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For Immediate Release

Unprecedented suit garners \$6.2 million for Illinois credit unions
Regulatory fee settlement checks received at long last!

Naperville, IL., June 25, 2009 – Illinois state chartered credit unions have collectively received more than \$6.2 million in regulatory fee refunds and finally have the deposits on their books to prove it.

The end result is a story of unwavering persistence nearly six years in the making, including more than four years of litigation. The refunds are a result of Illinois credit unions (as well as state banks, savings banks and savings and loans associations) being excessively overcharged on their regulatory fees paid to the State of Illinois, only to see the surplus funds be “swept” into the General Revenue Fund under an arrangement facilitated by the Blagojevich Administration during fiscal years 2004, 2005 and 2006.

“This tactic was, in effect, viewed by the Illinois Credit Union League as an unauthorized tax on Illinois credit unions,” said Stephen Olson, ICUL executive vice president, general counsel & COO.

After initially attempting to negotiate in good faith with the previous administration to rescind the fee hikes and fund sweeps, the ICUL Board of Directors, with the full support of Illinois credit unions behind them, determined the best course of action would be to enter into a lawsuit against the State with the Community Bankers Association of Illinois, the League of Financial Institutions and the Illinois Bankers Association in December of 2004 to reverse the Administration’s actions.

Under the Illinois Credit Union Act and the Illinois Banking Act, the co-plaintiffs asserted that regulatory fees paid by Illinois financial institutions are to be used solely for the regulatory supervision of those institutions. An early victory in the case was achieved in March of 2005 when Sangamon Circuit Court Judge Leo Zappa granted ICUL and its co-plaintiffs an injunction prohibiting any further fund sweeps while the case was being pursued. However, there was still much more work to be done before victory could be claimed.

Following many continued efforts to resolve the litigation during 2007, a fairly balanced agreement was finally negotiated in early 2008 through ICUL’s leadership in taking on the Blagojevich Administration. This final piece of the puzzle, corresponding legislation implementing the settlement, was subsequently passed in the waning hours of the 95th Illinois General Assembly. The settlement was signed into law by Governor Pat Quinn on April 6, 2009 and is effective until January 2011, a date that was to coincide with the conclusion of now impeached Blagojevich’s second term in office.

Under the terms of the agreement, credit unions will also receive a reduction in their regulatory fee paid to the State going forward, in the aggregate amount of approximately \$650,000 per year.

“Our goal remains to maintain and enhance a favorable operating environment for all credit unions,” said Dan Plauda, ICUL president/chief executive officer. “Our strength and ability to succeed on core issues of concern to credit unions flows from unity, and without the support of our affiliated credit unions, it would have been impossible to achieve this victory.”

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Note: The Illinois Credit Union League is the primary trade association for credit unions in Illinois, which provides members with information, legislation and education. Membership is open to any credit union operating in accordance with the Illinois Credit Union Act or the Federal Credit Union Act. There are 423 credit unions in Illinois with more than 2.7 million members.