

1 AN ACT concerning regulation.

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

4 Article 1.

5 Section 1-5. The Farmer Equity Act is amended by adding
6 Section 25 as follows:

7 (505 ILCS 72/25 new)

8 Sec. 25. Disparity study; report.

9 (a) The Department shall conduct a study and use the data
10 collected to determine economic and other disparities
11 associated with farm ownership and farm operations in this
12 State. The study shall focus primarily on identifying and
13 comparing economic, land ownership, education, and other
14 related differences between African American farmers and white
15 farmers, but may include data collected in regards to farmers
16 from other socially disadvantaged groups. The study shall
17 collect, compare, and analyze data relating to disparities or
18 differences in farm operations for the following areas:

19 (1) Farm ownership and the size or acreage of the
20 farmland owned compared to the number of farmers who are
21 farm tenants.

22 (2) The distribution of farm-related generated income

1 and wealth.

2 (3) The accessibility and availability to grants,
3 loans, commodity subsidies, and other financial
4 assistance.

5 (4) Access to technical assistance programs and
6 mechanization.

7 (5) Participation in continuing education, outreach,
8 or other agriculturally related services or programs.

9 (6) Interest in farming by young or beginning farmers.

10 (b) The Department shall submit a report of study to the
11 Governor and General Assembly on or before January 1, 2022. The
12 report shall be made available on the Department's Internet
13 website.

14 Article 5.

15 Section 5-5. The Cannabis Regulation and Tax Act is amended
16 by adding Section 10-45 as follows:

17 (410 ILCS 705/10-45 new)

18 Sec. 10-45. Cannabis Equity Commission.

19 (a) The Cannabis Equity Commission is created and shall
20 reflect the diversity of the State of Illinois, including
21 geographic, racial, and ethnic diversity. The Cannabis Equity
22 Commission shall be responsible for the following:

23 (1) Ensuring that equity goals in the Illinois cannabis

1 industry, as stated in Section 10-40, are met.

2 (2) Tracking and analyzing minorities in the
3 marketplace.

4 (3) Ensuring that revenue is being invested properly
5 into R3 areas under Section 10-40.

6 (4) Recommending changes to make the law more equitable
7 to communities harmed the most by the war on drugs.

8 (5) Create standards to protect true social equity
9 applicants from predatory businesses.

10 (b) The Cannabis Equity Commission's ex officio members
11 shall, within 4 months after the effective date of this
12 amendatory Act of the 101st General Assembly, convene the
13 Commission to appoint a full Cannabis Equity Commission and
14 oversee, provide guidance to, and develop an administrative
15 structure for the Cannabis Equity Commission. The ex officio
16 members are:

17 (1) The Governor, or his or her designee, who shall
18 serve as chair.

19 (2) The Attorney General, or his or her designee.

20 (3) The Director of Commerce and Economic Opportunity,
21 or his or her designee.

22 (4) The Director of Public Health, or his or her
23 designee.

24 (5) The Director of Corrections, or his or her
25 designee.

26 (6) The Director of Financial and Professional

1 Regulation, or his or her designee.

2 (7) The Director of Agriculture, or his or her
3 designee.

4 (8) The Executive Director of the Illinois Criminal
5 Justice Information Authority, or his or her designee.

6 (9) The Secretary of Human Services, or his or her
7 designee.

8 (10) A member of the Senate, designated by the
9 President of the Senate.

10 (11) A member of the House of Representatives,
11 designated by the Speaker of the House of Representatives.

12 (12) A member of the Senate, designated by the Minority
13 Leader of the Senate.

14 (13) A member of the House of Representatives,
15 designated by the Minority Leader of the House of
16 Representatives.

17 (c) Within 90 days after the ex officio members convene,
18 the following members shall be appointed to the Commission by
19 the chair:

20 (1) Four community-based providers or community
21 development organization representatives who provide
22 services to treat violence and address the social
23 determinants of health, or promote community investment,
24 including, but not limited to, services such as job
25 placement and training, educational services, workforce
26 development programming, and wealth building. No more than

1 2 community-based organization representatives shall work
2 primarily in Cook County. At least one of the
3 community-based providers shall have expertise in
4 providing services to an immigrant population.

5 (2) Two experts in the field of violence reduction.

6 (3) One male who has previously been incarcerated and
7 is over the age of 24 at the time of appointment.

8 (4) One female who has previously been incarcerated and
9 is over the age of 24 at the time of appointment.

10 (5) Two individuals who have previously been
11 incarcerated and are between the ages of 17 and 24 at the
12 time of appointment.

13 As used in this subsection (c), "an individual who has been
14 previously incarcerated" has the same meaning as defined in
15 paragraph (2) of subsection (e) of Section 10-40.

16 Article 15.

17 Division 1. General Provisions

18 Section 15-1-1. Short title. This Act may be cited as the
19 Predatory Loan Prevention Act. References in this Article to
20 "this Act" mean this Article.

21 Section 15-1-5. Purpose and construction. Illinois
22 families pay over \$500,000,000 per year in consumer

1 installment, payday, and title loan fees. As reported by the
2 Department in 2020, nearly half of Illinois payday loan
3 borrowers earn less than \$30,000 per year, and the average
4 annual percentage rate of a payday loan is 297%. The purpose of
5 this Act is to protect consumers from predatory loans
6 consistent with federal law and the Military Lending Act which
7 protects active duty members of the military. This Act shall be
8 construed as a consumer protection law for all purposes. This
9 Act shall be liberally construed to effectuate its purpose.

10 Section 15-1-10. Definitions. As used in this Act:

11 "Consumer" means any natural person, including consumers
12 acting jointly.

13 "Department" means the Department of Financial and
14 Professional Regulation.

15 "Lender" means any person or entity, including any
16 affiliate or subsidiary of a lender, that offers or makes a
17 loan, buys a whole or partial interest in a loan, arranges a
18 loan for a third party, or acts as an agent for a third party in
19 making a loan, regardless of whether approval, acceptance, or
20 ratification by the third party is necessary to create a legal
21 obligation for the third party, and includes any other person
22 or entity if the Department determines that the person or
23 entity is engaged in a transaction that is in substance a
24 disguised loan or a subterfuge for the purpose of avoiding this
25 Act.

1 "Person" means any natural person.

2 "Secretary" means the Secretary of Financial and
3 Professional Regulation or a person authorized by the
4 Secretary.

5 "Loan" means money or credit provided to a consumer in
6 exchange for the consumer's agreement to a certain set of
7 terms, including, but not limited to, any finance charges,
8 interest, or other conditions. "Loan" includes closed-end and
9 open-end credit, retail installment sales contracts, motor
10 vehicle retail installment sales contracts, and any
11 transaction conducted via any medium whatsoever, including,
12 but not limited to, paper, facsimile, Internet, or telephone.
13 "Loan" does not include a commercial loan.

14 Section 15-1-15. Applicability.

15 (a) Except as otherwise provided in this Section, this Act
16 applies to any person or entity that offers or makes a loan to
17 a consumer in Illinois.

18 (b) The provisions of this Act apply to any person or
19 entity that seeks to evade its applicability by any device,
20 subterfuge, or pretense whatsoever.

21 (c) Banks, savings banks, savings and loan associations,
22 credit unions, and insurance companies organized, chartered,
23 or holding a certificate of authority to do business under the
24 laws of this State or any other state or under the laws of the
25 United States are exempt from the provisions of this Act.

1 Division 5. Predatory Loan Prevention

2 Section 15-5-5. Rate cap. Notwithstanding any other
3 provision of law, for loans made or renewed on and after the
4 effective date of this Act, a lender shall not contract for or
5 receive charges exceeding a 36% annual percentage rate on the
6 unpaid balance of the amount financed for a loan. For purposes
7 of this Section, the annual percentage rate shall be calculated
8 as such rate is calculated using the system for calculating a
9 military annual percentage rate under Section 232.4 of Title 32
10 of the Code of Federal Regulations as in effect on the
11 effective date of this Act. Nothing in this Act shall be
12 construed to permit a person or entity to contract for or
13 receive a charge exceeding that permitted by the Interest Act
14 or other law.

15 Section 15-5-10. Violation. Any loan made in violation of
16 this Act is null and void and no person or entity shall have
17 any right to collect, attempt to collect, receive, or retain
18 any principal, fee, interest, or charges related to the loan.

19 Section 15-5-15. No evasion.

20 (a) No person or entity may engage in any device,
21 subterfuge, or pretense to evade the requirements of this Act,
22 including, but not limited to, making loans disguised as a

1 personal property sale and leaseback transaction; disguising
2 loan proceeds as a cash rebate for the pretextual installment
3 sale of goods or services; or making, offering, assisting, or
4 arranging a debtor to obtain a loan with a greater rate or
5 interest, consideration, or charge than is permitted by this
6 Act through any method including mail, telephone, internet, or
7 any electronic means regardless of whether the person or entity
8 has a physical location in the State.

9 (b) If a loan exceeds the rate permitted by Section 15-5-5,
10 a person or entity is a lender subject to the requirements of
11 this Act notwithstanding the fact that the person or entity
12 purports to act as an agent, service provider, or in another
13 capacity for another entity that is exempt from this Act, if,
14 among other things:

15 (1) the person or entity holds, acquires, or maintains,
16 directly or indirectly, the predominant economic interest
17 in the loan; or

18 (2) the person or entity markets, brokers, arranges, or
19 facilitates the loan and holds the right, requirement, or
20 first right of refusal to purchase loans, receivables, or
21 interests in the loans; or

22 (3) the totality of the circumstances indicate that the
23 person or entity is the lender and the transaction is
24 structured to evade the requirements of this Act.
25 Circumstances that weigh in favor of a person or entity
26 being a lender include, without limitation, where the

1 person or entity:

2 (i) indemnifies, insures, or protects an exempt
3 person or entity for any costs or risks related to the
4 loan;

5 (ii) predominantly designs, controls, or operates
6 the loan program; or

7 (iii) purports to act as an agent, service
8 provider, or in another capacity for an exempt entity
9 while acting directly as a lender in other states.

10 Section 15-5-20. Rules. The Secretary may adopt rules
11 consistent with this Act and rescind or amend rules that are
12 inconsistent. The adoption, amendment, or rescission of rules
13 shall be in conformity with the Illinois Administrative
14 Procedure Act.

15 Division 10. Administrative Provisions

16 Section 15-10-5. Enforcement and remedies.

17 (a) The remedies provided in this Act are cumulative and
18 apply to persons or entities subject to this Act.

19 (b) Any violation of this Act, including the commission of
20 an act prohibited under Article 5, constitutes a violation of
21 the Consumer Fraud and Deceptive Business Practices Act.

22 (c) Subject to the Illinois Administrative Procedure Act,
23 the Secretary may hold hearings, make findings of fact,

1 conclusions of law, issue cease and desist orders, have the
2 power to issue fines of up to \$10,000 per violation, and refer
3 the matter to the appropriate law enforcement agency for
4 prosecution under this Act. All proceedings shall be open to
5 the public.

6 (d) The Secretary may issue a cease and desist order to any
7 person or entity, when in the opinion of the Secretary the
8 person or entity is violating or is about to violate any
9 provision of this Act. The cease and desist order permitted by
10 this subsection (d) may be issued prior to a hearing.

11 The Secretary shall serve notice of the action, including,
12 but not limited to, a statement of the reasons for the action,
13 either personally or by certified mail. Service by certified
14 mail shall be deemed completed when the notice is deposited in
15 the U.S. Mail.

16 Within 10 days of service of the cease and desist order,
17 the person or entity may request a hearing in writing.

18 If it is determined that the Secretary had the authority to
19 issue the cease and desist order, the Secretary may issue such
20 orders as may be reasonably necessary to correct, eliminate, or
21 remedy the conduct.

22 The powers vested in the Secretary by this subsection (d)
23 are additional to any and all other powers and remedies vested
24 in the Secretary by law, and nothing in this subsection (d)
25 shall be construed as requiring that the Secretary shall employ
26 the power conferred in this subsection instead of or as a

1 condition precedent to the exercise of any other power or
2 remedy vested in the Secretary.

3 (e) After 10 days' notice by certified mail to the person
4 or entity stating the contemplated action and in general the
5 grounds therefor, the Secretary may fine the person or entity
6 an amount not exceeding \$10,000 per violation if the person or
7 entity has failed to comply with any provision of this Act or
8 any order, decision, finding, rule, regulation, or direction of
9 the Secretary lawfully made in accordance with the authority of
10 this Act. Service by certified mail shall be deemed completed
11 when the notice is deposited in the U.S. Mail.

12 (f) A violation of this Act by a person or entity licensed
13 under another Act including, but not limited to, the Consumer
14 Installment Loan Act, the Payday Loan Reform Act, and the Sales
15 Finance Agency Act shall subject the person or entity to
16 discipline in accordance with the Act or Acts under which the
17 person or entity is licensed.

18 Section 15-10-10. Preemption of administrative rules. Any
19 administrative rule regarding loans that is adopted by the
20 Department prior to the effective date of this Act and that is
21 inconsistent with the provisions of this Act is hereby
22 preempted to the extent of the inconsistency.

23 Section 15-10-15. Reporting of violations. The Department
24 shall report to the Attorney General all material violations of

1 this Act of which it becomes aware.

2 Section 15-10-20. Judicial review. All final
3 administrative decisions of the Department under this Act are
4 subject to judicial review under the Administrative Review Law
5 and any rules adopted under the Administrative Review Law.

6 Section 15-10-25. No waivers. There shall be no waiver of
7 any provision of this Act.

8 Section 15-10-30. Superiority of Act. To the extent this
9 Act conflicts with any other State laws, this Act is superior
10 and supersedes those laws, except that nothing in this Act
11 applies to any lender that is a bank, savings bank, savings and
12 loan association, or credit union chartered under laws of the
13 United States.

14 Section 15-10-35. Severability. The provisions of this Act
15 are severable under Section 1.31 of the Statute on Statutes.

16 Division 90. Amendatory Provisions

17 Section 15-90-5. The Financial Institutions Code is
18 amended by changing Section 6 as follows:

19 (20 ILCS 1205/6) (from Ch. 17, par. 106)

1 Sec. 6. In addition to the duties imposed elsewhere in this
2 Act, the Department has the following powers:

3 (1) To exercise the rights, powers and duties vested by law
4 in the Auditor of Public Accounts under "An Act to provide for
5 the incorporation, management and regulation of pawners'
6 societies and limiting the rate of compensation to be paid for
7 advances, storage and insurance on pawns and pledges and to
8 allow the loaning of money upon personal property", approved
9 March 29, 1899, as amended.

10 (2) To exercise the rights, powers and duties vested by law
11 in the Auditor of Public Accounts under "An Act in relation to
12 the definition, licensing and regulation of community currency
13 exchanges and ambulatory currency exchanges, and the operators
14 and employees thereof, and to make an appropriation therefor,
15 and to provide penalties and remedies for the violation
16 thereof", approved June 30, 1943, as amended.

17 (3) To exercise the rights, powers, and duties vested by
18 law in the Auditor of Public Accounts under "An Act in relation
19 to the buying and selling of foreign exchange and the
20 transmission or transfer of money to foreign countries",
21 approved June 28, 1923, as amended.

22 (4) To exercise the rights, powers, and duties vested by
23 law in the Auditor of Public Accounts under "An Act to provide
24 for and regulate the business of guaranteeing titles to real
25 estate by corporations", approved May 13, 1901, as amended.

26 (5) To exercise the rights, powers and duties vested by law

1 in the Department of Insurance under "An Act to define,
2 license, and regulate the business of making loans of eight
3 hundred dollars or less, permitting an interest charge thereon
4 greater than otherwise allowed by law, authorizing and
5 regulating the assignment of wages or salary when taken as
6 security for any such loan or as consideration for a payment of
7 eight hundred dollars or less, providing penalties, and to
8 repeal Acts therein named", approved July 11, 1935, as amended.

9 (6) To administer and enforce "An Act to license and
10 regulate the keeping and letting of safety deposit boxes,
11 safes, and vaults, and the opening thereof, and to repeal a
12 certain Act therein named", approved June 13, 1945, as amended.

13 (7) Whenever the Department is authorized or required by
14 law to consider some aspect of criminal history record
15 information for the purpose of carrying out its statutory
16 powers and responsibilities, then, upon request and payment of
17 fees in conformance with the requirements of Section 2605-400
18 of the Department of State Police Law (20 ILCS 2605/2605-400),
19 the Department of State Police is authorized to furnish,
20 pursuant to positive identification, such information
21 contained in State files as is necessary to fulfill the
22 request.

23 (8) To administer the Payday Loan Reform Act, the Consumer
24 Installment Loan Act, the Predatory Loan Prevention Act, the
25 Motor Vehicle Retail Installment Sales Act, and the Retail
26 Installment Sales Act.

1 (Source: P.A. 94-13, eff. 12-6-05.)

2 Section 15-90-10. The Consumer Installment Loan Act is
3 amended by changing Sections 1, 15, 15d, and 17.5 as follows:

4 (205 ILCS 670/1) (from Ch. 17, par. 5401)

5 Sec. 1. License required to engage in business. No person,
6 partnership, association, limited liability company, or
7 corporation shall engage in the business of making loans of
8 money ~~in a principal amount not exceeding \$40,000,~~ and charge,
9 contract for, or receive on any such loan a greater annual
10 percentage rate than 9% ~~rate of interest, discount, or~~
11 ~~consideration therefor than the lender would be permitted by~~
12 ~~law to charge if he were not a licensee hereunder,~~ except as
13 authorized by this Act after first obtaining a license from the
14 Director of Financial Institutions (hereinafter called the
15 Director). No licensee, or employee or affiliate thereof, that
16 is licensed under the Payday Loan Reform Act shall obtain a
17 license under this Act except that a licensee under the Payday
18 Loan Reform Act may obtain a license under this Act for the
19 exclusive purpose and use of making title-secured loans, as
20 defined in subsection (a) of Section 15 of this Act and
21 governed by Title 38, Section 110.300 of the Illinois
22 Administrative Code. For the purpose of this Section,
23 "affiliate" means any person or entity that directly or
24 indirectly controls, is controlled by, or shares control with

1 another person or entity. A person or entity has control over
2 another if the person or entity has an ownership interest of
3 25% or more in the other.

4 In this Act, "Director" means the Director of Financial
5 Institutions of the Department of Financial and Professional
6 Regulation.

7 (Source: P.A. 96-936, eff. 3-21-11; 97-420, eff. 1-1-12.)

8 (205 ILCS 670/15) (from Ch. 17, par. 5415)

9 Sec. 15. Charges permitted.

10 (a) Every licensee may lend a principal amount not
11 exceeding \$40,000 and, ~~except as to small consumer loans as~~
12 ~~defined in this Section,~~ may charge, contract for and receive
13 thereon interest at an annual percentage rate of no more than
14 36%, subject to the provisions of this Act; ~~provided, however,~~
15 ~~that the limitation on the annual percentage rate contained in~~
16 ~~this subsection (a) does not apply to title secured loans,~~
17 ~~which are loans upon which interest is charged at an annual~~
18 ~~percentage rate exceeding 36%, in which, at commencement, an~~
19 ~~obligor provides to the licensee, as security for the loan,~~
20 ~~physical possession of the obligor's title to a motor vehicle,~~
21 ~~and upon which a licensee may charge, contract for, and receive~~
22 ~~thereon interest at the rate agreed upon by the licensee and~~
23 ~~borrower.~~ For purposes of this Section, the annual percentage
24 rate shall be calculated as such rate is calculated using the
25 system for calculating a military annual percentage rate under

1 Section 232.4 of Title 32 of the Code of Federal Regulations as
2 in effect on the effective date of this amendatory Act of the
3 101st General Assembly in accordance with the federal Truth in
4 Lending Act.

5 (b) For purpose of this Section, the following terms shall
6 have the meanings ascribed herein.

7 "Applicable interest" for a precomputed loan contract
8 means the amount of interest attributable to each monthly
9 installment period. It is computed as if each installment
10 period were one month and any interest charged for extending
11 the first installment period beyond one month is ignored. The
12 applicable interest for any monthly installment period is, ~~for~~
13 ~~loans other than small consumer loans as defined in this~~
14 ~~Section,~~ that portion of the precomputed interest that bears
15 the same ratio to the total precomputed interest as the
16 balances scheduled to be outstanding during that month bear to
17 the sum of all scheduled monthly outstanding balances in the
18 original contract. ~~With respect to a small consumer loan, the~~
19 ~~applicable interest for any installment period is that portion~~
20 ~~of the precomputed monthly installment account handling charge~~
21 ~~attributable to the installment period calculated based on a~~
22 ~~method at least as favorable to the consumer as the actuarial~~
23 ~~method, as defined by the federal Truth in Lending Act.~~

24 "Interest-bearing loan" means a loan in which the debt is
25 expressed as a principal amount plus interest charged on actual
26 unpaid principal balances for the time actually outstanding.

1 "Precomputed loan" means a loan in which the debt is
2 expressed as the sum of the original principal amount plus
3 interest computed actuarially in advance, assuming all
4 payments will be made when scheduled.

5 ~~"Small consumer loan" means a loan upon which interest is~~
6 ~~charged at an annual percentage rate exceeding 36% and with an~~
7 ~~amount financed of \$4,000 or less. "Small consumer loan" does~~
8 ~~not include a title secured loan as defined by subsection (a)~~
9 ~~of this Section or a payday loan as defined by the Payday Loan~~
10 ~~Reform Act.~~

11 "Substantially equal installment" includes a last
12 regularly scheduled payment that may be less than, but not more
13 than 5% larger than, the previous scheduled payment according
14 to a disclosed payment schedule agreed to by the parties.

15 (c) Loans may be interest-bearing or precomputed.

16 (d) To compute time for either interest-bearing or
17 precomputed loans for the calculation of interest and other
18 purposes, a month shall be a calendar month and a day shall be
19 considered 1/30th of a month when calculation is made for a
20 fraction of a month. A month shall be 1/12th of a year. A
21 calendar month is that period from a given date in one month to
22 the same numbered date in the following month, and if there is
23 no same numbered date, to the last day of the following month.
24 When a period of time includes a month and a fraction of a
25 month, the fraction of the month is considered to follow the
26 whole month. In the alternative, for interest-bearing loans,

1 the licensee may charge interest at the rate of 1/365th of the
2 agreed annual rate for each day actually elapsed.

3 (d-5) No licensee or other person may condition an
4 extension of credit to a consumer on the consumer's repayment
5 by preauthorized electronic fund transfers. Payment options,
6 including, but not limited to, electronic fund transfers and
7 Automatic Clearing House (ACH) transactions may be offered to
8 consumers as a choice and method of payment chosen by the
9 consumer.

10 (e) With respect to interest-bearing loans:

11 (1) Interest shall be computed on unpaid principal
12 balances outstanding from time to time, for the time
13 outstanding, until fully paid. Each payment shall be
14 applied first to the accumulated interest and the remainder
15 of the payment applied to the unpaid principal balance;
16 provided however, that if the amount of the payment is
17 insufficient to pay the accumulated interest, the unpaid
18 interest continues to accumulate to be paid from the
19 proceeds of subsequent payments and is not added to the
20 principal balance.

21 (2) Interest shall not be payable in advance or
22 compounded. However, if part or all of the consideration
23 for a new loan contract is the unpaid principal balance of
24 a prior loan, then the principal amount payable under the
25 new loan contract may include any unpaid interest which has
26 accrued. The unpaid principal balance of a precomputed loan

1 is the balance due after refund or credit of unearned
2 interest as provided in paragraph (f), clause (3). The
3 resulting loan contract shall be deemed a new and separate
4 loan transaction for all purposes.

5 (3) Loans must be fully amortizing and be repayable in
6 substantially equal and consecutive weekly, biweekly,
7 semimonthly, or monthly installments. Notwithstanding this
8 requirement, rates may vary according to an index that is
9 independently verifiable and beyond the control of the
10 licensee.

11 (4) The lender or creditor may, if the contract
12 provides, collect a delinquency or collection charge on
13 each installment in default for a period of not less than
14 10 days in an amount not exceeding 5% of the installment on
15 installments in excess of \$200, or \$10 on installments of
16 \$200 or less, but only one delinquency and collection
17 charge may be collected on any installment regardless of
18 the period during which it remains in default.

19 (f) With respect to precomputed loans:

20 (1) Loans shall be repayable in substantially equal and
21 consecutive weekly, biweekly, semimonthly, or monthly
22 installments of principal and interest combined, except
23 that the first installment period may be longer than one
24 month by not more than 15 days, and the first installment
25 payment amount may be larger than the remaining payments by
26 the amount of interest charged for the extra days; and

1 provided further that monthly installment payment dates
2 may be omitted to accommodate borrowers with seasonal
3 income.

4 (2) Payments may be applied to the combined total of
5 principal and precomputed interest until the loan is fully
6 paid. Payments shall be applied in the order in which they
7 become due, except that any insurance proceeds received as
8 a result of any claim made on any insurance, unless
9 sufficient to prepay the contract in full, may be applied
10 to the unpaid installments of the total of payments in
11 inverse order.

12 (3) When any loan contract is paid in full by cash,
13 renewal or refinancing, or a new loan, one month or more
14 before the final installment due date, a licensee shall
15 refund or credit the obligor with the total of the
16 applicable interest for all fully unexpired installment
17 periods, as originally scheduled or as deferred, which
18 follow the day of prepayment; provided, if the prepayment
19 occurs prior to the first installment due date, the
20 licensee may retain 1/30 of the applicable interest for a
21 first installment period of one month for each day from the
22 date of the loan to the date of prepayment, and shall
23 refund or credit the obligor with the balance of the total
24 interest contracted for. If the maturity of the loan is
25 accelerated for any reason and judgment is entered, the
26 licensee shall credit the borrower with the same refund as

1 if prepayment in full had been made on the date the
2 judgement is entered.

3 (4) The lender or creditor may, if the contract
4 provides, collect a delinquency or collection charge on
5 each installment in default for a period of not less than
6 10 days in an amount not exceeding 5% of the installment on
7 installments in excess of \$200, or \$10 on installments of
8 \$200 or less, but only one delinquency or collection charge
9 may be collected on any installment regardless of the
10 period during which it remains in default.

11 (5) If the parties agree in writing, either in the loan
12 contract or in a subsequent agreement, to a deferment of
13 wholly unpaid installments, a licensee may grant a
14 deferment and may collect a deferment charge as provided in
15 this Section. A deferment postpones the scheduled due date
16 of the earliest unpaid installment and all subsequent
17 installments as originally scheduled, or as previously
18 deferred, for a period equal to the deferment period. The
19 deferment period is that period during which no installment
20 is scheduled to be paid by reason of the deferment. The
21 deferment charge for a one month period may not exceed the
22 applicable interest for the installment period immediately
23 following the due date of the last undeferred payment. A
24 proportionate charge may be made for deferment for periods
25 of more or less than one month. A deferment charge is
26 earned pro rata during the deferment period and is fully

1 earned on the last day of the deferment period. Should a
2 loan be prepaid in full during a deferment period, the
3 licensee shall credit to the obligor a refund of the
4 unearned deferment charge in addition to any other refund
5 or credit made for prepayment of the loan in full.

6 (6) If two or more installments are delinquent one full
7 month or more on any due date, and if the contract so
8 provides, the licensee may reduce the unpaid balance by the
9 refund credit which would be required for prepayment in
10 full on the due date of the most recent maturing
11 installment in default. Thereafter, and in lieu of any
12 other default or deferment charges, the agreed rate of
13 interest ~~or, in the case of small consumer loans, interest~~
14 ~~at the rate of 18% per annum,~~ may be charged on the unpaid
15 balance until fully paid.

16 (7) Fifteen days after the final installment as
17 originally scheduled or deferred, the licensee, for any
18 loan contract which has not previously been converted to
19 interest-bearing under paragraph (f), clause (6), may
20 compute and charge interest on any balance remaining
21 unpaid, including unpaid default or deferment charges, at
22 the agreed rate of interest ~~or, in the case of small~~
23 ~~consumer loans, interest at the rate of 18% per annum,~~
24 until fully paid. At the time of payment of said final
25 installment, the licensee shall give notice to the obligor
26 stating any amounts unpaid.

1 (Source: P.A. 101-563, eff. 8-23-19.)

2 (205 ILCS 670/15d) (from Ch. 17, par. 5419)

3 Sec. 15d. Extra charges prohibited; exceptions. No amount
4 in addition to the charges authorized by this Act shall be
5 directly or indirectly charged, contracted for, or received,
6 except (1) lawful fees paid to any public officer or agency to
7 record, file or release security; (2) (i) costs and
8 disbursements actually incurred in connection with a real
9 estate loan, for any title insurance, title examination,
10 abstract of title, survey, or appraisal, or paid to a trustee
11 in connection with a trust deed, and (ii) in connection with a
12 real estate loan those charges authorized by Section 4.1a of
13 the Interest Act, whether called "points" or otherwise, which
14 charges are imposed as a condition for making the loan and are
15 not refundable in the event of prepayment of the loan; (3)
16 costs and disbursements, including reasonable attorney's fees,
17 incurred in legal proceedings to collect a loan or to realize
18 on a security after default; and (4) an amount not exceeding
19 \$25, plus any actual expenses incurred in connection with a
20 check or draft that is not honored because of insufficient or
21 uncollected funds or because no such account exists; ~~and (5) a~~
22 ~~document preparation fee not to exceed \$25 for obtaining and~~
23 ~~reviewing credit reports and preparation of other documents.~~
24 This Section does not prohibit the receipt of a commission,
25 dividend, charge, or other benefit by the licensee or by an

1 employee, affiliate, or associate of the licensee from the
2 insurance permitted by Sections 15a and 15b of this Act or from
3 insurance in lieu of perfecting a security interest provided
4 that the premiums for such insurance do not exceed the fees
5 that otherwise could be contracted for by the licensee under
6 this Section. Obtaining any of the items referred to in clause
7 (i) of item (2) of this Section through the licensee or from
8 any person specified by the licensee shall not be a condition
9 precedent to the granting of the loan.

10 (Source: P.A. 89-400, eff. 8-20-95; 90-437, eff. 1-1-98.)

11 (205 ILCS 670/17.5)

12 Sec. 17.5. Consumer reporting service.

13 (a) For the purpose of this Section, "certified database"
14 means the consumer reporting service database established
15 pursuant to the Payday Loan Reform Act. "Title-secured loan"
16 means a loan in which, at commencement, a consumer provides to
17 the licensee, as security for the loan, physical possession of
18 the consumer's title to a motor vehicle.

19 (b) Licensees shall enter information regarding each loan
20 into the certified database and shall follow the Department's
21 related rules. Within 90 days after making a small consumer
22 loan, a licensee shall enter information about the loan into
23 the certified database.

24 (c) For every title-secured loan ~~small consumer loan~~ made,
25 the licensee shall input information as provided in 38 Ill.

1 ~~Adm. Code 110.420. the following information into the certified~~
2 ~~database within 90 days after the loan is made:~~

3 ~~(i) the consumer's name and official identification~~
4 ~~number (for purposes of this Act, "official identification~~
5 ~~number" includes a Social Security Number, an Individual~~
6 ~~Taxpayer Identification Number, a Federal Employer~~
7 ~~Identification Number, an Alien Registration Number, or an~~
8 ~~identification number imprinted on a passport or consular~~
9 ~~identification document issued by a foreign government);~~

10 ~~(ii) the consumer's gross monthly income;~~

11 ~~(iii) the date of the loan;~~

12 ~~(iv) the amount financed;~~

13 ~~(v) the term of the loan;~~

14 ~~(vi) the acquisition charge;~~

15 ~~(vii) the monthly installment account handling charge;~~

16 ~~(viii) the verification fee;~~

17 ~~(ix) the number and amount of payments; and~~

18 ~~(x) whether the loan is a first or subsequent~~
19 ~~refinancing of a prior small consumer loan.~~

20 ~~(d) Once a loan is entered with the certified database, the~~
21 ~~certified database shall provide to the licensee a dated,~~
22 ~~time stamped statement acknowledging the certified database's~~
23 ~~receipt of the information and assigning each loan a unique~~
24 ~~loan number.~~

25 ~~(e) The licensee shall update the certified database within~~
26 ~~90 days if any of the following events occur:~~

- 1 ~~(i) the loan is paid in full by cash;~~
2 ~~(ii) the loan is refinanced;~~
3 ~~(iii) the loan is renewed;~~
4 ~~(iv) the loan is satisfied in full or in part by~~
5 ~~collateral being sold after default;~~
6 ~~(v) the loan is cancelled or rescinded; or~~
7 ~~(vi) the consumer's obligation on the loan is otherwise~~
8 ~~discharged by the licensee.~~

9 ~~(f) To the extent a licensee sells a product or service to~~
10 ~~a consumer, other than a small consumer loan, and finances any~~
11 ~~portion of the cost of the product or service, the licensee~~
12 ~~shall, in addition to and at the same time as the information~~
13 ~~inputted under subsection (d) of this Section, enter into the~~
14 ~~certified database:~~

- 15 ~~(i) a description of the product or service sold;~~
16 ~~(ii) the charge for the product or service; and~~
17 ~~(iii) the portion of the charge for the product or~~
18 ~~service, if any, that is included in the amount financed by~~
19 ~~a small consumer loan.~~

20 (d) ~~(g)~~ The certified database provider shall indemnify the
21 licensee against all claims and actions arising from illegal or
22 willful or wanton acts on the part of the certified database
23 provider. The certified database provider may charge a fee not
24 to exceed \$1 for each loan entered into the certified database
25 ~~under subsection (d) of this Section.~~ The database provider
26 shall not charge any additional fees or charges to the

1 licensee.

2 ~~(h) All personally identifiable information regarding any~~
3 ~~consumer obtained by way of the certified database and~~
4 ~~maintained by the Department is strictly confidential and shall~~
5 ~~be exempt from disclosure under subsection (c) of Section 7 of~~
6 ~~the Freedom of Information Act.~~

7 ~~(i) A licensee who submits information to a certified~~
8 ~~database provider in accordance with this Section shall not be~~
9 ~~liable to any person for any subsequent release or disclosure~~
10 ~~of that information by the certified database provider, the~~
11 ~~Department, or any other person acquiring possession of the~~
12 ~~information, regardless of whether such subsequent release or~~
13 ~~disclosure was lawful, authorized, or intentional.~~

14 ~~(j) To the extent the certified database becomes~~
15 ~~unavailable to a licensee as a result of some event or events~~
16 ~~outside the control of the licensee or the certified database~~
17 ~~is decertified, the requirements of this Section and Section~~
18 ~~17.4 of this Act are suspended until such time as the certified~~
19 ~~database becomes available.~~

20 (Source: P.A. 96-936, eff. 3-21-11; 97-813, eff. 7-13-12.)

21 (205 ILCS 670/17.1 rep.)

22 (205 ILCS 670/17.2 rep.)

23 (205 ILCS 670/17.3 rep.)

24 (205 ILCS 670/17.4 rep.)

25 Section 15-90-15. The Consumer Installment Loan Act is

1 amended by repealing Sections 17.1, 17.2, 17.3, and 17.4.

2 Section 15-90-20. The Payday Loan Reform Act is amended by
3 changing Sections 1-10, 2-5, 2-10, 2-15, 2-20, 2-30, 2-40,
4 2-45, and 4-5 as follows:

5 (815 ILCS 122/1-10)

6 Sec. 1-10. Definitions. As used in this Act:

7 "Check" means a "negotiable instrument", as defined in
8 Article 3 of the Uniform Commercial Code, that is drawn on a
9 financial institution.

10 "Commercially reasonable method of verification" or
11 "certified database" means a consumer reporting service
12 database certified by the Department as effective in verifying
13 that a proposed loan agreement is permissible under this Act,
14 or, in the absence of the Department's certification, any
15 reasonably reliable written verification by the consumer
16 concerning (i) whether the consumer has any outstanding payday
17 loans, (ii) the principal amount of those outstanding payday
18 loans, and (iii) whether any payday loans have been paid in
19 full by the consumer in the preceding 7 days.

20 "Consumer" means any natural person who, singly or jointly
21 with another consumer, enters into a loan.

22 "Consumer reporting service" means an entity that provides
23 a database certified by the Department.

24 "Department" means the Department of Financial and

1 Professional Regulation.

2 "Secretary" means the Secretary of Financial and
3 Professional Regulation.

4 "Gross monthly income" means monthly income as
5 demonstrated by official documentation of the income,
6 including, but not limited to, a pay stub or a receipt
7 reflecting payment of government benefits, for the period 30
8 days prior to the date on which the loan is made.

9 "Lender" and "licensee" mean any person or entity,
10 including any affiliate or subsidiary of a lender or licensee,
11 that offers or makes a payday loan, buys a whole or partial
12 interest in a payday loan, arranges a payday loan for a third
13 party, or acts as an agent for a third party in making a payday
14 loan, regardless of whether approval, acceptance, or
15 ratification by the third party is necessary to create a legal
16 obligation for the third party, and includes any other person
17 or entity if the Department determines that the person or
18 entity is engaged in a transaction that is in substance a
19 disguised payday loan or a subterfuge for the purpose of
20 avoiding this Act.

21 "Loan agreement" means a written agreement between a lender
22 and consumer to make a loan to the consumer, regardless of
23 whether any loan proceeds are actually paid to the consumer on
24 the date on which the loan agreement is made.

25 "Member of the military" means a person serving in the
26 armed forces of the United States, the Illinois National Guard,

1 or any reserve component of the armed forces of the United
2 States. "Member of the military" includes those persons engaged
3 in (i) active duty, (ii) training or education under the
4 supervision of the United States preliminary to induction into
5 military service, or (iii) a period of active duty with the
6 State of Illinois under Title 10 or Title 32 of the United
7 States Code pursuant to order of the President or the Governor
8 of the State of Illinois.

9 "Outstanding balance" means the total amount owed by the
10 consumer on a loan to a lender, including all principal,
11 finance charges, fees, and charges of every kind.

12 "Payday loan" or "loan" means a loan ~~with a finance charge~~
13 ~~exceeding an annual percentage rate of 36% and~~ with a term that
14 does not exceed 120 days, including any transaction conducted
15 via any medium whatsoever, including, but not limited to,
16 paper, facsimile, Internet, or telephone, in which:

17 (1) A lender accepts one or more checks dated on the
18 date written and agrees to hold them for a period of days
19 before deposit or presentment, or accepts one or more
20 checks dated subsequent to the date written and agrees to
21 hold them for deposit; or

22 (2) A lender accepts one or more authorizations to
23 debit a consumer's bank account; or

24 (3) A lender accepts an interest in a consumer's wages,
25 including, but not limited to, a wage assignment.

26 ~~The term "payday loan" includes "installment payday loan",~~

1 ~~unless otherwise specified in this Act.~~

2 "Principal amount" means the amount received by the
3 consumer from the lender due and owing on a loan, excluding any
4 finance charges, interest, fees, or other loan-related
5 charges.

6 "Rollover" means to refinance, renew, amend, or extend a
7 loan beyond its original term.

8 (Source: P.A. 96-936, eff. 3-21-11.)

9 (815 ILCS 122/2-5)

10 Sec. 2-5. Loan terms.

11 (a) Without affecting the right of a consumer to prepay at
12 any time without cost or penalty, no payday loan may have a
13 minimum term of less than 13 days.

14 (b) ~~No Except for an installment payday loan as defined in~~
15 ~~this Section, no~~ payday loan may be made to a consumer if the
16 loan would result in the consumer being indebted to one or more
17 payday lenders for a period in excess of 45 consecutive days.
18 Except as provided under subsection (c) of this Section and
19 Section 2-40, if a consumer has or has had loans outstanding
20 for a period in excess of 45 consecutive days, no payday lender
21 may offer or make a loan to the consumer for at least 7
22 calendar days after the date on which the outstanding balance
23 of all payday loans made during the 45 consecutive day period
24 is paid in full. For purposes of this subsection, the term
25 "consecutive days" means a series of continuous calendar days

1 in which the consumer has an outstanding balance on one or more
2 payday loans; however, if a payday loan is made to a consumer
3 within 6 days or less after the outstanding balance of all
4 loans is paid in full, those days are counted as "consecutive
5 days" for purposes of this subsection.

6 (c) (Blank). ~~Notwithstanding anything in this Act to the~~
7 ~~contrary, a payday loan shall also include any installment loan~~
8 ~~otherwise meeting the definition of payday loan contained in~~
9 ~~Section 1-10, but that has a term agreed by the parties of not~~
10 ~~less than 112 days and not exceeding 180 days; hereinafter an~~
11 ~~"installment payday loan". The following provisions shall~~
12 ~~apply:~~

13 ~~(i) Any installment payday loan must be fully~~
14 ~~amortizing, with a finance charge calculated on the~~
15 ~~principal balances scheduled to be outstanding and be~~
16 ~~repayable in substantially equal and consecutive~~
17 ~~installments, according to a payment schedule agreed by the~~
18 ~~parties with not less than 13 days and not more than one~~
19 ~~month between payments; except that the first installment~~
20 ~~period may be longer than the remaining installment periods~~
21 ~~by not more than 15 days, and the first installment payment~~
22 ~~may be larger than the remaining installment payments by~~
23 ~~the amount of finance charges applicable to the extra days.~~
24 ~~In calculating finance charges under this subsection, when~~
25 ~~the first installment period is longer than the remaining~~
26 ~~installment periods, the amount of the finance charges~~

1 ~~applicable to the extra days shall not be greater than~~
2 ~~\$15.50 per \$100 of the original principal balance divided~~
3 ~~by the number of days in a regularly scheduled installment~~
4 ~~period and multiplied by the number of extra days~~
5 ~~determined by subtracting the number of days in a regularly~~
6 ~~scheduled installment period from the number of days in the~~
7 ~~first installment period.~~

8 ~~(ii) An installment payday loan may be refinanced by a~~
9 ~~new installment payday loan one time during the term of the~~
10 ~~initial loan; provided that the total duration of~~
11 ~~indebtedness on the initial installment payday loan~~
12 ~~combined with the total term of indebtedness of the new~~
13 ~~loan refinancing that initial loan, shall not exceed 180~~
14 ~~days. For purposes of this Act, a refinancing occurs when~~
15 ~~an existing installment payday loan is paid from the~~
16 ~~proceeds of a new installment payday loan.~~

17 ~~(iii) In the event an installment payday loan is paid~~
18 ~~in full prior to the date on which the last scheduled~~
19 ~~installment payment before maturity is due, other than~~
20 ~~through a refinancing, no licensee may offer or make a~~
21 ~~payday loan to the consumer for at least 2 calendar days~~
22 ~~thereafter.~~

23 ~~(iv) No installment payday loan may be made to a~~
24 ~~consumer if the loan would result in the consumer being~~
25 ~~indebted to one or more payday lenders for a period in~~
26 ~~excess of 180 consecutive days. The term "consecutive days"~~

1 ~~does not include the date on which a consumer makes the~~
2 ~~final installment payment.~~

3 (d) (Blank).

4 (e) No lender may make a payday loan to a consumer if the
5 total of all payday loan payments coming due within the first
6 calendar month of the loan, when combined with the payment
7 amount of all of the consumer's other outstanding payday loans
8 coming due within the same month, exceeds the lesser of:

9 (1) \$1,000; or

10 (2) in the case of one or more payday loans, 25% of the
11 consumer's gross monthly income. ~~or~~

12 ~~(3) in the case of one or more installment payday~~
13 ~~loans, 22.5% of the consumer's gross monthly income; or~~

14 ~~(4) in the case of a payday loan and an installment~~
15 ~~payday loan, 22.5% of the consumer's gross monthly income.~~

16 No loan shall be made to a consumer who has an outstanding
17 balance on 2 payday loans, except that, for a period of 12
18 months after March 21, 2011 (the effective date of Public Act
19 96-936), consumers with an existing CILA loan may be issued an
20 installment loan issued under this Act from the company from
21 which their CILA loan was issued.

22 (e-5) A lender shall not contract for or receive a charge
23 exceeding a 36% annual percentage rate on the unpaid balance of
24 the amount financed for a payday loan. For purposes of this
25 Section, the annual percentage rate shall be calculated as such
26 rate is calculated using the system for calculating a military

1 annual percentage rate under 32 CFR 232.4 as in effect on the
2 effective date of this amendatory Act of the 101st General
3 Assembly. ~~Except as provided in subsection (c)(i), no lender~~
4 ~~may charge more than \$15.50 per \$100 loaned on any payday loan,~~
5 ~~or more than \$15.50 per \$100 on the initial principal balance~~
6 ~~and on the principal balances scheduled to be outstanding~~
7 ~~during any installment period on any installment payday loan.~~
8 ~~Except for installment payday loans and except as provided in~~
9 ~~Section 2-25, this charge is considered fully earned as of the~~
10 ~~date on which the loan is made. For purposes of determining the~~
11 ~~finance charge earned on an installment payday loan, the~~
12 ~~disclosed annual percentage rate shall be applied to the~~
13 ~~principal balances outstanding from time to time until the loan~~
14 ~~is paid in full, or until the maturity date, whichever occurs~~
15 ~~first. No finance charge may be imposed after the final~~
16 ~~scheduled maturity date.~~

17 When any loan contract is paid in full, the licensee shall
18 refund any unearned finance charge. The unearned finance charge
19 that is refunded shall be calculated based on a method that is
20 at least as favorable to the consumer as the actuarial method,
21 as defined by the federal Truth in Lending Act. The sum of the
22 digits or rule of 78ths method of calculating prepaid interest
23 refunds is prohibited.

24 (f) A lender may not take or attempt to take an interest in
25 any of the consumer's personal property to secure a payday
26 loan.

1 (g) A consumer has the right to redeem a check or any other
2 item described in the definition of payday loan under Section
3 1-10 issued in connection with a payday loan from the lender
4 holding the check or other item at any time before the payday
5 loan becomes payable by paying the full amount of the check or
6 other item.

7 (h) (Blank). ~~For the purpose of this Section,~~
8 ~~"substantially equal installment" includes a last regularly~~
9 ~~scheduled payment that may be less than, but no more than 5%~~
10 ~~larger than, the previous scheduled payment according to a~~
11 ~~disclosed payment schedule agreed to by the parties.~~

12 (Source: P.A. 100-201, eff. 8-18-17; 101-563, eff. 8-23-19.)

13 (815 ILCS 122/2-10)

14 Sec. 2-10. Permitted fees.

15 (a) If there are insufficient funds to pay a check,
16 Automatic Clearing House (ACH) debit, or any other item
17 described in the definition of payday loan under Section 1-10
18 on the day of presentment and only after the lender has
19 incurred an expense, a lender may charge a fee not to exceed
20 \$25. Only one such fee may be collected by the lender with
21 respect to a particular check, ACH debit, or item even if it
22 has been deposited and returned more than once. A lender shall
23 present the check, ACH debit, or other item described in the
24 definition of payday loan under Section 1-10 for payment not
25 more than twice. A fee charged under this subsection (a) is a

1 lender's exclusive charge for late payment.

2 (a-5) A lender may charge a borrower a fee not to exceed \$1
3 for the verification required under Section 2-15 of this Act in
4 connection with a payday loan. ~~and, until July 1, 2020, in~~
5 ~~connection with an installment payday loan. Beginning July 1,~~
6 ~~2020, a lender may charge a borrower a fee not to exceed \$3 for~~
7 ~~the verification required under Section 2-15 of this Act in~~
8 ~~connection with an installment payday loan.~~ In no event may a
9 fee be greater than the amount charged by the certified
10 consumer reporting service. Only one such fee may be collected
11 by the lender with respect to a particular loan.

12 (b) Except for the finance charges described in Section 2-5
13 and as specifically allowed by this Section, a lender may not
14 impose on a consumer any additional finance charges, interest,
15 fees, or charges of any sort for any purpose.

16 (Source: P.A. 100-1168, eff. 6-1-19.)

17 (815 ILCS 122/2-15)

18 Sec. 2-15. Verification.

19 (a) Before entering into a loan agreement with a consumer,
20 a lender must use a commercially reasonable method of
21 verification to verify that the proposed loan agreement is
22 permissible under this Act.

23 (b) Within 6 months after the effective date of this Act,
24 the Department shall certify that one or more consumer
25 reporting service databases are commercially reasonable

1 methods of verification. Upon certifying that a consumer
2 reporting service database is a commercially reasonable method
3 of verification, the Department shall:

4 (1) provide reasonable notice to all licensees
5 identifying the commercially reasonable methods of
6 verification that are available; and

7 (2) immediately upon certification, require each
8 licensee to use a commercially reasonable method of
9 verification as a means of complying with subsection (a) of
10 this Section.

11 (c) Except as otherwise provided in this Section, all
12 personally identifiable information regarding any consumer
13 obtained by way of the certified database and maintained by the
14 Department is strictly confidential and shall be exempt from
15 disclosure under Section 7(1)(b)(i) of the Freedom of
16 Information Act.

17 (d) Notwithstanding any other provision of law to the
18 contrary, a consumer seeking a payday loan may make a direct
19 inquiry to the consumer reporting service to request a more
20 detailed explanation of the basis for a consumer reporting
21 service's determination that the consumer is ineligible for a
22 new payday loan.

23 (e) In certifying a commercially reasonable method of
24 verification, the Department shall ensure that the certified
25 database:

26 (1) provides real-time access through an Internet

1 connection or, if real-time access through an Internet
2 connection becomes unavailable to lenders due to a consumer
3 reporting service's technical problems incurred by the
4 consumer reporting service, through alternative
5 verification mechanisms, including, but not limited to,
6 verification by telephone;

7 (2) is accessible to the Department and to licensees in
8 order to ensure compliance with this Act and in order to
9 provide any other information that the Department deems
10 necessary;

11 (3) requires licensees to input whatever information
12 is required by the Department;

13 (4) maintains a real-time copy of the required
14 reporting information that is available to the Department
15 at all times and is the property of the Department;

16 (5) provides licensees only with a statement that a
17 consumer is eligible or ineligible for a new payday loan
18 and a description of the reason for the determination; and

19 (6) contains safeguards to ensure that all information
20 contained in the database regarding consumers is kept
21 strictly confidential.

22 (f) The licensee shall update the certified database by
23 inputting all information required under item (3) of subsection
24 (e):

25 (1) on the same day that a payday loan is made;

26 (2) on the same day that a consumer elects a repayment

1 plan, as provided in Section 2-40; and

2 (3) on the same day that a consumer's payday loan is
3 paid in full, ~~including the refinancing of an installment~~
4 ~~payday loan as permitted under subsection (c) of Section~~
5 ~~2-5.~~

6 (g) A licensee may rely on the information contained in the
7 certified database as accurate and is not subject to any
8 administrative penalty or liability as a result of relying on
9 inaccurate information contained in the database.

10 (h) The certified consumer reporting service shall
11 indemnify the licensee against all claims and actions arising
12 from illegal or willful or wanton acts on the part of the
13 certified consumer reporting service.

14 (i) The certified consumer reporting service may charge a
15 verification fee not to exceed \$1 upon a loan being made or
16 entered into ~~in~~ the database. ~~Beginning July 1, 2020, the~~
17 ~~certified consumer reporting service may charge a verification~~
18 ~~fee not to exceed \$3 for an installment payday loan being made~~
19 ~~or entered into the data base.~~ The certified consumer reporting
20 service shall not charge any additional fees or charges.

21 (Source: P.A. 100-1168, eff. 6-1-19.)

22 (815 ILCS 122/2-20)

23 Sec. 2-20. Required disclosures.

24 (a) Before a payday loan is made, a lender shall deliver to
25 the consumer a pamphlet prepared by the Secretary that:

1 (1) explains, in simple English and Spanish, all of the
2 consumer's rights and responsibilities in a payday loan
3 transaction;

4 (2) includes a toll-free number to the Secretary's
5 office to handle concerns or provide information about
6 whether a lender is licensed, whether complaints have been
7 filed with the Secretary, and the resolution of those
8 complaints; and

9 (3) provides information regarding the availability of
10 debt management services.

11 (b) Lenders shall provide consumers with a written
12 agreement that may be kept by the consumer. The written
13 agreement must include the following information in English and
14 in the language in which the loan was negotiated:

15 (1) the name and address of the lender making the
16 payday loan, and the name and title of the individual
17 employee who signs the agreement on behalf of the lender;

18 (2) disclosures required by the federal Truth in
19 Lending Act;

20 (3) a clear description of the consumer's payment
21 obligations under the loan;

22 (4) the following statement, in at least 14-point bold
23 type face: "You cannot be prosecuted in criminal court to
24 collect this loan." The information required to be
25 disclosed under this subdivision (4) must be conspicuously
26 disclosed in the loan document and shall be located

1 immediately preceding the signature of the consumer; and

2 (5) the following statement, in at least 14-point bold
3 type face:

4 "WARNING: This loan is not intended to meet long-term
5 financial needs. This loan should be used only to meet
6 short-term cash needs. The cost of your loan may be higher
7 than loans offered by other lending institutions. This loan
8 is regulated by the Department of Financial and
9 Professional Regulation."

10 (c) The following notices in English and Spanish must be
11 conspicuously posted by a lender in each location of a business
12 providing payday loans:

13 (1) A notice that informs consumers that the lender
14 cannot use the criminal process against a consumer to
15 collect any payday loan.

16 (2) The schedule of all finance charges to be charged
17 on loans with an example of the amounts that would be
18 charged on a \$100 loan payable in 13 days and a \$400 loan
19 payable in 30 days, ~~and an installment payday loan of \$400~~
20 ~~payable on a monthly basis over 180 days~~, giving the
21 corresponding annual percentage rate.

22 (3) In one-inch bold type, a notice to the public in
23 the lending area of each business location containing the
24 following statement:

25 "WARNING: This loan is not intended to meet long-term
26 financial needs. This loan should be used only to meet

1 short-term cash needs. The cost of your loan may be higher
2 than loans offered by other lending institutions. This loan
3 is regulated by the Department of Financial and
4 Professional Regulation."

5 (4) In one-inch bold type, a notice to the public in
6 the lending area of each business location containing the
7 following statement:

8 "INTEREST-FREE REPAYMENT PLAN: If you still owe on one
9 or more payday loans, ~~other than an installment payday~~
10 ~~loan,~~ after 35 days, you are entitled to enter into a
11 repayment plan. The repayment plan will give you at least
12 55 days to repay your loan in installments with no
13 additional finance charges, interest, fees, or other
14 charges of any kind."

15 (Source: P.A. 96-936, eff. 3-21-11.)

16 (815 ILCS 122/2-30)

17 Sec. 2-30. Rollovers prohibited. Rollover of a payday loan
18 by any lender is prohibited. ~~, except as provided in subsection~~
19 ~~(c) of Section 2-5.~~ This Section does not prohibit entering
20 into a repayment plan, as provided under Section 2-40.

21 (Source: P.A. 96-936, eff. 3-21-11.)

22 (815 ILCS 122/2-40)

23 Sec. 2-40. Repayment plan.

24 (a) At the time a payday loan is made, the lender must

1 provide the consumer with a separate written notice signed by
2 the consumer of the consumer's right to request a repayment
3 plan. The written notice must comply with the requirements of
4 subsection (c).

5 (b) The loan agreement must include the following language
6 in at least 14-point bold type: IF YOU STILL OWE ON ONE OR MORE
7 PAYDAY LOANS AFTER 35 DAYS, YOU ARE ENTITLED TO ENTER INTO A
8 REPAYMENT PLAN. THE REPAYMENT PLAN WILL GIVE YOU AT LEAST 55
9 DAYS TO REPAY YOUR LOAN IN INSTALLMENTS WITH NO ADDITIONAL
10 FINANCE CHARGES, INTEREST, FEES, OR OTHER CHARGES OF ANY KIND.

11 (c) At the time a payday loan is made, on the first page of
12 the loan agreement and in a separate document signed by the
13 consumer, the following shall be inserted in at least 14-point
14 bold type: I UNDERSTAND THAT IF I STILL OWE ON ONE OR MORE
15 PAYDAY LOANS AFTER 35 DAYS, I AM ENTITLED TO ENTER INTO A
16 REPAYMENT PLAN THAT WILL GIVE ME AT LEAST 55 DAYS TO REPAY THE
17 LOAN IN INSTALLMENTS WITH NO ADDITIONAL FINANCE CHARGES,
18 INTEREST, FEES, OR OTHER CHARGES OF ANY KIND.

19 (d) If the consumer has or has had one or more payday loans
20 outstanding for 35 consecutive days, any payday loan
21 outstanding on the 35th consecutive day shall be payable under
22 the terms of a repayment plan as provided for in this Section,
23 if the consumer requests the repayment plan. As to any loan
24 that becomes eligible for a repayment plan under this
25 subsection, the consumer has until 28 days after the default
26 date of the loan to request a repayment plan. Within 48 hours

1 after the request for a repayment plan is made, the lender must
2 prepare the repayment plan agreement and both parties must
3 execute the agreement. Execution of the repayment plan
4 agreement shall be made in the same manner in which the loan
5 was made and shall be evidenced in writing.

6 (e) The terms of the repayment plan for a payday loan must
7 include the following:

8 (1) The lender may not impose any charge on the
9 consumer for requesting or using a repayment plan.
10 Performance of the terms of the repayment plan extinguishes
11 the consumer's obligation on the loan.

12 (2) No lender shall charge the consumer any finance
13 charges, interest, fees, or other charges of any kind,
14 except a fee for insufficient funds, as provided under
15 Section 2-10.

16 (3) The consumer shall be allowed to repay the loan in
17 at least 4 equal installments with at least 13 days between
18 installments, provided that the term of the repayment plan
19 does not exceed 90 days. The first payment under the
20 repayment plan shall not be due before at least 13 days
21 after the repayment plan is signed by both parties. The
22 consumer may prepay the amount due under the repayment plan
23 at any time, without charge or penalty.

24 (4) The length of time between installments may be
25 extended by the parties so long as the total period of
26 repayment does not exceed 90 days. Any such modification

1 must be in writing and signed by both parties.

2 (f) Notwithstanding any provision of law to the contrary, a
3 lender is prohibited from making a payday loan to a consumer
4 who has a payday loan outstanding under a repayment plan and
5 for at least 14 days after the outstanding balance of the loan
6 under the repayment plan and the outstanding balance of all
7 other payday loans outstanding during the term of the repayment
8 plan are paid in full.

9 (g) A lender may not accept postdated checks for payments
10 under a repayment plan.

11 (h) Notwithstanding any provision of law to the contrary, a
12 lender may voluntarily agree to enter into a repayment plan
13 with a consumer at any time. If a consumer is eligible for a
14 repayment plan under subsection (d), any repayment agreement
15 constitutes a repayment plan under this Section and all
16 provisions of this Section apply to that agreement.

17 (i) (Blank). ~~The provisions of this Section 2-40 do not~~
18 ~~apply to an installment payday loan, except for subsection (f)~~
19 ~~of this Section.~~

20 (Source: P.A. 96-936, eff. 3-21-11.)

21 (815 ILCS 122/2-45)

22 Sec. 2-45. Default.

23 (a) No legal proceeding of any kind, including, but not
24 limited to, a lawsuit or arbitration, may be filed or initiated
25 against a consumer to collect on a payday loan until 28 days

1 after the default date of the loan, or, in the case of a payday
2 loan under a repayment plan, for 28 days after the default date
3 under the terms of the repayment plan. ~~, or in the case of an~~
4 ~~installment payday loan, for 28 days after default in making a~~
5 ~~scheduled payment.~~

6 (b) Upon and after default, a lender shall not charge the
7 consumer any finance charges, interest, fees, or charges of any
8 kind, other than the insufficient fund fee described in Section
9 2-10.

10 (c) Notwithstanding whether a loan is or has been in
11 default, once the loan becomes subject to a repayment plan, the
12 loan shall not be construed to be in default until the default
13 date provided under the terms of the repayment plan.

14 (Source: P.A. 96-936, eff. 3-21-11.)

15 (815 ILCS 122/4-5)

16 Sec. 4-5. Prohibited acts. A licensee or unlicensed person
17 or entity making payday loans may not commit, or have committed
18 on behalf of the licensee or unlicensed person or entity, any
19 of the following acts:

20 (1) Threatening to use or using the criminal process in
21 this or any other state to collect on the loan.

22 (2) Using any device or agreement that would have the
23 effect of charging or collecting more fees or charges than
24 allowed by this Act, including, but not limited to,
25 entering into a different type of transaction with the

1 consumer.

2 (3) Engaging in unfair, deceptive, or fraudulent
3 practices in the making or collecting of a payday loan.

4 (4) Using or attempting to use the check provided by
5 the consumer in a payday loan as collateral for a
6 transaction not related to a payday loan.

7 (5) Knowingly accepting payment in whole or in part of
8 a payday loan through the proceeds of another payday loan
9 provided by any licensee, except as provided in subsection
10 (c) of Section 2.5.

11 (6) Knowingly accepting any security, other than that
12 specified in the definition of payday loan in Section 1-10,
13 for a payday loan.

14 (7) Charging any fees or charges other than those
15 specifically authorized by this Act.

16 (8) Threatening to take any action against a consumer
17 that is prohibited by this Act or making any misleading or
18 deceptive statements regarding the payday loan or any
19 consequences thereof.

20 (9) Making a misrepresentation of a material fact by an
21 applicant for licensure in obtaining or attempting to
22 obtain a license.

23 (10) Including any of the following provisions in loan
24 documents required by subsection (b) of Section 2-20:

25 (A) a confession of judgment clause;

26 (B) a waiver of the right to a jury trial, if

1 applicable, in any action brought by or against a
2 consumer, unless the waiver is included in an
3 arbitration clause allowed under subparagraph (C) of
4 this paragraph (11);

5 (C) a mandatory arbitration clause that is
6 oppressive, unfair, unconscionable, or substantially
7 in derogation of the rights of consumers; or

8 (D) a provision in which the consumer agrees not to
9 assert any claim or defense arising out of the
10 contract.

11 (11) Selling any insurance of any kind whether or not
12 sold in connection with the making or collecting of a
13 payday loan.

14 (12) Taking any power of attorney.

15 (13) Taking any security interest in real estate.

16 (14) Collecting a delinquency or collection charge on
17 any installment regardless of the period in which it
18 remains in default.

19 (15) Collecting treble damages on an amount owing from
20 a payday loan.

21 (16) Refusing, or intentionally delaying or
22 inhibiting, the consumer's right to enter into a repayment
23 plan pursuant to this Act.

24 (17) Charging for, or attempting to collect,
25 attorney's fees, court costs, or arbitration costs
26 incurred in connection with the collection of a payday

1 loan.

2 (18) Making a loan in violation of this Act.

3 (19) Garnishing the wages or salaries of a consumer who
4 is a member of the military.

5 (20) Failing to suspend or defer collection activity
6 against a consumer who is a member of the military and who
7 has been deployed to a combat or combat-support posting.

8 (21) Contacting the military chain of command of a
9 consumer who is a member of the military in an effort to
10 collect on a payday loan.

11 (22) Making or offering to make any loan other than a
12 payday loan or a title-secured loan, provided however, that
13 to make or offer to make a title-secured loan, a licensee
14 must obtain a license under the Consumer Installment Loan
15 Act.

16 (23) Making or offering a loan in violation of the
17 Predatory Loan Prevention Act.

18 (Source: P.A. 96-936, eff. 3-21-11.)

19 Section 15-90-25. The Interest Act is amended by changing
20 Sections 4 and 4a as follows:

21 (815 ILCS 205/4) (from Ch. 17, par. 6404)

22 Sec. 4. General interest rate.

23 (1) Except as otherwise provided in Section 4.05, in all
24 written contracts it shall be lawful for the parties to

1 stipulate or agree that an annual percentage rate of 9% per
2 annum, or any less sum ~~of interest~~, shall be taken and paid
3 upon every \$100 of money loaned or in any manner due and owing
4 from any person to any other person or corporation in this
5 state, and after that rate for a greater or less sum, or for a
6 longer or shorter time, except as herein provided.

7 The maximum rate of interest that may lawfully be
8 contracted for is determined by the law applicable thereto at
9 the time the contract is made. Any provision in any contract,
10 whether made before or after July 1, 1969, which provides for
11 or purports to authorize, contingent upon a change in the
12 Illinois law after the contract is made, any rate of interest
13 greater than the maximum lawful rate at the time the contract
14 is made, is void.

15 It is lawful for a state bank or a branch of an
16 out-of-state bank, as those terms are defined in Section 2 of
17 the Illinois Banking Act, to receive or to contract to receive
18 and collect interest and charges at any rate or rates agreed
19 upon by the bank or branch and the borrower. It is lawful for a
20 savings bank chartered under the Savings Bank Act or a savings
21 association chartered under the Illinois Savings and Loan Act
22 of 1985 to receive or contract to receive and collect interest
23 and charges at any rate agreed upon by the savings bank or
24 savings association and the borrower.

25 It is lawful to receive or to contract to receive and
26 collect interest and charges as authorized by this Act and as

1 authorized by the Consumer Installment Loan Act, ~~and by the~~
2 ~~"Consumer Finance Act", approved July 10, 1935, as now or~~
3 ~~hereafter amended, or by the Payday Loan Reform Act, the Retail~~
4 Installment Sales Act, the Illinois Financial Services
5 Development Act, or the Motor Vehicle Retail Installment Sales
6 Act. It is lawful to charge, contract for, and receive any rate
7 or amount of interest or compensation, except as otherwise
8 provided in the Predatory Loan Prevention Act, with respect to
9 the following transactions:

10 (a) Any loan made to a corporation;

11 (b) Advances of money, repayable on demand, to an
12 amount not less than \$5,000, which are made upon warehouse
13 receipts, bills of lading, certificates of stock,
14 certificates of deposit, bills of exchange, bonds or other
15 negotiable instruments pledged as collateral security for
16 such repayment, if evidenced by a writing;

17 (c) Any credit transaction between a merchandise
18 wholesaler and retailer; any business loan to a business
19 association or copartnership or to a person owning and
20 operating a business as sole proprietor or to any persons
21 owning and operating a business as joint venturers, joint
22 tenants or tenants in common, or to any limited
23 partnership, or to any trustee owning and operating a
24 business or whose beneficiaries own and operate a business,
25 except that any loan which is secured (1) by an assignment
26 of an individual obligor's salary, wages, commissions or

1 other compensation for services, or (2) by his household
2 furniture or other goods used for his personal, family or
3 household purposes shall be deemed not to be a loan within
4 the meaning of this subsection; and provided further that a
5 loan which otherwise qualifies as a business loan within
6 the meaning of this subsection shall not be deemed as not
7 so qualifying because of the inclusion, with other security
8 consisting of business assets of any such obligor, of real
9 estate occupied by an individual obligor solely as his
10 residence. The term "business" shall be deemed to mean a
11 commercial, agricultural or industrial enterprise which is
12 carried on for the purpose of investment or profit, but
13 shall not be deemed to mean the ownership or maintenance of
14 real estate occupied by an individual obligor solely as his
15 residence;

16 (d) Any loan made in accordance with the provisions of
17 Subchapter I of Chapter 13 of Title 12 of the United States
18 Code, which is designated as "Housing Renovation and
19 Modernization";

20 (e) Any mortgage loan insured or upon which a
21 commitment to insure has been issued under the provisions
22 of the National Housing Act, Chapter 13 of Title 12 of the
23 United States Code;

24 (f) Any mortgage loan guaranteed or upon which a
25 commitment to guaranty has been issued under the provisions
26 of the Veterans' Benefits Act, Subchapter II of Chapter 37

1 of Title 38 of the United States Code;

2 (g) Interest charged by a broker or dealer registered
3 under the Securities Exchange Act of 1934, as amended, or
4 registered under the Illinois Securities Law of 1953,
5 approved July 13, 1953, as now or hereafter amended, on a
6 debit balance in an account for a customer if such debit
7 balance is payable at will without penalty and is secured
8 by securities as defined in Uniform Commercial
9 Code-Investment Securities;

10 (h) Any loan made by a participating bank as part of
11 any loan guarantee program which provides for loans and for
12 the refinancing of such loans to medical students, interns
13 and residents and which are guaranteed by the American
14 Medical Association Education and Research Foundation;

15 (i) Any loan made, guaranteed, or insured in accordance
16 with the provisions of the Housing Act of 1949, Subchapter
17 III of Chapter 8A of Title 42 of the United States Code and
18 the Consolidated Farm and Rural Development Act,
19 Subchapters I, II, and III of Chapter 50 of Title 7 of the
20 United States Code;

21 (j) Any loan by an employee pension benefit plan, as
22 defined in Section 3 (2) of the Employee Retirement Income
23 Security Act of 1974 (29 U.S.C.A. Sec. 1002), to an
24 individual participating in such plan, provided that such
25 loan satisfies the prohibited transaction exemption
26 requirements of Section 408 (b) (1) (29 U.S.C.A. Sec. 1108

1 (b) (1)) or Section 2003 (a) (26 U.S.C.A. Sec. 4975 (d)
2 (1)) of the Employee Retirement Income Security Act of
3 1974;

4 (k) Written contracts, agreements or bonds for deed
5 providing for installment purchase of real estate,
6 including a manufactured home as defined in subdivision
7 (53) of Section 9-102 of the Uniform Commercial Code that
8 is real property as defined in the Conveyance and
9 Encumbrance of Manufactured Homes as Real Property and
10 Severance Act;

11 (l) Loans secured by a mortgage on real estate,
12 including a manufactured home as defined in subdivision
13 (53) of Section 9-102 of the Uniform Commercial Code that
14 is real property as defined in the Conveyance and
15 Encumbrance of Manufactured Homes as Real Property and
16 Severance Act;

17 (m) Loans made by a sole proprietorship, partnership,
18 or corporation to an employee or to a person who has been
19 offered employment by such sole proprietorship,
20 partnership, or corporation made for the sole purpose of
21 transferring an employee or person who has been offered
22 employment to another office maintained and operated by the
23 same sole proprietorship, partnership, or corporation;

24 (n) Loans to or for the benefit of students made by an
25 institution of higher education.

26 (2) Except for loans described in subparagraph (a), (c),

1 (d), (e), (f) or (i) of subsection (1) of this Section, and
2 except to the extent permitted by the applicable statute for
3 loans made pursuant to Section 4a or pursuant to the Consumer
4 Installment Loan Act:

5 (a) Whenever the rate of interest exceeds an annual
6 percentage rate of 8% ~~per annum~~ on any written contract,
7 agreement or bond for deed providing for the installment
8 purchase of residential real estate, or on any loan secured
9 by a mortgage on residential real estate, it shall be
10 unlawful to provide for a prepayment penalty or other
11 charge for prepayment.

12 (b) No agreement, note or other instrument evidencing a
13 loan secured by a mortgage on residential real estate, or
14 written contract, agreement or bond for deed providing for
15 the installment purchase of residential real estate, may
16 provide for any change in the contract rate of interest
17 during the term thereof. However, if the Congress of the
18 United States or any federal agency authorizes any class of
19 lender to enter, within limitations, into mortgage
20 contracts or written contracts, agreements or bonds for
21 deed in which the rate of interest may be changed during
22 the term of the contract, any person, firm, corporation or
23 other entity not otherwise prohibited from entering into
24 mortgage contracts or written contracts, agreements or
25 bonds for deed in Illinois may enter into mortgage
26 contracts or written contracts, agreements or bonds for

1 deed in which the rate of interest may be changed during
2 the term of the contract, within the same limitations.

3 (3) In any contract or loan which is secured by a mortgage,
4 deed of trust, or conveyance in the nature of a mortgage, on
5 residential real estate, the interest which is computed,
6 calculated, charged, or collected pursuant to such contract or
7 loan, or pursuant to any regulation or rule promulgated
8 pursuant to this Act, may not be computed, calculated, charged
9 or collected for any period of time occurring after the date on
10 which the total indebtedness, with the exception of late
11 payment penalties, is paid in full.

12 (4) For purposes of this Section, a prepayment shall mean
13 the payment of the total indebtedness, with the exception of
14 late payment penalties if incurred or charged, on any date
15 before the date specified in the contract or loan agreement on
16 which the total indebtedness shall be paid in full, or before
17 the date on which all payments, if timely made, shall have been
18 made. In the event of a prepayment of the indebtedness which is
19 made on a date after the date on which interest on the
20 indebtedness was last computed, calculated, charged, or
21 collected but before the next date on which interest on the
22 indebtedness was to be calculated, computed, charged, or
23 collected, the lender may calculate, charge and collect
24 interest on the indebtedness for the period which elapsed
25 between the date on which the prepayment is made and the date
26 on which interest on the indebtedness was last computed,

1 calculated, charged or collected at a rate equal to 1/360 of
2 the annual rate for each day which so elapsed, which rate shall
3 be applied to the indebtedness outstanding as of the date of
4 prepayment. The lender shall refund to the borrower any
5 interest charged or collected which exceeds that which the
6 lender may charge or collect pursuant to the preceding
7 sentence. The provisions of this amendatory Act of 1985 shall
8 apply only to contracts or loans entered into on or after the
9 effective date of this amendatory Act, but shall not apply to
10 contracts or loans entered into on or after that date that are
11 subject to Section 4a of this Act, the Consumer Installment
12 Loan Act, the Payday Loan Reform Act, the Predatory Loan
13 Prevention Act, or the Retail Installment Sales Act, or that
14 provide for the refund of precomputed interest on prepayment in
15 the manner provided by such Act.

16 (5) For purposes of items (a) and (c) of subsection (1) of
17 this Section, a rate or amount of interest may be lawfully
18 computed when applying the ratio of the annual interest rate
19 over a year based on 360 days. The provisions of this
20 amendatory Act of the 96th General Assembly are declarative of
21 existing law.

22 (6) For purposes of this Section, "real estate" and "real
23 property" include a manufactured home, as defined in
24 subdivision (53) of Section 9-102 of the Uniform Commercial
25 Code that is real property as defined in the Conveyance and
26 Encumbrance of Manufactured Homes as Real Property and

1 Severance Act.

2 (Source: P.A. 98-749, eff. 7-16-14.)

3 (815 ILCS 205/4a) (from Ch. 17, par. 6410)

4 Sec. 4a. Installment loan rate.

5 (a) On money loaned to or in any manner owing from any
6 person, whether secured or unsecured, except where the money
7 loaned or in any manner owing is directly or indirectly for the
8 purchase price of real estate or an interest therein and is
9 secured by a lien on or retention of title to that real estate
10 or interest therein, to an amount not more than \$25,000
11 (excluding interest) which is evidenced by a written instrument
12 providing for the payment thereof in 2 or more periodic
13 installments over a period of not more than 181 months from the
14 date of the execution of the written instrument, it is lawful
15 to receive or to contract to receive and collect either of the
16 following:

17 (i) Interest ~~interest~~ in an amount equivalent to
18 interest computed at a rate not exceeding an annual
19 percentage rate of 9% per year on the entire principal
20 amount of the money loaned or in any manner owing for the
21 period from the date of the making of the loan or the
22 incurring of the obligation for the amount owing evidenced
23 by the written instrument until the date of the maturity of
24 the last installment thereof, and to add that amount to the
25 principal, except that there shall be no limit on the rate

1 of interest which may be received or contracted to be
2 received and collected by (1) any bank that has its main
3 office or, after May 31, 1997, a branch in this State; or
4 (2) a savings and loan association chartered under the
5 Illinois Savings and Loan Act of 1985, or a savings bank
6 chartered under the Savings Bank Act, or a federal savings
7 and loan association established under the laws of the
8 United States and having its main office in this State.

9 It is lawful to receive or to contract to receive and
10 collect interest and charges as authorized by the Interest
11 Act, the Consumer Installment Loan Act, the Retail
12 Installment Sales Act, the Motor Vehicle Retail
13 Installment Sales Act, the Payday Loan Reform Act, and the
14 Illinois Financial Services Development Act.

15 In any case in which interest is received, contracted
16 for, or collected on the basis of paragraph (i) of
17 subsection (a) of Section 4a, the debtor may satisfy in
18 full at any time before maturity the debt evidenced by the
19 written instrument, and in so satisfying must receive a
20 refund credit against the total amount of interest added to
21 the principal computed in the manner provided under
22 paragraph (3) of subsection (f) of Section 15 of the
23 Consumer Installment Loan Act for refunds or credits of
24 applicable interest on payment in full of precomputed loans
25 before the final installment due date. ~~; or (3) any lender~~
26 licensed under either the Consumer Finance Act or the

1 ~~Consumer Installment Loan Act, but in any case in which~~
2 ~~interest is received, contracted for or collected on the~~
3 ~~basis of this clause (i), the debtor may satisfy in full at~~
4 ~~any time before maturity the debt evidenced by the written~~
5 ~~instrument, and in so satisfying must receive a refund~~
6 ~~credit against the total amount of interest added to the~~
7 ~~principal computed in the manner provided under Section~~
8 ~~15(f)(3) of the Consumer Installment Loan Act for refunds~~
9 ~~or credits of applicable interest on payment in full of~~
10 ~~precomputed loans before the final installment due date; or~~

11 (ii) Interest ~~interest~~ accrued on the principal
12 balance from time to time remaining unpaid, from the date
13 of making of the loan or the incurring of the obligation to
14 the date of the payment of the debt in full, at a rate not
15 exceeding the annual percentage rate equivalent of the rate
16 permitted to be charged under clause (i) above, but in any
17 such case the debtor may, provided that the debtor shall
18 have paid in full all interest and other charges accrued to
19 the date of such prepayment, prepay the principal balance
20 in full or in part at any time, and interest shall, upon
21 any such prepayment, cease to accrue on the principal
22 amount which has been prepaid.

23 (b) Whenever the principal amount of an installment loan is
24 \$300 or more and the repayment period is 6 months or more, a
25 minimum charge of \$15 may be collected instead of interest, but
26 only one minimum charge may be collected from the same person

1 during one year. When the principal amount of the loan
2 (excluding interest) is \$800 or less, the lender or creditor
3 may contract for and receive a service charge not to exceed \$5
4 in addition to interest; and that service charge may be
5 collected when the loan is made, but only one service charge
6 may be contracted for, received, or collected from the same
7 person during one year.

8 (c) Credit life insurance and credit accident and health
9 insurance, and any charge therefor which is deducted from the
10 loan or paid by the obligor, must comply with Article IX 1/2 of
11 the Illinois Insurance Code and all lawful requirements of the
12 Director of Insurance related thereto. When there are 2 or more
13 obligors on the loan contract, only one charge for credit life
14 insurance and credit accident and health insurance may be made
15 and only one of the obligors may be required to be insured.
16 Insurance obtained from, by or through the lender or creditor
17 must be in effect when the loan is transacted. The purchase of
18 that insurance from an agent, broker or insurer specified by
19 the lender or creditor may not be a condition precedent to the
20 granting of the loan.

21 (d) The lender or creditor may require the obligor to
22 provide property insurance on security other than household
23 goods, furniture and personal effects. The amount and term of
24 the insurance must be reasonable in relation to the amount and
25 term of the loan contract and the type and value of the
26 security, and the insurance must be procured in accordance with

1 the insurance laws of this State. The purchase of that
2 insurance from an agent, broker or insurer specified by the
3 lender or creditor may not be a condition precedent to the
4 granting of the loan.

5 (e) The lender or creditor may, if the contract provides,
6 collect a delinquency and collection charge on each installment
7 in default for a period of not less than 10 days in an amount
8 not exceeding 5% of the installment on installments in excess
9 of \$200 or \$10 on installments of \$200 or less, but only one
10 delinquency and collection charge may be collected on any
11 installment regardless of the period during which it remains in
12 default. In addition, the contract may provide for the payment
13 by the borrower or debtor of attorney's fees incurred by the
14 lender or creditor. The lender or creditor may enforce such a
15 provision to the extent of the reasonable attorney's fees
16 incurred by him in the collection or enforcement of the
17 contract or obligation. Whenever interest is contracted for or
18 received under this Section, no amount in addition to the
19 charges authorized by this Section may be directly or
20 indirectly charged, contracted for or received, except lawful
21 fees paid to a public officer or agency to record, file or
22 release security, and except costs and disbursements including
23 reasonable attorney's fees, incurred in legal proceedings to
24 collect a loan or to realize on a security after default. This
25 Section does not prohibit the receipt of any commission,
26 dividend or other benefit by the creditor or an employee,

1 affiliate or associate of the creditor from the insurance
2 authorized by this Section.

3 (f) When interest is contracted for or received under this
4 Section, the lender must disclose the following items to the
5 obligor in a written statement before the loan is consummated:

6 (1) the amount and date of the loan contract;

7 (2) the amount of loan credit using the term "amount
8 financed";

9 (3) every deduction from the amount financed or payment
10 made by the obligor for insurance and the type of insurance
11 for which each deduction or payment was made;

12 (4) every other deduction from the loan or payment made
13 by the obligor in connection with obtaining the loan;

14 (5) the date on which the finance charge begins to
15 accrue if different from the date of the transaction;

16 (6) the total amount of the loan charge for the
17 scheduled term of the loan contract with a description of
18 each amount included using the term "finance charge";

19 (7) the finance charge expressed as an annual
20 percentage rate using the term "annual percentage rate".

21 "Annual percentage rate" means the nominal annual
22 percentage rate of finance charge determined in accordance
23 with the actuarial method of computation with an accuracy
24 at least to the nearest 1/4 of 1%; or at the option of the
25 lender by application of the United States rule so that it
26 may be disclosed with an accuracy at least to the nearest

1 1/4 of 1%;

2 (8) the number, amount and due dates or periods of
3 payments scheduled to repay the loan and the sum of such
4 payments using the term "total of payments";

5 (9) the amount, or method of computing the amount of
6 any default, delinquency or similar charges payable in the
7 event of late payments;

8 (10) the right of the obligor to prepay the loan and
9 the fact that such prepayment will reduce the charge for
10 the loan;

11 (11) a description or identification of the type of any
12 security interest held or to be retained or acquired by the
13 lender in connection with the loan and a clear
14 identification of the property to which the security
15 interest relates. If after-acquired property will be
16 subject to the security interest, or if other or future
17 indebtedness is or may be secured by any such property,
18 this fact shall be clearly set forth in conjunction with
19 the description or identification of the type of security
20 interest held, retained or acquired;

21 (12) a description of any penalty charge that may be
22 imposed by the lender for prepayment of the principal of
23 the obligation with an explanation of the method of
24 computation of such penalty and the conditions under which
25 it may be imposed;

26 (13) unless the contract provides for the accrual and

1 payment of the finance charge on the balance of the amount
2 financed from time to time remaining unpaid, an
3 identification of the method of computing any unearned
4 portion of the finance charge in the event of prepayment of
5 the loan.

6 The terms "finance charge" and "annual percentage rate"
7 shall be printed more conspicuously than other terminology
8 required by this Section.

9 (g) At the time disclosures are made, the lender shall
10 deliver to the obligor a duplicate of the instrument or
11 statement by which the required disclosures are made and on
12 which the lender and obligor are identified and their addresses
13 stated. All of the disclosures shall be made clearly,
14 conspicuously and in meaningful sequence and made together on
15 either:

16 (i) the note or other instrument evidencing the
17 obligation on the same side of the page and above or
18 adjacent to the place for the obligor's signature; however,
19 where a creditor elects to combine disclosures with the
20 contract, security agreement, and evidence of a
21 transaction in a single document, the disclosures required
22 under this Section shall be made on the face of the
23 document, on the reverse side, or on both sides, provided
24 that the amount of the finance charge and the annual
25 percentage rate shall appear on the face of the document,
26 and, if the reverse side is used, the printing on both

1 sides of the document shall be equally clear and
2 conspicuous, both sides shall contain the statement,
3 "NOTICE: See other side for important information", and the
4 place for the customer's signature shall be provided
5 following the full content of the document; or

6 (ii) one side of a separate statement which identifies
7 the transaction.

8 The amount of the finance charge shall be determined as the
9 sum of all charges, payable directly or indirectly by the
10 obligor and imposed directly or indirectly by the lender as an
11 incident to or as a condition to the extension of credit,
12 whether paid or payable by the obligor, any other person on
13 behalf of the obligor, to the lender or to a third party,
14 including any of the following types of charges:

15 (1) Interest, time price differential, and any amount
16 payable under a discount or other system of additional
17 charges.

18 (2) Service, transaction, activity, or carrying
19 charge.

20 (3) Loan fee, points, finder's fee, or similar charge.

21 (4) Fee for an appraisal, investigation, or credit
22 report.

23 (5) Charges or premiums for credit life, accident,
24 health, or loss of income insurance, written in connection
25 with any credit transaction unless (a) the insurance
26 coverage is not required by the lender and this fact is

1 clearly and conspicuously disclosed in writing to the
2 obligor; and (b) any obligor desiring such insurance
3 coverage gives specific dated and separately signed
4 affirmative written indication of such desire after
5 receiving written disclosure to him of the cost of such
6 insurance.

7 (6) Charges or premiums for insurance, written in
8 connection with any credit transaction, against loss of or
9 damage to property or against liability arising out of the
10 ownership or use of property, unless a clear, conspicuous,
11 and specific statement in writing is furnished by the
12 lender to the obligor setting forth the cost of the
13 insurance if obtained from or through the lender and
14 stating that the obligor may choose the person through
15 which the insurance is to be obtained.

16 (7) Premium or other charges for any other guarantee or
17 insurance protecting the lender against the obligor's
18 default or other credit loss.

19 (8) Any charge imposed by a lender upon another lender
20 for purchasing or accepting an obligation of an obligor if
21 the obligor is required to pay any part of that charge in
22 cash, as an addition to the obligation, or as a deduction
23 from the proceeds of the obligation.

24 A late payment, delinquency, default, reinstatement or
25 other such charge is not a finance charge if imposed for actual
26 unanticipated late payment, delinquency, default or other

1 occurrence.

2 (h) Advertising for loans transacted under this Section may
3 not be false, misleading, or deceptive. That advertising, if it
4 states a rate or amount of interest, must state that rate as an
5 annual percentage rate of interest charged. In addition, if
6 charges other than for interest are made in connection with
7 those loans, those charges must be separately stated. No
8 advertising may indicate or imply that the rates or charges for
9 loans are in any way "recommended", "approved", "set" or
10 "established" by the State government or by this Act.

11 (i) A lender or creditor who complies with the federal
12 Truth in Lending Act, amendments thereto, and any regulations
13 issued or which may be issued thereunder, shall be deemed to be
14 in compliance with the provisions of subsections (f), (g) and
15 (h) of this Section.

16 (j) For purposes of this Section, "real estate" and "real
17 property" include a manufactured home as defined in subdivision
18 (53) of Section 9-102 of the Uniform Commercial Code that is
19 real property as defined in the Conveyance and Encumbrance of
20 Manufactured Homes as Real Property and Severance Act.

21 (Source: P.A. 98-749, eff. 7-16-14.)

22 Section 15-90-30. The Motor Vehicle Retail Installment
23 Sales Act is amended by changing Section 21 and by adding
24 Section 26.1 as follows:

1 (815 ILCS 375/21) (from Ch. 121 1/2, par. 581)

2 Sec. 21. The finance charge on any motor vehicle retail
3 installment contract shall be no more than the maximum rate
4 permissible under the Predatory Loan Prevention Act.
5 ~~Notwithstanding the provisions of any other statute, for motor~~
6 ~~vehicle retail installment contracts executed after September~~
7 ~~25, 1981, there shall be no limit on the finance charges which~~
8 ~~may be charged, collected, and received.~~

9 (Source: P.A. 90-437, eff. 1-1-98; 91-357, eff. 7-29-99.)

10 (815 ILCS 375/26.1 new)

11 Sec. 26.1. Rulemaking authority. The Secretary of
12 Financial and Professional Regulation and his or her designees
13 shall have authority to adopt and enforce reasonable rules,
14 directions, orders, decisions, and findings necessary to
15 execute and enforce this Act and protect consumers in this
16 State. The Secretary's authority to adopt rules shall include,
17 but not be limited to: licensing, examination, supervision, and
18 enforcement.

19 Section 15-90-35. The Retail Installment Sales Act is
20 amended by changing Sections 27 and 28 and by adding Section
21 33.1 as follows:

22 (815 ILCS 405/27) (from Ch. 121 1/2, par. 527)

23 Sec. 27. The finance charge on any retail installment

1 contract shall be no more than the maximum rate permissible
2 under the Predatory Loan Prevention Act. ~~Notwithstanding the~~
3 ~~provisions of any other statute, retail installment contracts~~
4 ~~executed after the effective date of this amendatory Act of~~
5 ~~1981, there shall be no limit on the finance charges which may~~
6 ~~be charged, collected and received.~~

7 (Source: P.A. 90-437, eff. 1-1-98.)

8 (815 ILCS 405/28) (from Ch. 121 1/2, par. 528)

9 Sec. 28. The finance charge on any retail charge agreement
10 shall be no more than the maximum rate permissible under the
11 Predatory Loan Prevention Act. ~~Notwithstanding the provisions~~
12 ~~of any other statute, a retail charge agreement may provide for~~
13 ~~the charging, collection and receipt of finance charges at any~~
14 ~~specified rate on the unpaid balances incurred after the~~
15 ~~effective date of this amendatory Act of 1981. If a seller or~~
16 ~~holder under a retail charge agreement entered into on, prior~~
17 ~~to or after the effective date of this amendatory Act of 1981~~
18 ~~notifies the retail buyer at least 15 days in advance of any~~
19 ~~lawful increase in the finance charges to be charged under the~~
20 ~~agreement, and the retail buyer, after the effective date of~~
21 ~~such notice, makes a new or additional purchase or incurs~~
22 ~~additional debt pursuant to the agreement, the increased~~
23 ~~finance charges may be applied only to any such new or~~
24 ~~additional purchase or additional debt incurred regardless of~~
25 ~~any other terms of the agreement. For purposes of determining~~

1 ~~the balances to which the increased interest rate applies, all~~
2 ~~payments and other credits may be deemed to be applied to the~~
3 ~~balance existing prior to the change in rate until that balance~~
4 ~~is paid in full.~~

5 (Source: P.A. 90-437, eff. 1-1-98.)

6 (815 ILCS 405/33.1 new)

7 Sec. 33.1. Rulemaking authority. The Secretary of
8 Financial and Professional Regulation and his or her designees
9 shall have authority to adopt and enforce reasonable rules,
10 directions, orders, decisions, and findings necessary to
11 execute and enforce this Act and protect consumers in this
12 State. The Secretary's authority to adopt rules shall include,
13 but not be limited to: licensing, examination, supervision, and
14 enforcement.

15 Section 15-90-40. The Consumer Fraud and Deceptive
16 Business Practices Act is amended by changing Section 2Z as
17 follows:

18 (815 ILCS 505/2Z) (from Ch. 121 1/2, par. 262Z)

19 Sec. 2Z. Violations of other Acts. Any person who knowingly
20 violates the Automotive Repair Act, the Automotive Collision
21 Repair Act, the Home Repair and Remodeling Act, the Dance
22 Studio Act, the Physical Fitness Services Act, the Hearing
23 Instrument Consumer Protection Act, the Illinois Union Label

1 Act, the Installment Sales Contract Act, the Job Referral and
2 Job Listing Services Consumer Protection Act, the Travel
3 Promotion Consumer Protection Act, the Credit Services
4 Organizations Act, the Automatic Telephone Dialers Act, the
5 Pay-Per-Call Services Consumer Protection Act, the Telephone
6 Solicitations Act, the Illinois Funeral or Burial Funds Act,
7 the Cemetery Oversight Act, the Cemetery Care Act, the Safe and
8 Hygienic Bed Act, the Illinois Pre-Need Cemetery Sales Act, the
9 High Risk Home Loan Act, the Payday Loan Reform Act, the
10 Predatory Loan Prevention Act, the Mortgage Rescue Fraud Act,
11 subsection (a) or (b) of Section 3-10 of the Cigarette Tax Act,
12 subsection (a) or (b) of Section 3-10 of the Cigarette Use Tax
13 Act, the Electronic Mail Act, the Internet Caller
14 Identification Act, paragraph (6) of subsection (k) of Section
15 6-305 of the Illinois Vehicle Code, Section 11-1431, 18d-115,
16 18d-120, 18d-125, 18d-135, 18d-150, or 18d-153 of the Illinois
17 Vehicle Code, Article 3 of the Residential Real Property
18 Disclosure Act, the Automatic Contract Renewal Act, the Reverse
19 Mortgage Act, Section 25 of the Youth Mental Health Protection
20 Act, the Personal Information Protection Act, or the Student
21 Online Personal Protection Act commits an unlawful practice
22 within the meaning of this Act.

23 (Source: P.A. 99-331, eff. 1-1-16; 99-411, eff. 1-1-16; 99-642,
24 eff. 7-28-16; 100-315, eff. 8-24-17; 100-416, eff. 1-1-18;
25 100-863, eff. 8-14-18.)

1 Article 20.

2 Section 20-5. The Department of Commerce and Economic
3 Opportunity Law of the Civil Administrative Code of Illinois is
4 amended by adding Section 605-1055 as follows:

5 (20 ILCS 605/605-1055 new)

6 Sec. 605-1055. Personal care products industry supplier
7 disparity study.

8 (a) The Department shall compile and publish a disparity
9 study by December 31, 2022 that: (1) evaluates whether there
10 exists intentional discrimination at the supplier or
11 distribution level for retailers of beauty products,
12 cosmetics, hair care supplies, and personal care products in
13 the State of Illinois; and (2) if so, evaluates the impact of
14 such discrimination on the State and includes recommendations
15 for reducing or eliminating any barriers to entry to those
16 wishing to establish businesses at the retail level involving
17 such products. The Department shall forward a copy of its
18 findings and recommendations to the General Assembly and
19 Governor.

20 (b) The Department may compile, collect, or otherwise
21 gather data necessary for the administration of this Section
22 and to carry out the Department's duty relating to the
23 recommendation of policy changes. The Department shall compile
24 all of the data into a single report, submit the report to the

1 Governor and the General Assembly, and publish the report on
2 its website.

3 (c) This Section is repealed on January 1, 2024.

4 Article 99.

5 Section 99-99. Effective date. This Act takes effect upon
6 becoming law.