50-home-purchase-lenders-analysis-for-2024/>

pressure on bank executives to seek alternatives. These trends threaten the dual-banking system that is crucial to economic stability, growth, and innovation in Illinois.

In addition to the general issues addressed above, we urge the IDFPR to adopt the following targeted changes in the text of the proposed amendments:

- Formally adopt extended examination cycles for banks with Outstanding or Satisfactory ratings, consistent with the FDIC's extended examination cycles adopted in [FDIC FIL-52-2025](#) (November 7, 2025). Formalizing the IDFPR's practice of scheduling Illinois CRA examinations with federal CRA examiners will alleviate unnecessary uncertainty for the Illinois banking industry. Also, banks with "outstanding" or "satisfactory" ratings under the federal CRA should be afforded the same relief as banks with "outstanding" or "satisfactory" ratings under the Illinois CRA, particularly in the years before a bank has received any rating under the Illinois CRA.
- Adopt a streamlined strategic plan process similar to the OCC's [proposed process](#) designed for community banks. The strategic plan process allows banks and their regulators to tailor the CRA examination process to the needs of a bank's particular community, but it is underutilized by community banks. Adopting a simplified process similar to the OCC's proposal will benefit both banks and the communities they serve.
- Provide Illinois CRA credit for the hiring of low- and moderate-income individuals. Stable employment with opportunities for advancement is an important part of ensuring success for underserved communities.
- Provide Illinois CRA examination manuals to the industry, consistent with federal regulators' practice. The federal CRA regulators have long provided public copies of their examination manuals, procedures, and public evaluation instructions (e.g., interagency procedures for [small](#), [intermediate small](#), and [large](#) institutions), while the IDFPR's examination procedures and requirements remain a mystery. In the spirit of transparency and the Illinois CRA's goals, examination manuals should be shared with covered entities.
- Section 345.200 identifies "assessment factors" without explaining how these factors will be woven into the CRA tests laid out in other sections of the Illinois CRA rules. Clear standards and expectations regarding each assessment factor will promote Illinois CRA compliance and efficient examinations.

We appreciate this opportunity to comment on the proposed amendments from the perspective of our bank and thrift members. We strongly urge the IDFPR to withdraw the proposed rule and work with our industry to provide transparency on regulatory fees and the other concerns outlined in our letter.

Thank you for considering our comments, and please let us know if you have any questions.

Very truly yours,



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Illinois Bankers Association



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