

# SB3561



## 104TH GENERAL ASSEMBLY

State of Illinois

2025 and 2026

SB3561

Introduced 2/5/2026, by Sen. Michael E. Hastings

### SYNOPSIS AS INTRODUCED:

New Act  
815 ILCS 505/2MMMM new

Creates the Buy-Now-Pay-Later Loan Regulation Act. Provides that it is unlawful for a person to act as a buy-now-pay-later lender unless the person registers with the Division of Financial Institutions of the Department of Financial and Professional Regulation. Sets forth requirements for registration; duties and powers of the Secretary of Financial and Professional Regulation; and administrative procedures. Provides that a buy-now-pay-lender shall provide specified disclosures to recipients. Provides that a violation of the Act constitutes an unlawful practice under the Consumer Fraud and Deceptive Business Practices Act. Amends the Consumer Fraud and Deceptive Business Practices Act to make a conforming change.

LRB104 20058 SPS 33509 b

A BILL FOR

1 AN ACT concerning business.

2 **Be it enacted by the People of the State of Illinois,**  
3 **represented in the General Assembly:**

4 Section 1. Short title. This Act may be cited as the  
5 Buy-Now-Pay-Later Loan Regulation Act.

6 Section 5. Definitions. As used in this Act:

7 "Applicant" means a person who has submitted an  
8 application for a registration under this Act.

9 "Buy-now-pay-later loan" means closed-end credit provided  
10 to a consumer in connection with the consumer's particular  
11 purchase of goods or service. "Buy-now-pay-later loan" does  
12 not include credit where the creditor is the seller of the  
13 goods or services, unless it is credit pursuant to an  
14 agreement whereby, at a consumer's request, the creditor  
15 purchases a specific good or service from a seller and resells  
16 the specific good or service to the consumer on closed-end  
17 credit. "Buy-now-pay-later loan" includes:

18 (1) a buy-now-pay-later loan payable in one or more  
19 installments without any interest or finance charge;

20 (2) a buy-now-pay-later loan with either interest or  
21 finance charges or both; and

22 (3) any other subset of buy-now-pay-later loans the  
23 Secretary may classify as a separate category by rule.

1 "Buy-now-pay-later lender" means a person who offers  
2 buy-now-pay-later loans in this State. For purposes of this  
3 definition, "offer" means offering to make a buy-now-pay-later  
4 loan by extending credit directly to a consumer or operating a  
5 platform, software, or system with which a consumer interacts  
6 and the primary purpose of which is to allow third parties to  
7 offer buy-now-pay-later loans, or both. For the purposes of  
8 this definition, a person shall not be considered a  
9 buy-now-pay-later lender on the basis of isolated, incidental,  
10 or occasional transactions.

11 "Closed-end financing" means a closed-end extension of  
12 credit, secured or unsecured, recourse or nonrecourse,  
13 including equipment financing that does not meet the  
14 definition of a lease under Section 2A-103 of the Uniform  
15 Commercial Code, that the recipient does not intend to use for  
16 personal, family, or household purposes. "Closed-end  
17 financing" includes financing with an established principal  
18 amount and duration.

19 "Department" means the Department of Financial and  
20 Professional Regulation.

21 "Division" means the Division of Financial Institutions of  
22 the Department of Financial and Professional Regulation.

23 "Finance charge" means the cost of financing as a dollar  
24 amount.

25 "Finance charge" includes any charge payable directly or  
26 indirectly by the recipient and imposed directly or indirectly

1 by the provider as an incident to or a condition of the  
2 extension of financing. "Finance charge" also includes any  
3 charges as determined by the Secretary.

4 "Person" means an individual, entity, corporation,  
5 partnership, limited liability company, joint venture,  
6 association, joint stock company, trust, or unincorporated  
7 organization, including, but not limited to, a sole  
8 proprietorship.

9 "Provider" means a person who extends a specific offer of  
10 buy-now-pay-later financing to a recipient. "Provider"  
11 includes a person who solicits and presents specific offers of  
12 financing on behalf of a third party.

13 "Recipient" means a person located in this State who  
14 applies for buy-now-pay-later loan and is made a specific  
15 offer of buy-now-pay-later financing by a provider.

16 "Secretary" means the Secretary of Financial and  
17 Professional Regulation or a person authorized by the  
18 Secretary to perform the Secretary's responsibilities under  
19 this Act.

20 "Specific offer" means the specific terms of  
21 buy-now-pay-later lending, including price or amount, that is  
22 quoted to a recipient based on information obtained from or  
23 about the recipient that, if accepted by a recipient, shall be  
24 binding on the provider, as applicable, subject to any  
25 specific requirements stated in the specific terms.

1 Section 10. Applicability. This Act does not apply to:

2 (1) a bank, trust company, or industrial loan company  
3 doing business under the authority of, or in accordance  
4 with, a license, certificate or charter issued by the  
5 United States, this State, or any other state, district,  
6 territory, or commonwealth of the United States that is  
7 authorized to transact business in this State;

8 (2) a federally chartered savings and loan  
9 association, federal savings bank, or federal credit union  
10 that is authorized to transact business in this State;

11 (3) a savings and loan association, savings bank, or  
12 credit union organized under the laws of this State or any  
13 other state that is authorized to transact business in  
14 this State;

15 (4) a lender regulated under the federal Farm Credit  
16 Act; and

17 (5) a person acting in the person's capacity as a  
18 technology services provider to an entity for use as part  
19 of that entity's commercial financing program, provided  
20 the person has no interest, or arrangement, or agreement  
21 to purchase any interest in the commercial financing  
22 extended by the entity in connection with the program.

23 Section 15. Administration. This Act shall be administered  
24 by the Division on behalf of the Secretary.

1 Section 20. Registration requirement.

2 (a) It is unlawful for a person to act as a  
3 buy-now-pay-later lender unless the person registers with the  
4 Division under this Section and maintains a valid  
5 registration. An officer or employee of a person required to  
6 register under this Act is not required to register if the  
7 person for whom the individual is an officer or employee is  
8 registered.

9 (b) Application for registration and renewal of  
10 registration shall be made in accordance with this Act and  
11 with the requirements of the multistate licensing system, if  
12 required by the Secretary. The application shall be in  
13 writing, under oath, and on a form obtained from and  
14 prescribed by the Secretary.

15 (c) Registrants shall apply to renew their registration  
16 every calendar year. Registrants may submit properly completed  
17 renewal application forms and filing fees 60 days before the  
18 registration expiration date, and the same shall be received  
19 by the Secretary at least 30 days before the registration  
20 expiration date. Absent a written extension from the  
21 Department, a registration shall expire on December 31 of each  
22 year if a registrant fails to timely submit a properly  
23 completed renewal application and fees.

24 (d) Upon receipt of the registration, a registrant is  
25 authorized to engage in conduct regulated by this Act. The  
26 registration shall remain in full force and effect until it

1 expires, is withdrawn by the registrant, or is revoked or  
2 suspended as provided in this Act.

3 (e) To register under this Section, an applicant shall pay  
4 a registration fee of \$5,000 to the Department and submit a  
5 registration statement containing the information described in  
6 subsection (g).

7 (f) To renew a registration under this Section, a person  
8 shall pay the annual fee of \$5,000 to the Department and submit  
9 a renewal statement containing the information described in  
10 subsection (g).

11 (g) A registration or renewal statement shall be submitted  
12 to the Secretary or to a multistate licensing system as  
13 approved by the Secretary. The registration or renewal  
14 statement shall include:

15 (1) the name of the person;

16 (2) the name in which the business will be transacted  
17 if different from that required in paragraph (1), which  
18 shall be properly registered as an assumed corporate name  
19 under the Business Corporation Act of 1983, an assumed  
20 limited liability company name under the Limited Liability  
21 Company Act, or an assumed business name under the Assumed  
22 Business Name Act;

23 (3) the address of the person's principal business  
24 office;

25 (4) the address of each office in this State at which  
26 the person engages in buy-now-pay-later lending

1 transactions;

2 (5) if the person engages in buy-now-pay-later lending  
3 transactions in this State but does not maintain an office  
4 in this State, a brief description of the manner in which  
5 the business is conducted;

6 (6) if the person conducts business through an agent  
7 located in this State, the name and address in this State  
8 of the person's agent properly registered with the  
9 Secretary of State;

10 (7) for a registration application, whether the  
11 person, an officer, director, manager, operator, or  
12 principal of the person, or an employee of the person  
13 engaged in the business of buy-now-pay-later lending has  
14 been convicted of a crime involving an act of fraud,  
15 dishonesty, breach of trust, or money laundering; if the  
16 applicant answers yes to this paragraph, then the  
17 applicant shall report the names, titles or relationship  
18 to the applicant or registrant, and the nature of the  
19 covered crime;

20 (8) for a renewal application, whether, in the past  
21 year, the person, an officer, director, manager, operator,  
22 or principal of the person, or an employee of the person  
23 engaged in the business of buy-now-pay-later lending has  
24 been convicted of a crime involving an act of fraud,  
25 dishonesty, breach of trust, or money laundering; if the  
26 registrant answers yes to this paragraph, then the

1 registrant shall report the names, titles or relationship  
2 to the applicant or registrant, and the nature of the  
3 covered crime;

4 (9) a statement of the person's commitment to abide by  
5 the requirements of registering persons under this Act;

6 (10) a copy of disclosure form to be used for each type  
7 of buy-now-pay-later loan that the person offers or  
8 intends to offer, and a description of when the disclosure  
9 will be provided to the recipient;

10 (11) information on financing offers presented by  
11 registrant in Illinois in the previous calendar year,  
12 including the number of buy-now-pay-later loans made and  
13 accepted by recipients; and

14 (12) any other information deemed necessary by the  
15 Secretary.

16 (h) The Secretary may refuse to accept or renew a  
17 registration if:

18 (1) the Secretary determines that the person has not  
19 complied with the provisions of this Act, its implementing  
20 rules, or other laws that apply to the person; or

21 (2) the Secretary determines that there is substantial  
22 continuity between the person and any violator of this  
23 Act, its implementing rules, or other laws that apply to  
24 the person or related violator.

25 (i) The Department shall adopt and amend the rules as may  
26 be required for the proper administration and enforcement of

1 this Section, including rules providing for the form, content,  
2 and filing of a registration and renewal statement.

3 Section 25. Additional registration information.

4 (a) In order to fulfill the purposes of this Act, the  
5 Secretary may establish relationships or contracts with a  
6 multistate licensing system or other persons to collect and  
7 maintain records and process fees related to registrants or  
8 other persons subject to this Act.

9 (b) For the purposes of this Section, and to reduce the  
10 points of contact that the Secretary may have to maintain, the  
11 Secretary may use a multistate licensing system as a  
12 channeling agent for requesting and distributing information  
13 to and from any source.

14 (c) Each registrant shall furnish to the Secretary or  
15 multistate licensing system an updated business address within  
16 10 days after any change of business address.

17 Section 30. Registration expiration. No activity regulated  
18 by this Act shall be conducted by a registrant whose  
19 registration has expired. The Secretary may, within the  
20 Secretary's discretion, reinstate an expired registration upon  
21 payment of the renewal fee, payment of a reactivation fee,  
22 submission of a completed renewal application, and an  
23 affidavit of good cause for late renewal.

1 Section 35. Functions; powers; duties. The functions,  
2 powers, and duties of the Secretary include, but are not  
3 limited to, the following:

4 (1) to issue or refuse to issue any registration or  
5 renewal;

6 (2) to revoke or suspend for cause any registration  
7 issued under this Act;

8 (3) to keep records of all registrations issued under  
9 this Act;

10 (4) to receive, consider, investigate, and act upon  
11 complaints made by any person in connection with any  
12 registration in this State or unregistered  
13 buy-now-pay-later lending activity of any person;

14 (5) to adopt rules necessary and proper for the  
15 administration of this Act, to protect consumers and  
16 financing recipients, to promote fair competition, and as  
17 otherwise authorized by this Act;

18 (6) to subpoena documents and witnesses and compel  
19 their attendance and production, to administer oaths, and  
20 to require the production of any books, papers, or other  
21 materials relevant to any inquiry authorized by this Act  
22 or its implementing rules;

23 (7) to issue orders against any person if the  
24 Secretary has reasonable cause to believe that an unsafe,  
25 unsound, or unlawful practice has occurred, is occurring,  
26 or is about to occur; if any person is violating, or is

1 about to violate any law, rule, or written agreement with  
2 the Secretary; or for the purpose of administering the  
3 provisions of this Act and any rule adopted in accordance  
4 with this Act;

5 (8) to address any inquiries to any registrant, or the  
6 owners, officers, or directors thereof, in relation to its  
7 activities and conditions, or any other matter connected  
8 with its affairs, and any registrant or person so  
9 addressed shall promptly reply in writing to those  
10 inquiries. The Secretary may also require reports from any  
11 registrant at any time the Secretary deems desirable;

12 (9) to enforce provisions of this Act and its  
13 implementing rules;

14 (10) to levy fees, including, but not limited to,  
15 assessments, registration fees, civil penalties, and  
16 charges for services performed in administering this Act.  
17 The Secretary may establish and modify fees by rule;

18 (11) to issue refunds to registrants of any  
19 overpayment for good cause shown;

20 (12) to appoint experts and special assistants as  
21 needed to effectively and efficiently administer this Act;

22 (13) to conduct hearings for the purpose of  
23 suspensions, denials, or revocations of registrations,  
24 fining, or other discipline of registrants or unregistered  
25 persons or entities;

26 (14) to exercise visitorial power over a registrant:

1 (i) if the Secretary has reasonable cause to believe that  
2 an unsafe, unsound, or unlawful practice has occurred, is  
3 occurring, or is about to occur; or (ii) if a person is  
4 violating or is about to violate any law, rule, or written  
5 agreement with the Secretary;

6 (15) to enter into cooperative agreements with state  
7 regulatory authorities of other states to provide for  
8 examination of corporate offices or branches of those  
9 states, participate in joint examinations with other  
10 regulators, and to accept reports of the examinations;

11 (16) to impose civil penalties of up to \$500 per day  
12 against a registrant for failing to respond to a  
13 regulatory request or reporting requirement; and

14 (17) to enter into agreements in connection with a  
15 multistate licensing system.

16 Section 40. Subpoena power of the Secretary.

17 (a) The Secretary may issue and serve subpoenas and  
18 subpoenas duces tecum to compel the attendance of witnesses  
19 and the production of all books, accounts, records, and other  
20 documents and materials relevant to an investigation. The  
21 Secretary, or the Secretary's duly authorized representative,  
22 may administer oaths and affirmations to any person.

23 (b) If a person does not comply with the Secretary's  
24 subpoena or subpoena duces tecum, the Secretary may, through  
25 the Attorney General, petition the circuit court of the county

1 in which the subpoenaed person resides or has its principal  
2 place of business for an order requiring the subpoenaed person  
3 to testify and to comply with the subpoena duces tecum. The  
4 court may grant injunctive relief restraining the person from  
5 engaging in activity regulated by this Act. The court may  
6 grant other relief, including, but not limited to, the  
7 restraint, by injunction or appointment of a receiver, of any  
8 transfer, pledge, assignment, or other disposition of the  
9 person's assets, concealment, destruction, or other  
10 disposition of books, accounts, records, or other documents  
11 and materials, as the court deems appropriate, until the  
12 person has fully complied with the subpoena or subpoena duces  
13 tecum and the Secretary has completed an investigation.

14 (c) If it appears to the Secretary that the compliance  
15 with a subpoena or subpoena duces tecum issued or caused to be  
16 issued by the Secretary under this Section is essential to an  
17 investigation, the Secretary, in addition to the other  
18 remedies provided for in this Act, may, through the Attorney  
19 General, apply for relief to the circuit court of the county in  
20 which the subpoenaed person resides or has its principal place  
21 of business. The court shall thereupon direct the issuance of  
22 an order against the subpoenaed person requiring sufficient  
23 bond conditioned on compliance with the subpoena or subpoena  
24 duces tecum. The court shall cause to be endorsed on the order  
25 a suitable amount of bond or payment pursuant to which the  
26 person named be freed, having a due regard to the nature of the

1 case.

2 (d) The Secretary may, through the Attorney General, seek  
3 a writ of attachment or an equivalent order from the circuit  
4 court having jurisdiction over the person who has refused to  
5 obey a subpoena, who has refused to give testimony, or who has  
6 refused to produce the matters described in the subpoena duces  
7 tecum.

8 Section 45. Consumer protections.

9 (a) A buy-now-pay-lender subject to this Act shall provide  
10 the following disclosures to a recipient, in a clear and  
11 conspicuous manner, as prescribed by the Secretary, if any, at  
12 the time of extending a specific offer of a buy-now-pay-later  
13 loan:

14 (1) the terms of buy-now-pay-later loan, including  
15 cost, such as interest and fees, repayment schedule, the  
16 means by which a consumer may dispute billing practices,  
17 whether the transaction will or will not be reported to a  
18 credit reporting agency, and other material conditions, in  
19 a clear and conspicuous manner;

20 (2) policies and procedures for underwriting  
21 buy-now-pay-later loans, and factors considered in the  
22 underwriting process;

23 (3) the annual percentage rate, using only the words  
24 annual percentage rate or the abbreviation "APR",  
25 expressed as a yearly rate, inclusive of any fees and

1 finance charges that cannot be avoided by a recipient;

2 (4) the total repayment amount, which is the  
3 disbursement amount plus the finance charge;

4 (5) the term of the financing;

5 (6) the payment amounts;

6 (A) for payment amounts that are fixed, the  
7 payment amounts and frequency, such as daily, weekly,  
8 monthly, and, if the term is longer than one month, the  
9 average monthly payment amount; or

10 (B) for payment amounts that are variable, a full  
11 payment schedule or a description of the method used  
12 to calculate the amounts and frequency of payments,  
13 and, if the term is longer than one month, the  
14 estimated average monthly payment amount;

15 (7) a description of all other potential fees and  
16 charges that can be avoided by the recipient, including,  
17 but not limited to, late payment fees and returned payment  
18 fees;

19 (8) if the recipient elects to pay off or refinance  
20 the loan before full repayment, the provider shall  
21 disclose:

22 (A) whether the recipient would be required to pay  
23 any finance charges other than interest accrued since  
24 their last payment; if so, disclosure of the  
25 percentage of any unpaid portion of the finance charge  
26 and maximum dollar amount the recipient could be

1 required to pay; and

2 (B) whether the recipient would be required to pay  
3 any additional fees not already included in the  
4 finance charge;

5 (9) a description of collateral requirements or  
6 security interests, if any; and

7 (10) the finance charge.

8 (b) A buy-now-pay-later lender shall, before providing a  
9 buy-now-pay-later loan to a consumer, perform reasonable  
10 risk-based underwriting.

11 (c) A buy-now-pay-later lender shall maintain policies and  
12 procedures for maintaining accurate data that may be reported  
13 to credit reporting agencies.

14 (d) A buy-now-pay-later lender shall resolve disputes in a  
15 manner that is fair and transparent to consumers. A  
16 buy-now-pay-later lender shall create a readily available and  
17 prominently disclosed method for consumers to bring a dispute  
18 to the buy-now-pay-later lender. A buy-now-pay-later lender  
19 shall maintain policies and procedures for handling consumer  
20 disputes. A buy-now-pay-later lender shall apply to  
21 buy-now-pay-later loans the dispute rights and unauthorized  
22 charges requirements that apply to credit cards under the  
23 Truth in Lending Act, regardless of whether the law applies to  
24 buy-now-pay-later loans or whether the buy-now-pay-later  
25 lender offers a credit card within the scope of the law.

26 (e) A buy-now-pay-later lender shall provide refunds or

1 credits for goods or services purchased in connection with a  
2 buy-now-pay-later loan, if the consumer requests and is  
3 entitled to a refund, in a manner that is fair, transparent,  
4 and not unduly burdensome to consumers. A buy-now-pay-later  
5 lender shall maintain policies and procedures to provide the  
6 refunds or credits. The policies and procedures shall be fair,  
7 transparent, and not unduly burdensome to the consumer. A  
8 buy-now-pay-later lender shall disclose to consumers, in a  
9 clear and conspicuous manner, the process by which they can  
10 obtain refunds or credits for goods or services they have  
11 purchased in connection with a buy-now-pay-later loan

12 (f) The registration of a buy-now-pay-later lender shall  
13 be kept conspicuously posted on the mobile application,  
14 website, or other consumer interface of the buy-now-pay-later  
15 lender, as well as listed in the terms and conditions of any  
16 buy-now-pay-later loan offered or entered into by the  
17 registration.

18 Section 50. Notification.

19 (a) A registrant shall advise the Secretary in writing of  
20 any changes to the information submitted on its most recent  
21 registration or renewal of registration within 30 days after  
22 the change.

23 (b) A registrant shall advise the Secretary in writing  
24 that the registrant has been disciplined, including denial of  
25 licensure, by a licensing authority of this State or another

1 state within 10 days after entry of the discipline.

2 Section 55. Disciplinary actions.

3 (a) The Secretary may enter an order imposing one or more  
4 of the following penalties:

5 (1) revocation of registration;

6 (2) suspension of a registration subject to  
7 reinstatement upon satisfying all reasonable conditions  
8 the Secretary may specify;

9 (3) placement of the registrant or applicant on  
10 probation for a period of time and subject to all  
11 reasonable conditions as the Secretary may specify;

12 (4) imposition of civil monetary penalties not to  
13 exceed \$10,000 for each separate offense, but civil  
14 penalties may not exceed \$50,000 for all violations  
15 arising from the use of the same single transaction,  
16 including for financing offers that are not consummated;

17 (5) restitution, refunds, or any other relief  
18 necessary to protect recipients; and

19 (6) denial of a registration.

20 (b) Grounds for penalties include:

21 (1) if a registrant has violated or aided another to  
22 violate any provision of this Act, any rule adopted by the  
23 Secretary, or any other law, rule, or regulation of this  
24 State, any other state, or the United States;

25 (2) if a person has violated or aided another to

1 violate any provision of this Act or any rule adopted by  
2 the Secretary under this Act;

3 (3) if a fact or condition exists that, if it had  
4 existed at the time of the original application for  
5 registration, would have warranted the Secretary in  
6 refusing issue the original registration;

7 (4) that a registrant that is not an individual has  
8 acted or failed to act in a way that would be cause for  
9 suspending or revoking a registration to an individual;

10 (5) that a person engaged in unsafe, unsound, unfair,  
11 deceptive, or abusive business practices related to the  
12 activity covered by this Act;

13 (6) that a registrant or an officer, director,  
14 manager, operator, or principal of the registrant, or an  
15 employee of the registrant engaged in the business of  
16 buy-now-pay-later financing has been adjudicated guilty of  
17 a crime against the law of this State, any other state, or  
18 of the United States involving moral turpitude, abusive,  
19 deceptive, fraudulent, or dishonest dealing;

20 (7) that a final judgment has been entered against  
21 registrant or an officer, director, manager, operator, or  
22 principal of the registrant, or an employee of the  
23 registrant engaged in the business of commercial financing  
24 in a civil action upon grounds of abusive conduct,  
25 conversion, fraud, misrepresentation, or deceit;

26 (8) that an applicant made a material misstatement in

1 the applicant's application for registration or any other  
2 communication to the Secretary;

3 (9) that a person has demonstrated, by course of  
4 conduct, negligence or incompetence in performing any act  
5 for which it is required to hold a registration under this  
6 Act;

7 (10) that a person has failed to advise the Secretary  
8 in writing of any changes to the information submitted on  
9 the person's most recent registration or renewal of  
10 registration within 30 days after the change;

11 (11) that a registrant had a license, registration, or  
12 the equivalent, to practice any profession, occupation,  
13 other industry or activity requiring licensure revoked,  
14 suspended, disciplined, or otherwise acted against,  
15 including the denial of licensure by a licensing authority  
16 of this State or another state, territory, or country for  
17 fraud, dishonest dealing, misrepresentations,  
18 incompetence, conversion, any act of moral turpitude or  
19 any other grounds that would constitute grounds for  
20 discipline under this Act;

21 (12) that a person registered under this Act failed to  
22 timely notify the Secretary that the person has been  
23 disciplined, including denial of licensure, by a licensing  
24 authority of this State or another state;

25 (13) that a person engaged in activities regulated by  
26 this Act without a current, active registration unless

1 specifically exempted by this Act;

2 (14) that a person failed to timely pay any fee,  
3 charge, or civil penalty assessed under this Act; and

4 (15) that a person refused, obstructed, evaded, or  
5 unreasonably delayed an investigation or information  
6 request authorized under this Act, or refused, obstructed,  
7 evaded, or unreasonably delayed compliance with the  
8 Secretary's subpoena or subpoena duces tecum.

9 (c) No registration shall be suspended or revoked, except  
10 as provided in this Section, or any person be assessed a civil  
11 penalty without notice of the registrant's right to a hearing.

12 (d) The Secretary may suspend any registration for a  
13 period not exceeding 180 days pending investigation for good  
14 cause shown that an emergency exists.

15 (e) No revocation, suspension, or surrender of any  
16 registration shall impair or affect the obligation of any  
17 preexisting lawful contract between the registrant and any  
18 person. The Secretary's approval of a registrant's application  
19 to surrender its registration shall not affect the  
20 registrant's civil or criminal liability for acts committed  
21 prior to surrender. Surrender of a registration does not  
22 entitle the registrant to a return of any part of the  
23 registration fee.

24 (f) Every registration issued under this Act shall remain  
25 in force and effect until the registration expires, is  
26 surrendered, is revoked, or is suspended in accordance with

1 the provisions of this Act. The Secretary shall have authority  
2 to reinstate a suspended registration or to issue a new  
3 registration to a registrant whose registration has been  
4 revoked or surrendered if no fact or condition then exists  
5 which would have warranted the Secretary in refusing  
6 originally to issue that registration under this Act.

7 (g) If the Secretary imposes discipline authorized by this  
8 Section, the Secretary shall execute a written order to that  
9 effect. The Secretary shall serve a copy of the order upon the  
10 person. The Secretary shall serve the person with notice of  
11 the order, including a statement of the reasons for the order  
12 personally or by certified mail. Service by certified mail  
13 shall be deemed completed when the notice is deposited in the  
14 U.S. Mail.

15 (h) An order assessing a civil penalty, an order revoking  
16 or suspending a registration, or an order denying renewal of a  
17 registration shall take effect upon service of the order  
18 unless the registrant serves the Department with a written  
19 request for a hearing in the manner required by the order  
20 within 10 days after the date of service of the order. If a  
21 person requests a hearing, the order shall be stayed from its  
22 date of service until the Department enters a final  
23 administrative order. Hearings shall be conducted as follows:

24 (1) If the registrant requests a hearing, then the  
25 Secretary shall schedule a hearing within 90 days after  
26 the request for a hearing unless otherwise agreed to by

1 the parties.

2 (2) The hearing shall be held at the time and place  
3 designated by the Secretary. The Secretary and any  
4 administrative law judge designated by the Secretary shall  
5 have the power to administer oaths and affirmations,  
6 subpoena witnesses and compel their attendance, take  
7 evidence, and require the production of books, papers,  
8 correspondence, and other records or information that they  
9 consider relevant or material to the inquiry.

10 (i) The costs of administrative hearings conducted under  
11 this Section shall be paid by the registrant or other person  
12 subject to the hearing.

13 (j) Registrants and other persons subject to this Act  
14 shall be subject to the disciplinary actions specified in this  
15 Act for any violations conducted by any officer, director,  
16 shareholder, joint venture, partner, owner, including, but not  
17 limited to, ultimate equitable owner.

18 Section 60. Investigation of complaints. The Secretary may  
19 investigate any complaints and inquiries made concerning this  
20 Act and any registrants or persons the Secretary believes may  
21 be required to register under this Act. Each registrant or  
22 person the Secretary believes may be required to register  
23 under this Act shall open the registrant's or person's books,  
24 records, documents, and offices wherever situated to the  
25 Secretary as needed to facilitate the investigations.

1 Section 65. Additional investigation authority. In  
2 addition to any authority allowed under this Act, the  
3 Secretary may conduct investigations as follows:

4 (1) For purposes of initial registration, registration  
5 renewal, registration suspension, registration  
6 conditioning, registration probation, registration  
7 revocation or termination, or general or specific inquiry  
8 or investigation to determine compliance with this Act,  
9 the Secretary may access, receive, and use any books,  
10 accounts, records, files, documents, information, or  
11 evidence, including, but not limited to, the following:

12 (A) criminal, civil, registration, and  
13 administrative history information, including  
14 non-conviction data;

15 (B) personal history and experience information,  
16 including independent credit reports obtained from a  
17 consumer reporting agency; and

18 (C) any other documents, information, or evidence  
19 the Secretary deems relevant to the inquiry or  
20 investigation, regardless of the location, possession,  
21 control, or custody of the documents, information, or  
22 evidence.

23 (2) For the purposes of investigating violations or  
24 complaints arising under this Act, the Secretary may  
25 review or investigate any registrant or person subject to

1           this Act as necessary in order to carry out the purposes of  
2           this Act. The Secretary may direct, subpoena, or order the  
3           attendance of, and examine under oath all persons and  
4           order any person to produce records, files, and any other  
5           documents the Secretary deems relevant to an inquiry.

6           (3) Each person subject to this Act shall make  
7           available to the Secretary upon request the books and  
8           records relating to the operations of the person subject  
9           to this Act. The Secretary shall have access to those  
10          books and records and may interview the owners, officers,  
11          principals, employees, independent contractors, agents,  
12          vendors, and customers of any registrant or person subject  
13          to this Act.

14          (4) In making any investigation authorized by this  
15          Act, the Secretary may control access to any documents and  
16          records of the registrant or person under investigation.  
17          The Secretary may take possession of the documents and  
18          records or otherwise take constructive control of the  
19          documents. During the period of control, no person shall  
20          remove or alter any of the documents or records, except  
21          pursuant to a court order or with the consent of the  
22          Secretary. Unless the Secretary has reasonable grounds to  
23          believe the documents or records of the registrant have  
24          been or are at risk of being altered or destroyed for  
25          purposes of concealing a violation of this Act, the  
26          registrant or owner of the documents and records shall

1           have access to the documents or records as necessary to  
2           conduct its ordinary business affairs.

3           (5) In order to carry out the purposes of this  
4           Section, the Secretary may:

5                   (A) retain attorneys, accountants, or other  
6                   professionals and specialists as auditors or  
7                   investigators to conduct or assist in the conduct of  
8                   investigations;

9                   (B) enter into agreements or relationships with  
10                   other government officials or regulatory associations  
11                   to protect consumers or financing recipients, improve  
12                   efficiencies, and reduce regulatory burden by sharing  
13                   resources, standardized or uniform methods or  
14                   procedures, and documents, records, information, or  
15                   evidence obtained under this Section;

16                   (C) use, hire, contract, or employ publicly or  
17                   privately available analytical systems, methods, or  
18                   software or investigate the registrant or person  
19                   subject to this Act;

20                   (D) accept and rely on examination or  
21                   investigation reports made by other government  
22                   officials, within or outside this State; or

23                   (E) accept audit reports made by an independent  
24                   certified public accountant for the person subject to  
25                   this Act and may incorporate the audit report in the  
26                   report of the investigation or other writing of the

1 Secretary.

2 (6) The authority of this Section shall remain in  
3 effect, whether the person subject to this Act acts or  
4 claims to act under any licensing or registration law of  
5 this State or claims to act without the authority.

6 (7) No registrant or person subject to investigation  
7 or under this Section may knowingly withhold, alter,  
8 abstract, remove, mutilate, destroy, hide, or conceal any  
9 books, records, computer records, or other information or  
10 take actions designed to delay or complicate review of  
11 records.

12 Section 70. Confidentiality. To promote more effective  
13 regulation, protect consumers and financing recipients, and  
14 reduce regulatory burden through inter-regulatory sharing of  
15 confidential supervisory information:

16 (1) The privacy or confidentiality of any information  
17 or material provided to a multistate licensing system,  
18 including all privileges arising under federal or State  
19 court rules, shall continue to apply to the information or  
20 material after the information or material has been  
21 disclosed to the multistate licensing system. Information  
22 and material may be shared with a multistate licensing  
23 system, federal and State regulatory officials with  
24 relevant oversight authority, and law enforcement without  
25 the loss of privilege or the loss of confidentiality

1           protections.

2           (2) The Secretary may enter into agreements or sharing  
3           arrangements with other governmental agencies, the  
4           Conference of State Bank Supervisors, and other  
5           associations representing governmental agencies.

6           (3) Information or material that is privileged or  
7           confidential under this Act as determined by the Secretary  
8           is not subject to the following:

9                   (A) disclosure under any State law governing the  
10           disclosure to the public of information held by an  
11           officer or an agency of the State; or

12                   (B) subpoena, discovery, or admission into  
13           evidence, in any private civil action or  
14           administrative process except as authorized by the  
15           Secretary.

16           (4) Any other law relating to the disclosure of  
17           confidential supervisory information that is inconsistent  
18           with this Act shall be superseded by the requirements of  
19           this Section to the extent the other law provides less  
20           confidentiality or a weaker privilege for information that  
21           is privileged or confidential under this Act.

22           (5) Confidential or privileged information received  
23           from a multistate licensing system, another licensing  
24           body, federal and State regulatory officials, or law  
25           enforcement shall be protected to the same extent as the  
26           Secretary's confidential and privileged information is

1           protected under this Act. The Secretary may also protect  
2           from disclosure confidential or privileged information  
3           that would be exempt from disclosure to the extent it is  
4           held directly by the multistate licensing system, another  
5           licensing body, federal and State regulatory officials, or  
6           law enforcement.

7           Section 75. Appeal and review.

8           (a) The Secretary may, in accordance with the Illinois  
9           Administrative Procedure Act, adopt rules to provide for  
10          review within the Department of the Secretary's decisions  
11          affecting the rights of persons under this Act. The review  
12          shall provide for, at a minimum:

13                 (1) appointment of a hearing officer;

14                 (2) appropriate procedural rules, specific deadlines  
15          for filings, and standards of evidence and of proof; and

16                 (3) provisions for apportioning costs among parties to  
17          the appeal.

18          (b) All final agency determinations of appeals to  
19          decisions of the Secretary may be reviewed in accordance with  
20          and under the provisions of the Administrative Review Law.  
21          Appeals from all final orders and judgments entered by a court  
22          in review of any final administrative decision of the  
23          Secretary or of any final agency review of a decision of the  
24          Secretary may be taken as in other civil cases.

1 Section 80. Registration fees.

2 (a) The fee for initial registration is \$5,000. The fee is  
3 nonrefundable.

4 (b) The fee for annual application renewal is \$5,000. The  
5 fee is nonrefundable.

6 (c) The Department shall impose a contingent fee  
7 sufficient to cover its operating expenses in administering  
8 this Act not otherwise covered by all other revenue collected  
9 under this Act. Each registrant shall pay to the Division its  
10 pro rata share, based on number or volume of transactions or  
11 revenue, of the cost for administration of this Act that  
12 exceeds other fees listed in this Section, as estimated by the  
13 Division, for the current year and any deficit actually  
14 incurred in the administration of this Act in prior years.

15 Section 85. Cease and desist order.

16 (a) The Secretary may issue a cease and desist order to any  
17 registrant or person doing business without the required  
18 registration when, in the opinion of the Secretary, the  
19 registrant or other person has violated, is violating, or is  
20 about to violate any provision of this Act or any rule adopted  
21 by the Department under this Act or any requirement imposed in  
22 writing by the Department as a condition of granting any  
23 authorization permitted by this Act. The cease and desist  
24 order authorized by this Section may be issued prior to a  
25 hearing.

1           (b) The Secretary shall serve notice of the cease and  
2 desist order, either personally or by certified mail. Service  
3 by certified mail shall be deemed completed when the notice is  
4 deposited in the U.S. Mail. The Secretary's notice shall  
5 include a statement of the reasons for the action.

6           (c) Within 10 days after service of the cease and desist  
7 order, the person subject to the cease and desist order may  
8 request a hearing in writing. The Secretary shall schedule a  
9 preliminary hearing within 60 days after the request for a  
10 hearing unless the parties agree to a later date.

11           (d) If it is determined that the Secretary had the  
12 authority to issue the cease and desist order, the Secretary  
13 may issue the orders as may be reasonably necessary to  
14 correct, eliminate, deter, or remedy the conduct described in  
15 the order and resulting harms.

16           (e) The powers vested in the Secretary by this Section are  
17 additional to all other powers and remedies vested in the  
18 Secretary by any law. Nothing in this Section shall be  
19 construed as requiring that the Secretary shall employ the  
20 power conferred in this Section instead of or as a condition  
21 precedent to the exercise of any other power or remedy vested  
22 in the Secretary.

23           Section 90. Injunctions. The Secretary may maintain an  
24 action in the name of the people of this State and may apply  
25 for an injunction in the circuit court to enjoin a person from

1 violating this Act or its implementing rules through the  
2 Attorney General.

3 Section 95. Exemptions. This Act does not apply to, and  
4 does not place any additional requirements or obligations  
5 upon, any of the following:

6 (1) any person or entity that is not a provider;

7 (2) a commercial financing transaction secured by real  
8 property;

9 (3) a lease as defined in Section 2A-103 of the  
10 Uniform Commercial Code, not including finance leases as  
11 defined in paragraph (g) of subsection (1) of Section  
12 2A-103 of the Uniform Commercial Code; or

13 (4) a company primarily in the business of  
14 manufacturing equipment, or any subsidiary or affiliate of  
15 the company, when offering a commercial financing  
16 transaction for which the majority of the proceeds are  
17 used to finance nonfinancial products manufactured by the  
18 company, or any subsidiary or affiliate of the company, or  
19 the maintenance of or other services on the products;

20 (5) any person or provider who makes no more than 5  
21 commercial financing transactions in this State in a  
22 12-month period;

23 (6) a single, discrete commercial financing  
24 transaction in an amount over \$500,000; or

25 (7) a commercial financing transaction in which the

1 recipient is a vehicle dealer subject to Section 5-101 or  
2 5-102 of the Illinois Vehicle Code, an affiliate of a  
3 dealer, a rental vehicle company as defined in Section 10  
4 of the Renter's Financial Responsibility and Protection  
5 Act, or an affiliate of a company under a commercial  
6 financing agreement or commercial open-end credit plan of  
7 at least \$50,000, including any commercial loan made under  
8 a commercial financing transaction.

9 Section 100. Complaint disclosure. All buy-now-pay-later  
10 lending offers shall include a clear and conspicuous notice on  
11 how to file a complaint with the Department.

12 Section 105. Rules. The Secretary may adopt rules to  
13 implement and enforce this Act, including, but not limited to:

14 (1) rules defining the terms used in this Act and as  
15 may be necessary and appropriate to interpret and  
16 implement the provisions of this Act;

17 (2) rules for the enforcement and administration of  
18 this Act;

19 (3) rules for the protection of consumers and  
20 recipients in this State; and

21 (4) rules defining improper or fraudulent business  
22 practices in connection with commercial financing.

23 Section 110. Enforcement. A violation of this Act

1 constitutes an unlawful practice under the Consumer Fraud and  
2 Deceptive Business Practices Act. All remedies, penalties, and  
3 authority granted to the Attorney General by the Consumer  
4 Fraud and Deceptive Business Practices Act shall be available  
5 to the Attorney General for the enforcement of this Act.

6 Section 115. Limitation on liability. No provision of this  
7 Act imposes any liability on a provider as a result of the  
8 actual annual percentage rate charged by a provider differing  
9 from the estimated annual percentage rate disclosed in  
10 conformity with any regulation, order, or written interpretive  
11 opinion of the Secretary or any opinion of the Attorney  
12 General, whether or not the regulation, order, or written  
13 interpretive opinion is later amended, rescinded, or repealed  
14 or determined by judicial or other authority to be invalid for  
15 any reason.

16 Section 120. Relation to other laws. Nothing in this Act  
17 shall be construed to limit the obligations of a  
18 buy-now-pay-later lender to comply with any other applicable  
19 laws. Any protections, rights, and remedies provided in this  
20 Act to a consumer with respect to an agreement with a  
21 buy-now-pay-later lender shall be intended to supplement and  
22 not be exclusive of any protections, rights, and remedies  
23 otherwise available under any other law.

1           Section 900. The Consumer Fraud and Deceptive Business  
2 Practices Act is amended by adding Section 2MMMM as follows:

3           (815 ILCS 505/2MMMM new)

4           Sec. 2MMMM. Violations of the Buy-Now-Pay-Later Loan  
5 Regulation Act. A person who violates the Buy-Now-Pay-Later  
6 Loan Regulation Act commits an unlawful practice within the  
7 meaning of this Act.

8           Section 997. Severability. The provisions of this Act are  
9 severable under Section 1.31 of the Statute on Statutes.