



**Bureau of Residential Finance  
Thrift Division**

(312) 793-1454  
rstearn@bre.state.il.us

[Name of Savings Bank  
Trade and Division Name Use]

August 29, 2003

Ms. []  
[]  
[]  
[], Illinois []

Re: Illinois State Savings Banks, Trade or Division Names

Dear Ms. []:

You have inquired on behalf of your client, an Illinois state savings bank, whether the savings bank may conduct its trust business under a trade or division name.

We have reviewed the Savings Bank Act (205 ILCS 205) and find no prohibition of the use of trade or division names by a savings bank. Therefore, subject to the conditions based discussed below, our view is that the choice and use of trade or division names for facilities, divisions or business areas is usually a business decision of the savings bank.

However, savings banks should be aware that the improper use of trade or division names would create safety and soundness concerns related to possible confusion about the actual identity of facility, division, or business area using a trade or division name. Therefore, savings banks should take reasonable steps to avoid such confusion. These steps may include, but are not limited to:

- 1) Do not use names deceptively similar to names used by existing depository institutions in violation of Section 1075.470 of the Savings Bank Rules (38 IAC 1075.470).
- 2) Disclose, clearly and conspicuously, in signs, advertising, and similar materials that the facility, division, or business area using a trade or division name is part of the savings bank, not a separate legal entity. Great care should be taken to avoid creating deceptive and/or misleading impressions.
- 3) Use the legal name of the savings bank (i.e., the full name under which the savings bank is chartered) on all legal documents, account statements, agreements, notices, formal communications, checks, drafts

and other similar documents.

- 4) Educate the staff of savings bank about the savings bank's use of trade and division names and the actual identity of the facility, division, or business area using a trade or division name. Staff should take the initiative in assuring that customers understand that they are dealing with the savings bank and should be able to provide informed responses to customer questions.
- 5) Obtain from customers, upon opening of new accounts or initial provision of services, signed or verifiable acknowledgement that they are aware that the facility, division or business area using the trade or division name is part of the savings bank.

Furthermore, with regard to savings bank branch offices, Internet banking sites, and any other circumstances that may involve deposit taking and FDIC insurance coverage, savings banks should adhere to the instruction provided in the federal depository institution regulators Interagency Statement on Branch Names (FDIC FIL-46-98) and should review subsequent regulatory issuances (e.g., OCC Interpretative Letter No. 881) for further guidance.

I hope this response is helpful. If I may provide further assistance, please contact me.

Very truly yours,

Robert A. Stearn  
Senior Counsel