AMENDMENT TO SENATE BILL 1792

AMENDMENT NO. ______. Amend Senate Bill 1792 by replacing everything after the enacting clause with the following:

"Article 1.

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

(505 ILCS 72/25 new)

Sec. 25. Disparity study; report.

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

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

(2) The distribution of farm-related generated income and wealth.

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

(4) Access to technical assistance programs and mechanization.

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

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

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

Article 5.

Section 5-5. The Cannabis Regulation and Tax Act is amended by adding Section 10-45 as follows:
Sec. 10-45. Cannabis Equity Commission.

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

(1) Ensuring that equity goals in the Illinois cannabis industry, as stated in Section 10-40, are met.

(2) Tracking and analyzing minorities in the marketplace.

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

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

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

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

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

(2) The Attorney General, or his or her designee.
(3) The Director of Commerce and Economic Opportunity, or his or her designee.

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

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

(6) The Director of Financial and Professional Regulation, or his or her designee.

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

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

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

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

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

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

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

(c) Within 90 days after the ex officio members convene, the following members shall be appointed to the Commission by the chair:
(1) Four community-based providers or community development organization representatives who provide services to treat violence and address the social determinants of health, or promote community investment, including, but not limited to, services such as job placement and training, educational services, workforce development programming, and wealth building. No more than 2 community-based organization representatives shall work primarily in Cook County. At least one of the community-based providers shall have expertise in providing services to an immigrant population.

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

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

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

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

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

Article 10.

Section 10-1. Short title. This Act may be cited as the the
Lead Service Line Replacement and Notification Act. References in this Article to "this Act" mean this Article.

Section 10-5. Purpose. The purpose of this Act is to: (1) require the owners and operators of community water supplies to develop, implement, and maintain a comprehensive water service line material inventory and a comprehensive lead service line replacement plan, provide notice to occupants of potentially affected buildings before any construction or repair work on water mains or lead service lines, and request access to potentially affected buildings before replacing lead service lines; (2) prohibit partial lead service line replacements; and (3) establish a revenue source capable of paying for lead service line replacement activities in Illinois.

Section 10-10. Definitions. As used in this Act, unless the context otherwise clearly requires:

"Advisory Board" means the Lead Service Line Replacement Advisory Board created under Section 10-45 of this Act.

"Agency" means the Illinois Environmental Protection Agency.

"Board" means the Illinois Pollution Control Board.

"Community water supply" has the meaning ascribed to it in Section 3.145 of the Environmental Protection Act.

"Department" means the Department of Public Health.

"Emergency repair" means any unscheduled water main, water
service, or water valve repair or replacement that results from failure or accident.

"Fund" means the Lead Service Line Replacement Fund created under Section 10-15 of this Act.

"Lead service line" means a service line made of lead or service line connected to a lead pigtail, lead gooseneck, or other lead fitting.

"Material inventory" means a water service line material inventory developed by a community water supply pursuant to this Act.

"Noncommunity water supply" has the meaning ascribed to it in Section 3.145 of the Environmental Protection Act.

"NSF/ANSI Standard" means a water treatment standard developed by NSF International.

"Partial lead service line replacement" means replacement of only a portion of a lead service line.

"Potentially affected building" means any building that is provided water service through a service line that is either a lead service line or a suspected lead service line.

"Public water supply" has the meaning ascribed to it in Section 3.365 of the Environmental Protection Act.

"Service line" means the piping, tubing, and necessary appurtenances acting as a conduit from the water main or source of potable water supply to the building plumbing at the first shut-off valve or 18 inches inside the building, whichever is shorter.
"Suspected lead service line" means a line that a community water supply finds more likely than not to be made of lead after completing the requirements under paragraphs (2) through (5) of subsection (e) of Section 10-25.

"Small system" means a community water supply that regularly serves water to 3,300 or fewer persons.


(a) The Lead Service line Replacement Fund is created as a special fund in the State treasury to be used by the Agency and the Department of Commerce and Economic Opportunity for the purposes provided under Section 10-5 of this Act. The Fund shall be used exclusively to finance and administer programs and activities specified under this Act and listed under subsection (c).

(b) The objective of the Fund is to finance all activities associated with identifying and replacing lead service lines, build Agency capacity to oversee the provisions of this Act, and provide related assistance for the activities listed under subsection (c).

(c) The Agency shall be responsible for the administration of the Fund and shall allocate moneys on the basis of priorities established by the Agency. Each year, the Agency shall determine the available amount of resources in the Fund that can be allocated to the activities identified under this Section and shall allocate the moneys accordingly. The moneys
shall be allocated from the Fund in the following percentages, except as provided under subsection (d):

(1) for costs related to replacing lead service lines as described under Section 10-40, 75% of the available funding;

(2) for assistance to low-income communities in identifying, inventorying, planning for replacement of, and implementing plans for replacement of lead service lines, 5% of the available funding;

(3) for personnel costs within the Agency associated with administering the provisions of this Act, 3% of the available funding;

(4) for transfer to the Department of Commerce and Economic Opportunity for the low-income water assistance policy and program described under Section 605-870 of the Department of Commerce and Economic Opportunity Law of the Civil Administrative Code of Illinois, 7% of the available funding;

(5) for transfer to the Department of Commerce and Economic Opportunity for deposit into the Water Workforce Development Fund, 5% of the available funding; and

(6) for the Water Innovation Grants Program described in Section 10-90, 5% of the available funding.

(d) The Agency may, subject to the following provisions, adjust the percentages of available funding allocated to each activity described under subsection (c). The purpose of this
subsection is to enable the Agency flexibility in managing
distributions from the Fund while ensuring that distributions
are apportioned in a manner consistent with the intent of
subsection (c):

(1) In the years preceding the completion of all final
inventories and plans described under Sections 10-25 and
10-30, the Agency may direct up to 10% of available funds
to the low-income technical assistance activities
described under paragraph 2 of subsection (c) of this
Section. If the Agency chooses to increase funding for
these technical assistance activities, it must decrease
the share of funding apportioned to lead service line
replacement activities by a commensurate amount for those
same years.

(2) For all other deviations from the funding
percentages described under subsection (c), the Agency
shall consult the Advisory Board.

(3) In no case shall the allocation percentages be
modified such that the Agency cannot substantially fulfill
this Section’s primary purpose of funding the
identification, inventory, and replacement of all lead
service lines in Illinois.

(e) The Agency is granted all powers necessary for the
implementation of this Section.

Section 10-20. Lead in drinking water protection fee.
(a) The General Assembly finds and declares that:

(1) there is no safe level of exposure to heavy metal lead, as found by the United States Environmental Protection Agency and the Center for Disease Control;

(2) lead-based plumbing, including service lines, can convey this harmful substance to the drinking water supply;

(3) according to the Illinois Environmental Protection Agency's 2018 Service Line Material Inventory, the State of Illinois is estimated to have over 680,000 lead-based service lines still in operation;

(4) the true number of lead service lines is not fully known because Illinois lacks an adequate inventory of lead service lines;

(5) for the general health, safety and welfare of its residents, all lead service lines in Illinois should be disconnected from the drinking water supply; and

(6) all residents of the State of Illinois should share the costs of lead service line replacement in order to reduce the public health and social costs of lead in the State's drinking water supply.

(b) Within one year after the effective date of this Act, the Agency shall establish procedures for the collection of a lead in drinking water protection fee. The fee shall be collected in a manner determined by the Agency and the Advisory Board.

(1) The annual amount of the fee assessed shall be
determined by the Agency in consultation with the Advisory Board. In establishing this fee, the Agency and Advisory Board shall consider at a minimum:

(A) variation in financial ability of different ratepayers;

(B) differences in water usage among residential, commercial, and industrial ratepayers;

(C) the ability of community water supplies to assess and collect the fee; and

(D) total funds required to adequately fund the activities described under subsection (c) of Section 10-15, including, but not limited to, the total statewide cost of replacing all lead service lines.

(2) The lead in drinking water protection fee shall be reviewed by the Agency and the Advisory Board every 5 years.

(3) No later than January 1, 2022, the Agency shall notify each community water supply of the annual fees to be assessed to ratepayers. Beginning January 1, 2022, the fee shall be levied once per billing cycle. The amount of the fee charged per billing cycle shall be equal to the annual fee divided by the number of bills issued per year.

(4) The fee shall be remitted to the Department of Revenue. All proceeds shall be deposited in the Lead Service Line Replacement Fund.
Section 10-25. Material inventories.

(a) The owner or operator of each community water supply shall:

   (1) develop an initial material inventory and submit the material inventory electronically to the Agency by April 15, 2021;

   (2) update its material inventory and submit the updated material inventory electronically to the Agency by April 15, 2022; and

   (3) deliver a complete material inventory to the Agency no later than April 15, 2025; the complete inventory shall report the composition of all service lines in the community water supply's distribution system.

(b) The Agency shall review each material inventory submitted to it under this Section. If the Agency determines that the community water supply is making substantial progress toward characterizing the materials of all service lines connected to its distribution system, with a priority on identifying all lead service lines connected to its distribution system, then the Agency shall approve the material inventory.

(c) If a community water supply does not deliver a complete inventory to the Agency by April 15, 2025, the community water supply may apply to the Agency for an extension. The Agency shall develop criteria for granting inventory extensions. When considering requests for extension, the Agency shall at a
minimum consider:

(1) the number of service connections in a water supply;

(2) the staff capacity and financial condition of the community;

(3) the number of service lines of an unknown material composition; and

(4) other criteria as determined by the Agency in consultation with the Advisory Board.

(d) Each material inventory prepared for a community water supply shall identify:

(1) the total number of service lines connected to the community water supply's distribution system;

(2) the materials of construction of each service line connected to the community water supply's distribution system;

(3) the number of suspected lead service lines that were newly identified in the material inventory for the community water supply after the community water supply last submitted a service line inventory to the Agency; and

(4) the number of suspected or known lead service lines that were replaced after the community water supply last submitted a service line inventory to the Agency and the material of the service line that replaced each lead service line.

When identifying the materials of construction under
paragraph (2) of this subsection, the owner or operator of the community water supply shall identify the type of construction material used on the customer's side of the curb box or meter or other line of demarcation and the community water supply's side of the curb box or meter or other line of demarcation.

(e) In completing its material inventory, the owner or operator of each community water supply shall:

(1) prioritize inspections of high-risk areas identified by the community water supply and inspections of high-risk facilities, such as preschools, day care centers, day care homes, group day care homes, parks, playgrounds, hospitals, and clinics, and confirm service line materials in those areas and at those facilities;

(2) review historical documentation, such as construction logs or cards, as-built drawings, purchase orders, and subdivision plans, to determine service line material construction;

(3) when conducting distribution system maintenance, visually inspect service lines and document materials of construction;

(4) identify any time period when the service lines being connected to its distribution system were primarily lead service lines, if such a time period is known or suspected; and

(5) discuss service line repair and installation with its employees, contractors, plumbers, other workers who
worked on service lines connected to its distribution
system, or all of the above.

(f) The owner or operator of each community water supply
shall maintain records of persons who refuse to grant access to
the interior of a building for purposes of identifying the
materials of construction of a service line. If a community
water supply has been denied access to the interior of a
building for that reason, then the community water supply may
identify the service line as a suspected lead service line.

(g) If a community water supply identifies a lead service
line connected to a building, the owner or operator of the
community water supply shall notify the owner of the building
and all occupants of the building of the existence of the lead
service line within 7 days after identifying the lead service
line, or as soon as is reasonably possible thereafter. Individual written notice shall be given according to the
provisions of subsections (c) through (e) of Section 10-60 of
this Act.

(h) An owner or operator of a community water supply has no
duty to include in the material inventory required under this
Section information about service lines that are physically
disconnected from a water main in its distribution system.

(i) When conducting engineering evaluations of community
water supplies, the Agency may conduct a separate audit to
identify progress that the community water supply has made
toward completing the material inventory required under this
(j) The owner or operator of each community water supply shall post on its website a copy of the material inventory most recently approved by the Agency or shall request that the Agency post a copy of that material inventory on the Agency's website.

Section 10-30. Lead service line replacement plans.

(a) Every owner or operator of a community water supply that has known or suspected lead service lines shall:

(1) create a plan to:

(A) replace each lead service line connected to its distribution system;

(B) replace each galvanized service line connected to its distribution system, if the galvanized service line is or was connected downstream to lead piping;

(C) determine the materials of construction of suspected lead service lines and service lines of unknown materials; and

(D) propose a timeline for review and regular revisions of the lead service line replacement plan;

and

(2) electronically submit, by April 15, 2023, its initial lead service line replacement plan to the Agency for approval;

(3) electronically submit by April 15 of each
subsequent year an updated lead service line replacement plan to the Agency for approval; the updated replacement plan shall account for changes in the number of lead service lines or unknown service lines in the material inventory described in Section 10-25 of this Act;

(4) electronically submit by April 15, 2027 a complete and final replacement plan to the Agency for approval; the complete and final replacement plan shall account for all lead service lines documented in the complete material inventory described under paragraph (3) of subsection (a) of Section 10-25; and

(5) post on its website a copy of the plan most recently approved by the Agency or request that the Agency post a copy of that plan on the Agency's website.

(b) Each plan required under subsection (a) shall include the following:

(1) the name and identification number of the community water supply;

(2) the total number of service lines connected to the distribution system of the community water supply;

(3) the total number of suspected lead service lines connected to the distribution system of the community water supply;

(4) the total number of known lead service lines connected to the distribution system of the community water supply;
(5) the total number of lead service lines connected to the distribution system of the community water supply that have been replaced each year beginning in 2018;

(6) a proposed lead service line replacement schedule that includes one-year, 5-year, 10-year, 15-year, 20-year, and 25-year goals, as applicable under the timelines described under Section 10-35;

(7) the estimated total number of remaining years until all known lead service lines have been replaced or suspected lead service lines have been determined to be made of materials other than lead and the estimated year in which lead service line replacement will be complete;

(8) an analysis of costs and financing options for replacing the lead service lines connected to the community water supply's distribution system, which shall include, but shall not be limited to:

   (A) a detailed accounting of costs associated with replacing lead service lines and galvanized lines that are or were connected downstream to lead piping;

   (B) measures to address affordability and prevent service shut-offs for customers or ratepayers; and

   (C) an explanation of any costs that exceed the funding provisions set forth under Section 10-40; and

(9) a feasibility and affordability plan that includes, but is not limited to, information on how the community water supply intends to fund or finance lead
service line replacement costs that exceed the State funding provisions set forth under Section 10-40;

(10) a plan for prioritizing high-risk facilities, such as preschools, day care centers, day care homes, group day care homes, parks, playgrounds, hospitals, and clinics, as well as high-risk areas identified by the community water supply;

(11) a map of the areas where lead service lines are expected to be found and the sequence with which those areas will be inventoried and lead service lines replaced;

(12) measures for how the community water supply will inform the public of the plan and provide opportunity for public comment; and

(13) measures to encourage diversity in hiring in the workforce required to implement the plan.

(c) The Agency shall review each plan submitted to it under this Section. The Agency shall approve a plan if the plan includes all of the elements set forth under subsection (b) and the Agency determines that:

(1) the proposed lead service line replacement schedule set forth in the plan aligns with the timeline requirements set forth under Section 10-35;

(2) the plan prioritizes the replacement of lead service lines that provide water service to high-risk facilities, such as preschools, day care centers, day care homes, group day care homes, parks, playgrounds,
hospitals, and clinics, and high-risk areas identified by
the community water supply;

(3) the plan includes an analysis of cost and financing
options; and

(4) the plan provides an opportunity for public review.

(d) An owner or operator of a community water supply has no
duty to include in the plans required under this Section
information about service lines that are physically
disconnected from a water main in its distribution system.

(e) If a community water supply does not deliver a complete
plan to the Agency by April 15, 2027, that community water
supply may apply for an extension to the Agency. The Agency
shall develop criteria for granting plan extensions. When
considering requests for extension, the Agency shall at a
minimum consider:

(1) the number of service connections in a water
supply;

(2) the staff capacity and financial condition of the
community;

(3) the number of service lines of an unknown material
composition; and

(4) other criteria as determined by the Agency in
consultation with the Lead Service Line Replacement
Advisory Board created under Section 10-45.

Section 10-35. Replacement timelines.
(a) Every owner or operator of a community water supply shall replace all lead service lines, subject to the requirements of Section 10-50, according to the following replacement rates and timelines:

(1) Community water supplies reporting 249 or fewer lead service lines in their final inventory and replacement plans shall replace all lead service lines within 5 years after the date of filing the replacement plan, at an annual rate of no less than 20% of the amount described in the final inventory.

(2) Community water supplies reporting more than 249 but fewer than 1,200 lead service lines in their final inventory and replacement plans shall replace all lead service lines within 10 years after the date of filing the replacement plan, at an annual rate of no less than 10% of the amount described in the final inventory.

(3) Community water supplies reporting more than 1,199 but fewer than 10,000 lead service lines in their final inventory and replacement plans shall replace all lead service lines within 15 years after the date of filing the replacement plan, at an annual rate of no less than 6.7% of the amount described in the final inventory.

(4) Community water supplies reporting more than 9,999 but fewer than 50,000 lead service lines in their final inventory and replacement plans shall replace all lead service lines within 20 years after the date of filing the
replacement plan, at an annual rate of no less than 5% of
the amount described in the final inventory.

(5) Community water supplies reporting more than
49,999 lead service lines in their final inventory and
replacement plans shall replace all lead service lines
within 25 years after the date of filing the replacement
plan, at an annual replacement rate of no less than 4% of
the amount described in the final inventory.

(b) A community water supply may apply to the Agency for an
extension to the replacement timelines described in paragraphs
1 through 5 of subsection (a). The Agency shall develop
criteria for granting replacement timeline extensions. When
considering requests for timeline extensions, the Agency shall
at a minimum consider:

(1) the number of service connections in a water
supply;

(2) the staff capacity and financial condition of the
community;

(3) unusual circumstances creating hardship for a
community; and

(4) other criteria as determined by the Agency in
consultation with the Lead Service Line Replacement
Advisory Board described in Section 10-45.

Replacement rates and timelines shall be calculated from
the date of submission of the final plan to the Agency.
Section 10-40. Lead service line replacement funding amounts.

(a) Through financial resources provided by the Fund, the Agency shall make available grants to community water supplies for the purpose of the replacement of lead service lines. The annual amount of grant funding available for this purpose shall be determined by the Agency in consultation with the Advisory Board.

(b) Within 120 days of the effective date of this Act, the Agency shall design a program for the purpose of administration of lead service line replacement grant funds. In designing the grant program, the Agency shall consider at a minimum:

(1) the process by which community water supplies may apply for grant funding; and

(2) eligible expenses for grant funding.

(c) Community water supplies shall be eligible for grant funding for the replacement of lead service lines. Grants shall be available at an amount described in subsection (f) of this Section. Grant funding shall be available for the following activities as they relate to lead service line replacement, subject to Agency approval:

(1) costs associated with planning and inventory;

(2) material costs, including the cost of pipes and fittings;

(3) labor and construction costs incidental to lead service line replacement; and
(4) costs borne by the community water supply related
to administration of lead service line replacement.

(d) Grant funding shall not be used for the general
operating expenses of a municipality or community water supply.
Grant funding is intended only for costs directly associated
with lead service line replacement.

(e) Any lead service line replacement expense incurred by a
community water supply in excess of grant funding under this
Section or any other any foundation, State, or federal grant
funding shall be borne no more than 50% by the property owner
of that lead service line. The remaining costs shall be assumed
exclusively by the community water supply.

(f) Beginning January 1, 2022, the amount of grant funding
available shall not exceed $8,000 per lead service line and
increased on January 1 of each subsequent year by an amount
equal to the percentage increase, if any, in the Consumer Price
Index for All Urban Consumers: All Items published by the
United States Department of Labor for the 12 months ending in
March of each year. The rate shall be rounded to the nearest
one-tenth of one cent.

Section 10-45. Lead Service Line Replacement Advisory
Board.

(a) The Lead Service Line Replacement Advisory Board is
created within the Agency. The Advisory Board shall convene
within 120 days after the effective date of this Act.
(b) The Advisory Board shall consist of at least 19 voting members, as follows:

(1) the Director of the Agency, or his or her designee, who shall serve as chairperson;

(2) the Director of Revenue, or his or her designee;

(3) the Director of Public Health, or his or her designee;

(4) one member appointed by the Governor;

(5) fifteen members appointed by the Agency as follows:

(A) one member of a representative of a statewide organization representing municipalities;

(B) one member representing a municipality with a population of 2,000,000 or more inhabitants, nominated by the mayor of the municipality;

(C) one member representing a municipality with a population of less than 2,000,000 inhabitants located in northern Illinois, nominated by the mayor of the municipality;

(D) one member representing a municipality with a population of less than 2,000,000 inhabitants located in southern Illinois, nominated by the mayor of the municipality;

(E) two members who are representatives from public health advocacy groups;

(F) two members who are representatives from publicly-owned water utilities;
(G) one member who is a representative from an
investor-owned utility;

(H) one member who is a research professional
employed at an academic institution and specializing
in water infrastructure research;

(I) two members who are representatives from
nonprofit civic organizations;

(J) one member who is a representative from a
statewide organization representing environmental
organizations; and

(K) two members who are representatives from
organized labor.

No less than 10 of the 19 voting members shall be persons
of color, and no less than 3 shall represent communities
defined or self-identified as environmental justice
communities.

(c) Advisory Board members shall serve without
compensation, but may be reimbursed for necessary expenses
incurred in the performance of their duties from funds
appropriated for that purpose. The Agency shall provide
administrative support to the Advisory Board.

(d) The Advisory Board shall meet no less than once every 6
months.

(e) The Advisory Board shall have, at minimum, the
following duties:

(1) determining the structure and amount of the lead in
drinking water protection fee;

(2) determining variations in program funding percentage allocation as described under subsection (c) of Section 10-15;

(3) establishing criteria for granting extensions for completion of the material inventory and final lead service line replacement plan, as described under Sections 10-25 and 10-30;

(4) advising the Agency on best practices in lead service line replacement;

(5) reviewing the performance of the Agency and community water supplies in their progress toward lead service line replacement goals;

(6) determining the amount of funding per service line required under Section 10-40;

(7) advising the Agency on other matters related to the administration of the provisions of this Act;

(8) within 10 years after the effective date of this Act, and each year thereafter, preparing reports to the Governor and General Assembly concerning the status of all lead service line remediation sites within the State;

(9) proposing rules prescribing procedures and standards for the administration of the provisions of this Act;

(10) advising the Agency on the integration of existing lead service line remediation or replacement plans with any
statewide plan; and

(11) providing technical support and practical expertise in general.

Section 10-50. Lead service line replacement requirements.

(a) When replacing a lead service line, the owner or operator of the community water supply shall replace the service line in its entirety, including, but not limited to, any portion of the service line (i) running on private property and (ii) within the building plumbing at the first shut-off valve. Partial lead service line replacements are expressly prohibited. Exceptions shall be made for the following circumstances:

(1) In the event of an emergency repair that affects a lead service line or a suspected lead service line, a community water supply must contact the building owner to begin the process of replacing the entire service line. If the building owner is not able to be contacted or the building owner or occupant refuses to grant access and permission to replace the entire service line at the time of the emergency repair, then the community water supply may perform a partial lead service line replacement. Where an emergency repair on a service line constructed of lead or galvanized steel pipe results in a partial service line replacement, the water supply responsible for commencing the repair shall perform the following:
(A) Inform the building's owner or operator and the resident or residents served by the lead service line that the community water supply will, at the community water supply's expense, collect a sample from each partially replaced lead service line that is representative of the water in the lead service line for analysis of lead content within 72 hours after the completion of the partial replacement of the lead service line. The community water supply shall collect the sample and report the results of the analysis to the owner or operator and the resident or residents served by the lead service line within 3 business days of receiving the results. Individual written notification shall be delivered in the method and according to the provisions of subsections (c), (d), and (e) of Section 10-60. Mailed notices postmarked within 3 business days of receiving the results are satisfactory.

(B) Notify the building's owner or operator and the resident or residents served by the lead service line in writing that a repair has been completed. Such notification shall include, at a minimum:

(i) a warning that the work may result in sediment, possibly containing lead, in the buildings water supply system;

(ii) information concerning practices for
preventing the consumption of any lead in drinking
water, including a recommendation to flush water
distribution pipe during and after the completion
of the repair or replacement work and to clean
faucet aerator screens; and

(iii) information regarding the dangers of
lead in young children and for pregnant women.

(C) Provide filters for at least one fixture
supplying potable water for consumption. The filter
must be compliant with NSF/ANSI Standards 53 and 42.
The filter must be provided until such time that the
remaining portions of the service line have been
replaced with a material approved by the Department or
a waiver has been issued under subsection (b) of
Section 10-55.

(D) Replace the remaining portion of the lead
service line within 30 days of the repair. If a
complete lead service line replacement cannot be made
within the required 30 day period, the person
responsible for commencing the repair shall notify the
Department in writing of, at a minimum, the following
within 24 hours of the repair:

(i) an explanation of why it is not feasible to
replace the remaining portion of the lead service
line within the allotted time; and

(ii) a timeline for when the remaining portion
of the lead service line will be replaced.

(E) If complete repair of a lead service line cannot be completed within 30 days due to denial by the property owner, the person commencing the repair shall request the affected property owner to sign a waiver developed by the Department. If a property owner of a nonresidential building or residence operating as rental properties denies a complete lead service line replacement, the property owner shall be responsible for installing and maintaining point-of-use filters compliant with NSF/ANSI Standards 53 and 42 at all fixtures intended to supply water for the purposes of drinking, food preparation, or making baby formula. The filters shall continue to be supplied until such time that the property owner has affected the remaining portions of the lead service line to be replaced.

(F) Document any remaining lead service line, including a portion on the private side of the property, in the community water supply's distribution system materials inventory required under this Act.

For the purposes of this paragraph, written notice shall be provided in the method and according to the provisions of subsection (a) through (e) of Section 10-60.

(2) Lead service lines that are physically disconnected from the distribution system are exempt from this subsection.
(b) On and after January 1, 2022, when the owner or operator of a community water supply replaces a water main, the community water supply shall identify all lead service lines connected to the water main and shall replace, in accordance with its lead service line replacement plan, the lead service lines by:

(1) identifying the material or materials of each lead service line connected to the water main, including, but not limited to, any portion of the service line (i) running on private property and (ii) within the building plumbing at the first shut-off valve or 18 inches inside the building, whichever is shorter; and

(2) in conjunction with replacement of the water main, replacing any and all portions of each lead service line connected to that water main that are composed of lead.

(c) If an owner of a potentially affected building intends to replace a portion of a lead service line or a galvanized service line and the galvanized service line is or was connected downstream to lead piping, then the owner of the potentially affected building shall provide the owner or operator of the community water supply with notice at least 45 days before commencing the work. In the case of an emergency repair, if the owner of the potentially affected building notifies the owner or operator of the community water supply of the replacement of a portion of the lead service line after the emergency repair is completed, then the owner or operator of
the community water supply must provide filters for each kitchen area that are certified to meet the requirements of NSF/ANSI Standards 42 and 53 and replace the remainder of the lead service line within 30 days after completion of the emergency repair. A community water supply may take up to 120 days if necessary due to weather conditions. If a replacement takes longer than 30 days, provided filters must be replaced in accordance with the manufacturer's recommendations. Partial lead service line replacements by the owners of potentially affected buildings are otherwise prohibited.

Section 10-55. Request for private property access.

(a) At least one month before conducting planned lead service line replacement, the owner or operator of a community water supply shall, by certified mail, attempt to contact the owner of the potentially affected building serviced by the lead service line to request access to the building and permission to replace the lead service line in accordance with the lead service line replacement plan. If the owner of the potentially affected building does not respond to that request within 2 weeks after the request is sent, the owner or operator of the community water supply shall attempt to post the request on the entrance of the potentially affected building.

(b) If the owner or operator of a community water supply is unable to obtain approval to access and replace the lead service line, the owner or operator of the community water
supply shall request that the owner of the potentially affected building sign a waiver. The waiver shall be developed by the Department and should be made available in the owner's language. If the owner of the potentially affected building refuses to sign the waiver, or fails to respond to the community water supply after the community water supply has complied with subsection (a), the community water supply shall notify the Department in writing within 15 working days.

Section 10-60. Construction notice.

(a) When replacing a lead service line or repairing or replacing water mains with lead service lines or partial lead service lines attached to them, the owner or operator of a community water supply shall provide the owner of each potentially affected building that is serviced by the affected lead service lines or partial lead service lines, as well as the occupants of those buildings, with an individual written notice. The notice shall be delivered by mail or posted at the primary entranceway of the building. The notice may, in addition, be electronically mailed. Written notice shall include, at a minimum, the following:

(1) a warning that the work may result in sediment, possibly containing lead from the service line, in the building's water;

(2) information concerning the best practices for preventing exposure to or risk of consumption of lead in
drinking water, including a recommendation to flush water lines during and after the completion of the repair or replacement work and to clean faucet aerator screens; and

(3) information regarding the dangers of lead exposure to young children and pregnant women.

(b) When the individual written notice described in subsection (a) is required as a result of planned work other than the repair or replacement of a water meter, the owner or operator of the community water supply shall provide the notice not less than 14 days before work begins. When the individual written notice described in subsection (a) is required as a result of emergency repairs other than the repair or replacement of a water meter, the owner or operator of the community water supply shall provide the notice at the time the work is initiated. When the individual written notice described in subsection (a) is required as a result of the repair or replacement of a water meter, the owner or operator of the community water supply shall provide the notice at the time the work is initiated.

(c) If a community water supply serves a significant proportion of non-English speaking consumers, the notifications required under this Section must contain information in the appropriate language regarding the importance of the notice and a telephone number or address where a person may contact the owner or operator of the community water supply to obtain a translated copy of the
notification or request assistance in the appropriate language.

(d) An owner or operator of a community water supply that is required under this Section to provide an individual written notice to the owner and occupants of a potentially affected building that is a multi-dwelling building may satisfy that requirement and the requirements of subsection (c) by posting the required notice on the primary entranceway of the building and at the location where the occupant's mail is delivered as reasonably as possible.

(e) When this Section would require the owner or operator of a community water supply to provide an individual written notice to the entire community served by the community water supply or would require the owner or operator of a community water supply to provide individual written notices as a result of emergency repairs or when the community water supply that is required to comply with this Section is a small system, the owner or operator of the community water supply may provide the required notice through local media outlets, social media, or other similar means in lieu of providing the individual written notices otherwise required under this Section.

(f) No notifications are required under this Section for work performed on water mains that are used to transmit treated water between community water supplies and that have no service connections.
Section 10-65. Replacement program progress reports. The owner or operator of each community water supply shall include the following information in the annual consumer confidence report required under the United States Environmental Protection Agency's National Primary Drinking Water Regulations:

(1) an estimate of the number of known or suspected lead service lines connected to its distribution system; and

(2) a statement describing progress that has been made toward replacing lead service lines connected to its distribution system.

Section 10-70. Sale to wholesale or retail consecutive community water supply. No community water supply that sells water to any wholesale or retail consecutive community water supply may pass on any costs associated with compliance with this Act to consecutive systems.

Section 10-75. Board review. Authority is hereby vested in the Illinois Pollution Control Board to conduct hearings to review final actions of the Agency under this Act.

Section 10-80. Community water supply liability. To the extent allowed by law, when a community water supply enters into an agreement with a private contractor for replacement or
installation of water service lines, the community water supply
shall be held harmless for damage to property when replacing or
installing water service lines. If dangers are encountered that
prevent the replacement of the lead service line, the community
water supply shall notify the Department within 15 working days
of why the replacement of the lead service line could not be
accomplished.

Section 10-85. Rules.
(a) The Agency may propose to the Board, and the Board may
adopt, any rules necessary to implement and administer this
Act.
(b) The Department may adopt rules necessary to address
lead service lines attached to noncommunity water supplies.

Section 10-90. Water Innovation Grants Program.
(a) The purpose of this Section is to create a statewide
program for making grants to local units of government for the
purposes of drinking water infrastructure improvement.
(b) No later than December 1, 2021, the Agency shall, in
coordination with the Advisory Board, create a Water Innovation
Grants Program.
(c) In creating and administering the Water Innovation
Grants Program, the Agency shall prioritize making grants for
infrastructure improvement that are not sufficiently funded
through the Drinking Water State Revolving Fund. Municipal
programs that address lead pipes and lead plumbing attached to
private wells shall be eligible for prioritization under this
subsection.

(d) Revenue for this program shall be provided under the
terms contained under Section 10-15.

Section 10-95. Federal law. Notwithstanding any other
provision in this Act, no requirement in this Act shall be
construed as being less stringent than existing applicable
federal requirements.

Section 10-100. The Department of Commerce and Economic
Opportunity Law of the Civil Administrative Code of Illinois is
amended by adding Section 605-870 as follows:

(20 ILCS 605/605-870 new)

Sec. 605-870. Low-income water assistance policy and
program.

(a) The Department shall by rule establish a comprehensive
low-income water assistance policy and program that
incorporates financial assistance and includes, but is not
limited to, water efficiency or water quality projects, such as
lead service line replacement, or other measures to ensure that
residents have access to affordable and clean water. The policy
and program shall not jeopardize the ability of public
utilities, community water supplies, or other entities to
receive just compensation for providing services. The resources applied in achieving the policy and program shall be coordinated and efficiently used through the integration of public programs and through the targeting of assistance. The Department shall use all appropriate and available means to fund this program and, to the extent possible, identify and use sources of funding that complement State tax revenues. The rule or rules shall be finalized within 180 days after the effective date of this amendatory Act of the 101st General Assembly, or within 60 days after receiving an appropriation for the program.

(b) Any person who is a resident of the State and whose household income is not greater than an amount determined annually by the Department may apply for assistance under this Section in accordance with rules adopted by the Department. In setting the annual eligibility level, the Department shall consider the amount of available funding and may not set a limit higher than 150% of the poverty guidelines updated periodically in the Federal Register by the U.S. Department of Health and Human Services under the authority of 42 U.S.C. 9902(2).

(c) Applicants who qualify for assistance under subsection (b) shall, subject to appropriation from the General Assembly and availability of funds by the Department, receive assistance as provided under this Section. The Department, upon receipt of moneys authorized under this Section for assistance, shall
commit funds for each qualified applicant in an amount
determined by the Department. In determining the amounts of
assistance to be provided to or on behalf of a qualified
applicant the Department shall ensure that the highest amounts
of assistance go to households with the greatest water costs in
relation to household income. The Department may consider
factors such as water costs, household size, household income,
and region of the State when determining individual household
benefits. In adopting rules for the administration of this
Section, the Department shall ensure that a minimum of
one-third of the funds for the program are available for
benefits to eligible households with the lowest incomes and
that elderly households, households with persons with
disabilities, and households with children under 6 years of age
are offered a priority application period.

(d) Application materials for the program shall be made
available in multiple languages.

(e) The Department may adopt any rules necessary to
implement this Section.

Section 10-105. The State Finance Act is amended by adding
Section 5.935 as follows:

(30 ILCS 105/5.935 new)

Sec. 5.935. The Lead Service Line Replacement Fund.
Section 10-110. The Public Utilities Act is amended by changing Section 8-306 as follows:

(220 ILCS 5/8-306)

Sec. 8-306. Special provisions relating to water and sewer utilities.

(a) No later than 120 days after the effective date of this amendatory Act of the 94th General Assembly, the Commission shall prepare, make available to customers upon request, and post on its Internet web site information concerning the service obligations of water and sewer utilities and remedies that a customer may pursue for a violation of the customer's rights. The information shall specifically address the rights of a customer of a water or sewer utility in the following situations:

(1) The customer's water meter is replaced.

(2) The customer's bill increases by more than 50% within one billing period.

(3) The customer's water service is terminated.

(4) The customer wishes to complain after receiving a termination of service notice.

(5) The customer is unable to make payment on a billing statement.

(6) A rate is filed, including without limitation a surcharge or annual reconciliation filing, that will increase the amount billed to the customer.
(7) The customer is billed for services provided prior to the date covered by the billing statement.

(8) The customer is due to receive a credit.

Each billing statement issued by a water or sewer utility shall include an Internet web site address where the customer can view the information required under this subsection (a) and a telephone number that the customer may call to request a copy of the information.

(b) A water or sewer utility may discontinue service only after it has mailed or delivered by other means a written notice of discontinuance substantially in the form of Appendix A of 83 Ill. Adm. Code 280. The notice must include the Internet web site address where the customer can view the information required under subsection (a) and a telephone number that the customer may call to request a copy of the information. Any notice required to be delivered or mailed to a customer prior to discontinuance of service shall be delivered or mailed separately from any bill. Service shall not be discontinued until at least 5 days after delivery or 8 days after the mailing of this notice. Service shall not be discontinued and shall be restored if discontinued for the reason which is the subject of a dispute or complaint during the pendency of informal or formal complaint procedures of the Illinois Commerce Commission under 83 Ill. Adm. Code 280.160 or 280.170, where the customer has complied with those rules. Service shall not be discontinued and shall be restored if
discontinued where a customer has established a deferred payment agreement pursuant to 83 Ill. Adm. Code 280.110 and has not defaulted on such agreement. Residential customers who are indebted to a utility for past due utility service shall have the opportunity to make arrangements with the utility to retire the debt by periodic payments, referred to as a deferred payment agreement, unless this customer has failed to make payment under such a plan during the past 12 months. The terms and conditions of a reasonable deferred payment agreement shall be determined by the utility after consideration of the following factors, based upon information available from current utility records or provided by the customer or applicant:

(1) size of the past due account;
(2) customer or applicant's ability to pay;
(3) customer or applicant's payment history;
(4) reason for the outstanding indebtedness; and
(5) any other relevant factors relating to the circumstances of the customer or applicant's service.

A residential customer shall pay a maximum of one-fourth of the amount past due and owing at the time of entering into the deferred payment agreement, and the water or sewer utility shall allow a minimum of 2 months from the date of the agreement and a maximum of 12 months for payment to be made under a deferred payment agreement. Late payment charges may be assessed against the amount owing that is the subject of a
deferred payment agreement.

(c) A water or sewer utility shall provide notice as required by subsection (a) of Section 9-201 after the filing of each information sheet under a purchased water surcharge, purchased sewage treatment surcharge, or qualifying infrastructure plant surcharge. The utility also shall post notice of the filing in accordance with the requirements of 83 Ill. Adm. Code 255. Unless filed as part of a general rate increase, notice of the filing of a purchased water surcharge rider, purchased sewage treatment surcharge rider, or qualifying infrastructure plant surcharge rider also shall be given in the manner required by this subsection (c) for the filing of information sheets.

(d) Commission rules pertaining to formal and informal complaints against public utilities shall apply with full and equal force to water and sewer utilities and their customers, including provisions of 83 Ill. Adm. Code 280.170, and the Commission shall respond to each complaint by providing the consumer with a copy of the utility's response to the complaint and a copy of the Commission's review of the complaint and its findings. The Commission shall also provide the consumer with all available options for recourse.

(e) Any refund shown on the billing statement of a customer of a water or sewer utility must be itemized and must state if the refund is an adjustment or credit.

(f) Water service for building construction purposes. At
the request of any municipality or township within the service area of a public utility that provides water service to customers within the municipality or township, a public utility must (1) require all water service used for building construction purposes to be measured by meter and subject to approved rates and charges for metered water service and (2) prohibit the unauthorized use of water taken from hydrants or service lines installed at construction sites.

(g) Water meters.

(1) Periodic testing. Unless otherwise approved by the Commission, each service water meter shall be periodically inspected and tested in accordance with the schedule specified in 83 Ill. Adm. Code 600.340, or more frequently as the results may warrant, to insure that the meter accuracy is maintained within the limits set out in 83 Ill. Adm. Code 600.310.

(2) Meter tests requested by customer.

(A) Each utility furnishing metered water service shall, without charge, test the accuracy of any meter upon request by the customer served by such meter, provided that the meter in question has not been tested by the utility or by the Commission within 2 years previous to such request. The customer or his or her representatives shall have the privilege of witnessing the test at the option of the customer. A written report, giving the results of the test, shall be made
(B) When a meter that has been in service less than 2 years since its last test is found to be accurate within the limits specified in 83 Ill. Adm. Code 600.310, the customer shall pay a fee to the utility not to exceed the amounts specified in 83 Ill. Adm. Code 600.350(b). Fees for testing meters not included in this Section or so located that the cost will be out of proportion to the fee specified will be determined by the Commission upon receipt of a complete description of the case.

(3) Commission referee tests. Upon written application to the Commission by any customer, a test will be made of the customer's meter by a representative of the Commission. For such a test, a fee as provided for in subsection (g)(2) shall accompany the application. If the meter is found to be registering more than 1.5% fast on the average when tested as prescribed in 83 Ill. Adm. Code 600.310, the utility shall refund to the customer the amount of the fee. The utility shall in no way disturb the meter after a customer has made an application for a referee test until authority to do so is given by the Commission or the customer in writing.

(h) Water and sewer utilities; low usage. Each public utility that provides water and sewer service must establish a unit sewer rate, subject to review by the Commission, that
applies only to those customers who use less than 1,000 gallons of water in any billing period.

(i) Water and sewer utilities; separate meters. Each public utility that provides water and sewer service must offer separate rates for water and sewer service to any commercial or residential customer who uses separate meters to measure each of those services. In order for the separate rate to apply, a combination of meters must be used to measure the amount of water that reaches the sewer system and the amount of water that does not reach the sewer system.

(j) Each water or sewer public utility must disclose on each billing statement any amount billed that is for service provided prior to the date covered by the billing statement. The disclosure must include the dates for which the prior service is being billed. Each billing statement that includes an amount billed for service provided prior to the date covered by the billing statement must disclose the dates for which that amount is billed and must include a copy of the document created under subsection (a) and a statement of current Commission rules concerning unbilled or misbilled service.

(k) When the customer is due a refund resulting from payment of an overcharge, the utility shall credit the customer in the amount of overpayment with interest from the date of overpayment by the customer. The rate for interest shall be at the appropriate rate determined by the Commission under 83 Ill. Adm. Code 280.70.
(l) Water and sewer public utilities; subcontractors. The Commission shall adopt rules for water and sewer public utilities to provide notice to the customers of the proper kind of identification that a subcontractor must present to the customer, to prohibit a subcontractor from soliciting or receiving payment of any kind for any service provided by the water or sewer public utility or the subcontractor, and to establish sanctions for violations.

(m) Water and sewer public utilities; nonrevenue unaccounted-for water. Each by December 31, 2006, each water public utility shall file tariffs with the Commission to establish the maximum percentage of nonrevenue unaccounted-for water that would be considered in the determination of any rates or surcharges. The rates or surcharges approved for a water public utility shall not include charges for nonrevenue unaccounted-for water in excess of this maximum percentage without well-documented support and justification for the Commission to consider in any request to recover charges in excess of the tariffed maximum percentage.

(n) Rate increases; public forums. When any public utility providing water or sewer service proposes a general rate increase, in addition to other notice requirements, the water or sewer public utility must notify its customers of their right to request a public forum. A customer or group of customers must make written request to the Commission for a public forum and must also provide written notification of the
request to the customer's municipal or, for unincorporated areas, township government. The Commission, at its discretion, may schedule the public forum. If it is determined that public forums are required for multiple municipalities or townships, the Commission shall schedule these public forums, in locations within approximately 45 minutes drive time of the municipalities or townships for which the public forums have been scheduled. The public utility must provide advance notice of 30 days for each public forum to the governing bodies of those units of local government affected by the increase. The day of each public forum shall be selected so as to encourage the greatest public participation. Each public forum will begin at 7:00 p.m. Reports and comments made during or as a result of each public forum must be made available to the hearing officials and reviewed when drafting a recommended or tentative decision, finding or order pursuant to Section 10-111 of this Act.

(o) The Commission may allow or direct a water utility to establish a customer assistance program that provides financial relief to residential customers who qualify for income-related assistance. A customer assistance program established under this subsection that affects rates and charges for service is not discriminatory for purposes of this Act or any other law regulating rates and charges for service. In considering whether to approve a water utility's proposed customer assistance program, the Commission must determine
that a customer assistance program established under this subsection is in the public interest. The Commission shall adopt rules to implement this subsection. The rules shall require customer assistance programs under this subsection to coordinate with utility energy efficiency programs and the Illinois Home Weatherization Assistance Program for the purpose of informing eligible customers of additional resources that may help the customer conserve water.

(Source: P.A. 94-950, eff. 6-27-06.)

Section 10-115. The Environmental Protection Act is amended by adding Section 17.12 as follows:

(415 ILCS 5/17.12 new)

Sec. 17.12. Water cost information.

(a) An entity subject to the federal Safe Drinking Water Act that has over 3,500 meter connections shall provide to the Agency by December 31, 2023, and again by December 31, 2025, the following information as it relates to the cost of providing water service:

(1) All revenue recovered from water bills or any other revenue used for water service from the preceding year.

(2) Total operating expenses, including both principal and interest debt service payments.

(3) The percentage of the revenue recovered from water bills used or allocated for water capital infrastructure
investment.

(4) A narrative description of the capital infrastructure investment made based on the information provided under paragraph (3).

(b) The Agency shall publish the information provided under subsection (a) on the Agency's website.

(c) The Agency may adopt rules setting forth the general requirements for submittal of the information provided under subsection (a).

(d) This Section is repealed on January 1, 2026.

(415 ILCS 5/17.11 rep.)

Section 10-200. The Environmental Protection Act is amended by repealing Section 17.11.

Article 15.

Division 1. General Provisions

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

Section 15-1-5. Purpose and construction. Illinois families pay over $500,000,000 per year in consumer installment, payday, and title loan fees. As reported by the
Department in 2020, nearly half of Illinois payday loan borrowers earn less than $30,000 per year, and the average annual percentage rate of a payday loan is 297%. The purpose of this Act is to protect consumers from predatory loans consistent with federal law and the Military Lending Act which protects active duty members of the military. This Act shall be construed as a consumer protection law for all purposes. This Act shall be liberally construed to effectuate its purpose.

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

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

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

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

"Person" means any natural person.
"Secretary" means the Secretary of Financial and Professional Regulation or a person authorized by the Secretary.

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


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

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

(c) Banks, savings banks, savings and loan associations, credit unions, and insurance companies organized, chartered, or holding a certificate of authority to do business under the laws of this State or any other state or under the laws of the United States are exempt from the provisions of this Act.
Division 5. Predatory Loan Prevention

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

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

Section 15-5-15. No evasion.

(a) No person or entity may engage in any device, subterfuge, or pretense to evade the requirements of this Act, including, but not limited to, making loans disguised as a personal property sale and leaseback transaction; disguising
loan proceeds as a cash rebate for the pretextual installment sale of goods or services; or making, offering, assisting, or arranging a debtor to obtain a loan with a greater rate or interest, consideration, or charge than is permitted by this Act through any method including mail, telephone, internet, or any electronic means regardless of whether the person or entity has a physical location in the State.

(b) A person or entity is a lender subject to the requirements of this Act notwithstanding the fact that the person or entity purports to act as an agent, service provider, or in another capacity for another entity that is exempt from this Act, if, among other things:

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

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

(3) the totality of the circumstances indicate that the person or entity is the lender and the transaction is structured to evade the requirements of this Act.

Circumstances that weigh in favor of a person or entity being a lender include, without limitation, where the person or entity:

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

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

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

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

Division 10. Administrative Provisions

Section 15-10-5. Enforcement and remedies.

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

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

(c) Subject to the Illinois Administrative Procedure Act, the Secretary may hold hearings, make findings of fact, conclusions of law, issue cease and desist orders, have the power to issue fines of up to $10,000 per violation, and refer
the matter to the appropriate law enforcement agency for
prosecution under this Act. All proceedings shall be open to
the public.

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

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

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

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

The powers vested in the Secretary by this subsection (d)
are additional to any and all other powers and remedies vested
in the Secretary by law, and nothing in this subsection (d)
shall be construed as requiring that the Secretary shall employ
the power conferred in this subsection instead of or as a
condition precedent to the exercise of any other power or
remedy vested in the Secretary.
After 10 days' notice by certified mail to the person or entity stating the contemplated action and in general the grounds therefor, the Secretary may fine the person or entity an amount not exceeding $10,000 per violation if the person or entity has failed to comply with any provision of this Act or any order, decision, finding, rule, regulation, or direction of the Secretary lawfully made in accordance with the authority of this Act. Service by certified mail shall be deemed completed when the notice is deposited in the U.S. Mail.

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

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

Section 15-10-15. Reporting of violations. The Department shall report to the Attorney General all material violations of this Act of which it becomes aware.
Section 15-10-20. Judicial review. All final administrative decisions of the Department under this Act are subject to judicial review under the Administrative Review Law and any rules adopted under the Administrative Review Law.

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

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

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

Division 90. Amendatory Provisions

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

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

Sec. 6. In addition to the duties imposed elsewhere in this Act, the Department has the following powers:
To exercise the rights, powers and duties vested by law in the Auditor of Public Accounts under "An Act to provide for the incorporation, management and regulation of pawns' societies and limiting the rate of compensation to be paid for advances, storage and insurance on pawns and pledges and to allow the loaning of money upon personal property", approved March 29, 1899, as amended.

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

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

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

To exercise the rights, powers and duties vested by law in the Department of Insurance under "An Act to define, license, and regulate the business of making loans of eight
hundred dollars or less, permitting an interest charge thereon
greater than otherwise allowed by law, authorizing and
regulating the assignment of wages or salary when taken as
security for any such loan or as consideration for a payment of
eight hundred dollars or less, providing penalties, and to

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

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

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

(Source: P.A. 94-13, eff. 12-6-05.)
Section 15-90-10. The Consumer Installment Loan Act is amended by changing Sections 1, 15, 15d, and 17.5 as follows:

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

Sec. 1. License required to engage in business. No person, partnership, association, limited liability company, or corporation shall engage in the business of making loans of money in a principal amount not exceeding $40,000, and charge, contract for, or receive on any such loan a greater annual percentage rate than 9% rate of interest, discount, or consideration therefor than the lender would be permitted by law to charge if he were not a licensee hereunder, except as authorized by this Act after first obtaining a license from the Director of Financial Institutions (hereinafter called the Director). No licensee, or employee or affiliate thereof, that is licensed under the Payday Loan Reform Act shall obtain a license under this Act except that a licensee under the Payday Loan Reform Act may obtain a license under this Act for the exclusive purpose and use of making title-secured loans, as defined in subsection (a) of Section 15 of this Act and governed by Title 38, Section 110.300 of the Illinois Administrative Code. For the purpose of this Section, "affiliate" means any person or entity that directly or indirectly controls, is controlled by, or shares control with another person or entity. A person or entity has control over another if the person or entity has an ownership interest of
25% or more in the other.

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

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

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

Sec. 15. Charges permitted.

(a) Every licensee may lend a principal amount not exceeding $40,000 and, except as to small consumer loans as defined in this Section, may charge, contract for and receive thereon interest at an annual percentage rate of no more than 36%, subject to the provisions of this Act, provided, however, that the limitation on the annual percentage rate contained in this subsection (a) does not apply to title-secured loans, which are loans upon which interest is charged at an annual percentage rate exceeding 36%, in which, at commencement, an obligor provides to the licensee, as security for the loan, physical possession of the obligor's title to a motor vehicle, and upon which a licensee may charge, contract for, and receive thereon interest at the rate agreed upon by the licensee and borrower. For purposes of this Section, the annual percentage rate shall be calculated as such rate is calculated using the system for calculating a military annual percentage rate under Section 232.4 of Title 32 of the Code of Federal Regulations as in effect on the effective date of this amendatory Act of the
101st General Assembly in accordance with the federal Truth in Lending Act.

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

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

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

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

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

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

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

(d) To compute time for either interest-bearing or precomputed loans for the calculation of interest and other purposes, a month shall be a calendar month and a day shall be considered 1/30th of a month when calculation is made for a fraction of a month. A month shall be 1/12th of a year. A calendar month is that period from a given date in one month to the same numbered date in the following month, and if there is no same numbered date, to the last day of the following month. When a period of time includes a month and a fraction of a month, the fraction of the month is considered to follow the whole month. In the alternative, for interest-bearing loans, the licensee may charge interest at the rate of 1/365th of the agreed annual rate for each day actually elapsed.
(d-5) No licensee or other person may condition an extension of credit to a consumer on the consumer's repayment by preauthorized electronic fund transfers. Payment options, including, but not limited to, electronic fund transfers and Automatic Clearing House (ACH) transactions may be offered to consumers as a choice and method of payment chosen by the consumer.

(e) With respect to interest-bearing loans:

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

(2) Interest shall not be payable in advance or compounded. However, if part or all of the consideration for a new loan contract is the unpaid principal balance of a prior loan, then the principal amount payable under the new loan contract may include any unpaid interest which has accrued. The unpaid principal balance of a precomputed loan is the balance due after refund or credit of unearned interest as provided in paragraph (f), clause (3). The
resulting loan contract shall be deemed a new and separate loan transaction for all purposes.

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

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

(f) With respect to precomputed loans:

(1) Loans shall be repayable in substantially equal and consecutive weekly, biweekly, semimonthly, or monthly installments of principal and interest combined, except that the first installment period may be longer than one month by not more than 15 days, and the first installment payment amount may be larger than the remaining payments by the amount of interest charged for the extra days; and provided further that monthly installment payment dates may be omitted to accommodate borrowers with seasonal
(2) Payments may be applied to the combined total of principal and precomputed interest until the loan is fully paid. Payments shall be applied in the order in which they become due, except that any insurance proceeds received as a result of any claim made on any insurance, unless sufficient to prepay the contract in full, may be applied to the unpaid installments of the total of payments in inverse order.

(3) When any loan contract is paid in full by cash, renewal or refinancing, or a new loan, one month or more before the final installment due date, a licensee shall refund or credit the obligor with the total of the applicable interest for all fully unexpired installment periods, as originally scheduled or as deferred, which follow the day of prepayment; provided, if the prepayment occurs prior to the first installment due date, the licensee may retain 1/30 of the applicable interest for a first installment period of one month for each day from the date of the loan to the date of prepayment, and shall refund or credit the obligor with the balance of the total interest contracted for. If the maturity of the loan is accelerated for any reason and judgment is entered, the licensee shall credit the borrower with the same refund as if prepayment in full had been made on the date the judgement is entered.
(4) The lender or creditor may, if the contract provides, collect a delinquency or collection charge on each installment in default for a period of not less than 10 days in an amount not exceeding 5% of the installment on installments in excess of $200, or $10 on installments of $200 or less, but only one delinquency or collection charge may be collected on any installment regardless of the period during which it remains in default.

(5) If the parties agree in writing, either in the loan contract or in a subsequent agreement, to a deferment of wholly unpaid installments, a licensee may grant a deferment and may collect a deferment charge as provided in this Section. A deferment postpones the scheduled due date of the earliest unpaid installment and all subsequent installments as originally scheduled, or as previously deferred, for a period equal to the deferment period. The deferment period is that period during which no installment is scheduled to be paid by reason of the deferment. The deferment charge for a one month period may not exceed the applicable interest for the installment period immediately following the due date of the last undeferred payment. A proportionate charge may be made for deferment for periods of more or less than one month. A deferment charge is earned pro rata during the deferment period and is fully earned on the last day of the deferment period. Should a loan be prepaid in full during a deferment period, the
licensee shall credit to the obligor a refund of the
unearned deferment charge in addition to any other refund
or credit made for prepayment of the loan in full.

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

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

(Source: P.A. 101-563, eff. 8-23-19.)
Sec. 15d. Extra charges prohibited; exceptions. No amount in addition to the charges authorized by this Act shall be directly or indirectly charged, contracted for, or received, except (1) lawful fees paid to any public officer or agency to record, file or release security; (2) (i) costs and disbursements actually incurred in connection with a real estate loan, for any title insurance, title examination, abstract of title, survey, or appraisal, or paid to a trustee in connection with a trust deed, and (ii) in connection with a real estate loan those charges authorized by Section 4.1a of the Interest Act, whether called "points" or otherwise, which charges are imposed as a condition for making the loan and are not refundable in the event of prepayment of the loan; (3) costs and disbursements, including reasonable attorney's fees, incurred in legal proceedings to collect a loan or to realize on a security after default; and (4) an amount not exceeding $25, plus any actual expenses incurred in connection with a check or draft that is not honored because of insufficient or uncollected funds or because no such account exists; and (5) a document preparation fee not to exceed $25 for obtaining and reviewing credit reports and preparation of other documents. This Section does not prohibit the receipt of a commission, dividend, charge, or other benefit by the licensee or by an employee, affiliate, or associate of the licensee from the insurance permitted by Sections 15a and 15b of this Act or from
insurance in lieu of perfecting a security interest provided
that the premiums for such insurance do not exceed the fees
that otherwise could be contracted for by the licensee under
this Section. Obtaining any of the items referred to in clause
(i) of item (2) of this Section through the licensee or from
any person specified by the licensee shall not be a condition
precedent to the granting of the loan.

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

(205 ILCS 670/17.5)
Sec. 17.5. Consumer reporting service.
(a) For the purpose of this Section, "certified database"
means the consumer reporting service database established
pursuant to the Payday Loan Reform Act. "Title-secured loan"
means a loan in which, at commencement, a consumer provides to
the licensee, as security for the loan, physical possession of
the consumer's title to a motor vehicle.

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

(c) For every title-secured loan small consumer loan made,
the licensee shall input information as provided in 38 Ill.
Adm. Code 110.420, the following information into the certified
database within 90 days after the loan is made.
(i) the consumer's name and official identification number (for purposes of this Act, "official identification number" includes a Social Security Number, an Individual Taxpayer Identification Number, a Federal Employer Identification Number, an Alien Registration Number, or an identification number imprinted on a passport or consular identification document issued by a foreign government);

(ii) the consumer's gross monthly income;

(iii) the date of the loan;

(iv) the amount financed;

(v) the term of the loan;

(vi) the acquisition charge;

(vii) the monthly installment account handling charge;

(viii) the verification fee;

(ix) the number and amount of payments; and

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

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

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

(i) the loan is paid in full by cash;

(ii) the loan is refinanced;
(iii) the loan is renewed;
(iv) the loan is satisfied in full or in part by collateral being sold after default;
(v) the loan is cancelled or rescinded; or
(vi) the consumer's obligation on the loan is otherwise discharged by the licensee.

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

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

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

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

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

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

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

(205 ILCS 670/17.1 rep.)
(205 ILCS 670/17.2 rep.)
(205 ILCS 670/17.3 rep.)
(205 ILCS 670/17.4 rep.)

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

(815 ILCS 122/1-10)

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

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

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

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

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

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

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

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

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

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

"Member of the military" means a person serving in the armed forces of the United States, the Illinois National Guard, or any reserve component of the armed forces of the United States. "Member of the military" includes those persons engaged
in (i) active duty, (ii) training or education under the supervision of the United States preliminary to induction into military service, or (iii) a period of active duty with the State of Illinois under Title 10 or Title 32 of the United States Code pursuant to order of the President or the Governor of the State of Illinois.

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

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

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

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

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

The term "payday loan" includes "installment payday loan", unless otherwise specified in this Act.

"Principal amount" means the amount received by the
consumer from the lender due and owing on a loan, excluding any
finance charges, interest, fees, or other loan-related
charges.
"Rollover" means to refinance, renew, amend, or extend a
loan beyond its original term.
(Source: P.A. 96-936, eff. 3-21-11.)

(815 ILCS 122/2-5)
Sec. 2-5. Loan terms.
(a) Without affecting the right of a consumer to prepay at
any time without cost or penalty, no payday loan may have a
minimum term of less than 13 days.
(b) Except for an installment payday loan as defined in
this Section, no payday loan may be made to a consumer if the
loan would result in the consumer being indebted to one or more
payday lenders for a period in excess of 45 consecutive days.
Except as provided under subsection (c) of this Section and
Section 2-40, if a consumer has or has had loans outstanding
for a period in excess of 45 consecutive days, no payday lender
may offer or make a loan to the consumer for at least 7
calendar days after the date on which the outstanding balance
of all payday loans made during the 45 consecutive day period
is paid in full. For purposes of this subsection, the term
"consecutive days" means a series of continuous calendar days
in which the consumer has an outstanding balance on one or more
payday loans; however, if a payday loan is made to a consumer
within 6 days or less after the outstanding balance of all loans is paid in full, those days are counted as "consecutive days" for purposes of this subsection.

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

(i) Any installment payday loan must be fully amortizing, with a finance charge calculated on the principal balances scheduled to be outstanding and be repayable in substantially equal and consecutive installments, according to a payment schedule agreed by the parties with not less than 13 days and not more than one month between payments, except that the first installment period may be longer than the remaining installment periods by not more than 15 days, and the first installment payment may be larger than the remaining installment payments by the amount of finance charges applicable to the extra days. In calculating finance charges under this subsection, when the first installment period is longer than the remaining installment periods, the amount of the finance charges applicable to the extra days shall not be greater than $15.50 per $100 of the original principal balance divided
by the number of days in a regularly scheduled installment period and multiplied by the number of extra days determined by subtracting the number of days in a regularly scheduled installment period from the number of days in the first installment period.

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

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

(iv) No installment payday loan may be made to a consumer if the loan would result in the consumer being indebted to one or more payday lenders for a period in excess of 180 consecutive days. The term "consecutive days" does not include the date on which a consumer makes the final installment payment.
(d) (Blank).

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

1. $1,000; or
2. in the case of one or more payday loans, 25% of the consumer's gross monthly income; or
3. in the case of one or more installment payday loans, 22.5% of the consumer's gross monthly income; or
4. in the case of a payday loan and an installment payday loan, 22.5% of the consumer's gross monthly income.

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

(e-5) A lender shall not contract for or receive a charge exceeding a 36% annual percentage rate on the unpaid balance of the amount financed for a payday loan. For purposes of this Section, the annual percentage rate shall be calculated as such rate is calculated using the system for calculating a military annual percentage rate under 32 CFR 232.4 as in effect on the effective date of this amendatory Act of the 101st General
Assembly. Except as provided in subsection (c)(i), no lender may charge more than $15.50 per $100 loaned on any payday loan, or more than $15.50 per $100 on the initial principal balance and on the principal balances scheduled to be outstanding during any installment period on any installment payday loan. Except for installment payday loans and except as provided in Section 2-25, this charge is considered fully earned as of the date on which the loan is made. For purposes of determining the finance charge earned on an installment payday loan, the disclosed annual percentage rate shall be applied to the principal balances outstanding from time to time until the loan is paid in full, or until the maturity date, whichever occurs first. No finance charge may be imposed after the final scheduled maturity date.

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

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

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

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

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

(815 ILCS 122/2-10)

Sec. 2-10. Permitted fees.

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

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

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

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

(815 ILCS 122/2-15)

Sec. 2-15. Verification.

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

(b) Within 6 months after the effective date of this Act, the Department shall certify that one or more consumer reporting service databases are commercially reasonable methods of verification. Upon certifying that a consumer reporting service database is a commercially reasonable method
of verification, the Department shall:

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

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

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

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

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

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

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

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

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

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

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

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

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

(2) on the same day that a consumer elects a repayment plan, as provided in Section 2-40; and

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

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

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

(i) The certified consumer reporting service may charge a verification fee not to exceed $1 upon a loan being made or entered into in the database. Beginning July 1, 2020, the certified consumer reporting service may charge a verification fee not to exceed $3 for an installment payday loan being made or entered into the database. The certified consumer reporting service shall not charge any additional fees or charges.

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

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

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

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

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

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

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

(4) the following statement, in at least 14-point bold type face: "You cannot be prosecuted in criminal court to collect this loan." The information required to be disclosed under this subdivision (4) must be conspicuously disclosed in the loan document and shall be located immediately preceding the signature of the consumer; and

(5) the following statement, in at least 14-point bold
"WARNING: This loan is not intended to meet long-term financial needs. This loan should be used only to meet short-term cash needs. The cost of your loan may be higher than loans offered by other lending institutions. This loan is regulated by the Department of Financial and Professional Regulation."

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

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

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

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

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

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

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

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

(815 ILCS 122/2-30)
Sec. 2-30. Rollovers prohibited. Rollover of a payday loan by any lender is prohibited, except as provided in subsection (c) of Section 2-5. This Section does not prohibit entering into a repayment plan, as provided under Section 2-40.
(Source: P.A. 96-936, eff. 3-21-11.)

(815 ILCS 122/2-40)
Sec. 2-40. Repayment plan.
(a) At the time a payday loan is made, the lender must provide the consumer with a separate written notice signed by the consumer of the consumer's right to request a repayment
plan. The written notice must comply with the requirements of subsection (c).

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

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

(d) If the consumer has or has had one or more payday loans outstanding for 35 consecutive days, any payday loan outstanding on the 35th consecutive day shall be payable under the terms of a repayment plan as provided for in this Section, if the consumer requests the repayment plan. As to any loan that becomes eligible for a repayment plan under this subsection, the consumer has until 28 days after the default date of the loan to request a repayment plan. Within 48 hours after the request for a repayment plan is made, the lender must prepare the repayment plan agreement and both parties must
execute the agreement. Execution of the repayment plan agreement shall be made in the same manner in which the loan was made and shall be evidenced in writing.

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

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

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

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

(4) The length of time between installments may be extended by the parties so long as the total period of repayment does not exceed 90 days. Any such modification must be in writing and signed by both parties.

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

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

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

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

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

(815 ILCS 122/2-45)

Sec. 2-45. Default.

(a) No legal proceeding of any kind, including, but not limited to, a lawsuit or arbitration, may be filed or initiated against a consumer to collect on a payday loan until 28 days after the default date of the loan, or, in the case of a payday loan under a repayment plan, for 28 days after the default date
under the terms of the repayment plan, or in the case of an installment payday loan, for 28 days after default in making a scheduled payment.

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

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

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

(815 ILCS 122/4-5)

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

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

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

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

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

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

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

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

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

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

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

(A) a confession of judgment clause;

(B) a waiver of the right to a jury trial, if applicable, in any action brought by or against a consumer, unless the waiver is included in an
arbitration clause allowed under subparagraph (C) of
this paragraph (11);

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

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

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

(12) Taking any power of attorney.

(13) Taking any security interest in real estate.

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

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

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

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

(18) Making a loan in violation of this Act.
(19) Garnishing the wages or salaries of a consumer who is a member of the military.

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

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

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

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

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

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

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

Sec. 4. General interest rate.

(1) Except as otherwise provided in Section 4.05, in all written contracts it shall be lawful for the parties to stipulate or agree that an annual percentage rate of 9% per annum, or any less sum of interest, shall be taken and paid
upon every $100 of money loaned or in any manner due and owing
from any person to any other person or corporation in this
state, and after that rate for a greater or less sum, or for a
longer or shorter time, except as herein provided.

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

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

It is lawful to receive or to contract to receive and
collect interest and charges as authorized by this Act and as
authorized by the Consumer Installment Loan Act, and by the
"Consumer Finance Act", approved July 10, 1935, as new or
hereafter amended, or by the Payday Loan Reform Act, the Retail Installment Sales Act, the Illinois Financial Services Development Act, or the Motor Vehicle Retail Installment Sales Act. It is lawful to charge, contract for, and receive any rate or amount of interest or compensation, except as otherwise provided in the Predatory Loan Prevention Act, with respect to the following transactions:

(a) Any loan made to a corporation;

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

(c) Any credit transaction between a merchandise wholesaler and retailer; any business loan to a business association or copartnership or to a person owning and operating a business as sole proprietor or to any persons owning and operating a business as joint venturers, joint tenants or tenants in common, or to any limited partnership, or to any trustee owning and operating a business or whose beneficiaries own and operate a business, except that any loan which is secured (1) by an assignment of an individual obligor's salary, wages, commissions or other compensation for services, or (2) by his household furniture or other goods used for his personal, family or
household purposes shall be deemed not to be a loan within the meaning of this subsection; and provided further that a loan which otherwise qualifies as a business loan within the meaning of this subsection shall not be deemed as not so qualifying because of the inclusion, with other security consisting of business assets of any such obligor, of real estate occupied by an individual obligor solely as his residence. The term "business" shall be deemed to mean a commercial, agricultural or industrial enterprise which is carried on for the purpose of investment or profit, but shall not be deemed to mean the ownership or maintenance of real estate occupied by an individual obligor solely as his residence;

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

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

(f) Any mortgage loan guaranteed or upon which a commitment to guaranty has been issued under the provisions of the Veterans' Benefits Act, Subchapter II of Chapter 37 of Title 38 of the United States Code;

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

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

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

(j) Any loan by an employee pension benefit plan, as defined in Section 3 (2) of the Employee Retirement Income Security Act of 1974 (29 U.S.C.A. Sec. 1002), to an individual participating in such plan, provided that such loan satisfies the prohibited transaction exemption requirements of Section 408 (b) (1) (29 U.S.C.A. Sec. 1108 (b) (1)) or Section 2003 (a) (26 U.S.C.A. Sec. 4975 (d) (1)) of the Employee Retirement Income Security Act of
(k) Written contracts, agreements or bonds for deed providing for installment purchase of real estate, including a manufactured home as defined in subdivision (53) of Section 9-102 of the Uniform Commercial Code that is real property as defined in the Conveyance and Encumbrance of Manufactured Homes as Real Property and Severance Act;

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

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

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

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

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

(b) No agreement, note or other instrument evidencing a
loan secured by a mortgage on residential real estate, or
written contract, agreement or bond for deed providing for
the installment purchase of residential real estate, may
provide for any change in the contract rate of interest
during the term thereof. However, if the Congress of the
United States or any federal agency authorizes any class of
lender to enter, within limitations, into mortgage
contracts or written contracts, agreements or bonds for
deed in which the rate of interest may be changed during
the term of the contract, any person, firm, corporation or
other entity not otherwise prohibited from entering into
mortgage contracts or written contracts, agreements or bonds for
deed in Illinois may enter into mortgage
contracts or written contracts, agreements or bonds for
deed in which the rate of interest may be changed during
the term of the contract, within the same limitations.
(3) In any contract or loan which is secured by a mortgage, deed of trust, or conveyance in the nature of a mortgage, on residential real estate, the interest which is computed, calculated, charged, or collected pursuant to such contract or loan, or pursuant to any regulation or rule promulgated pursuant to this Act, may not be computed, calculated, charged or collected for any period of time occurring after the date on which the total indebtedness, with the exception of late payment penalties, is paid in full.

(4) For purposes of this Section, a prepayment shall mean the payment of the total indebtedness, with the exception of late payment penalties if incurred or charged, on any date before the date specified in the contract or loan agreement on which the total indebtedness shall be paid in full, or before the date on which all payments, if timely made, shall have been made. In the event of a prepayment of the indebtedness which is made on a date after the date on which interest on the indebtedness was last computed, calculated, charged, or collected but before the next date on which interest on the indebtedness was to be calculated, computed, charged, or collected, the lender may calculate, charge and collect interest on the indebtedness for the period which elapsed between the date on which the prepayment is made and the date on which interest on the indebtedness was last computed, calculated, charged or collected at a rate equal to 1/360 of the annual rate for each day which so elapsed, which rate shall
be applied to the indebtedness outstanding as of the date of
prepayment. The lender shall refund to the borrower any
interest charged or collected which exceeds that which the
lender may charge or collect pursuant to the preceding
sentence. The provisions of this amendatory Act of 1985 shall
apply only to contracts or loans entered into on or after the
effective date of this amendatory Act, but shall not apply to
contracts or loans entered into on or after that date that are
subject to Section 4a of this Act, the Consumer Installment
Loan Act, the Payday Loan Reform Act, the Predatory Loan
Prevention Act, or the Retail Installment Sales Act, or that
provide for the refund of precomputed interest on prepayment in
the manner provided by such Act.

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

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

(Source: P.A. 98-749, eff. 7-16-14.)
Sec. 4a. Installment loan rate.

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

(i) Interest in an amount equivalent to interest computed at a rate not exceeding an annual percentage rate of 9% per year on the entire principal amount of the money loaned or in any manner owing for the period from the date of the making of the loan or the incurring of the obligation for the amount owing evidenced by the written instrument until the date of the maturity of the last installment thereof, and to add that amount to the principal, except that there shall be no limit on the rate of interest which may be received or contracted to be received and collected by (1) any bank that has its main
office or, after May 31, 1997, a branch in this State; or
(2) a savings and loan association chartered under the
Illinois Savings and Loan Act of 1985, or a savings bank
chartered under the Savings Bank Act, or a federal savings
and loan association established under the laws of the
United States and having its main office in this State.

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

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

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

(b) Whenever the principal amount of an installment loan is $300 or more and the repayment period is 6 months or more, a minimum charge of $15 may be collected instead of interest, but only one minimum charge may be collected from the same person during one year. When the principal amount of the loan (excluding interest) is $800 or less, the lender or creditor
may contract for and receive a service charge not to exceed $5 in addition to interest; and that service charge may be collected when the loan is made, but only one service charge may be contracted for, received, or collected from the same person during one year.

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

(d) The lender or creditor may require the obligor to provide property insurance on security other than household goods, furniture and personal effects. The amount and term of the insurance must be reasonable in relation to the amount and term of the loan contract and the type and value of the security, and the insurance must be procured in accordance with the insurance laws of this State. The purchase of that insurance from an agent, broker or insurer specified by the
lender or creditor may not be a condition precedent to the
granting of the loan.

(e) The lender or creditor may, if the contract provides,
collect a delinquency and collection charge on each installment
in default for a period of not less than 10 days in an amount
not exceeding 5% of the installment on installments in excess
of $200 or $10 on installments of $200 or less, but only one
delinquency and collection charge may be collected on any
installment regardless of the period during which it remains in
default. In addition, the contract may provide for the payment
by the borrower or debtor of attorney's fees incurred by the
lender or creditor. The lender or creditor may enforce such a
provision to the extent of the reasonable attorney's fees
incurred by him in the collection or enforcement of the
contract or obligation. Whenever interest is contracted for or
received under this Section, no amount in addition to the
charges authorized by this Section may be directly or
indirectly charged, contracted for or received, except lawful
fees paid to a public officer or agency to record, file or
release security, and except costs and disbursements including
reasonable attorney's fees, incurred in legal proceedings to
collect a loan or to realize on a security after default. This
Section does not prohibit the receipt of any commission,
dividend or other benefit by the creditor or an employee,
affiliate or associate of the creditor from the insurance
authorized by this Section.
(f) When interest is contracted for or received under this Section, the lender must disclose the following items to the obligor in a written statement before the loan is consummated:

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

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

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

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

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

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

(7) the finance charge expressed as an annual percentage rate using the term "annual percentage rate". "Annual percentage rate" means the nominal annual percentage rate of finance charge determined in accordance with the actuarial method of computation with an accuracy at least to the nearest 1/4 of 1%; or at the option of the lender by application of the United States rule so that it may be disclosed with an accuracy at least to the nearest 1/4 of 1%;

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

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

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

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

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

(13) unless the contract provides for the accrual and payment of the finance charge on the balance of the amount financed from time to time remaining unpaid, an
identification of the method of computing any unearned portion of the finance charge in the event of prepayment of the loan.

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

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

(i) the note or other instrument evidencing the obligation on the same side of the page and above or adjacent to the place for the obligor's signature; however, where a creditor elects to combine disclosures with the contract, security agreement, and evidence of a transaction in a single document, the disclosures required under this Section shall be made on the face of the document, on the reverse side, or on both sides, provided that the amount of the finance charge and the annual percentage rate shall appear on the face of the document, and, if the reverse side is used, the printing on both sides of the document shall be equally clear and conspicuous, both sides shall contain the statement,
"NOTICE: See other side for important information", and the place for the customer's signature shall be provided following the full content of the document; or (ii) one side of a separate statement which identifies the transaction.

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

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

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

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

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

(5) Charges or premiums for credit life, accident, health, or loss of income insurance, written in connection with any credit transaction unless (a) the insurance coverage is not required by the lender and this fact is clearly and conspicuously disclosed in writing to the obligor; and (b) any obligor desiring such insurance
coverage gives specific dated and separately signed affirmative written indication of such desire after receiving written disclosure to him of the cost of such insurance.

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

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

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

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

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

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

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

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

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

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

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

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

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

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

Sec. 27. The finance charge on any retail installment contract shall be no more than the maximum rate permissible under the Predatory Loan Prevention Act. Notwithstanding the
provisions of any other statute, retail installment contracts executed after the effective date of this amendatory Act of 1981, there shall be no limit on the finance charges which may be charged, collected and received.

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

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

Sec. 28. The finance charge on any retail charge agreement shall be no more than the maximum rate permissible under the Predatory Loan Prevention Act. Notwithstanding the provisions of any other statute, a retail charge agreement may provide for the charging, collection and receipt of finance charges at any specified rate on the unpaid balances incurred after the effective date of this amendatory Act of 1981. If a seller or holder under a retail charge agreement entered into on, prior to or after the effective date of this amendatory Act of 1981 notifies the retail buyer at least 15 days in advance of any lawful increase in the finance charges to be charged under the agreement, and the retail buyer, after the effective date of such notice, makes a new or additional purchase or incurs additional debt pursuant to the agreement, the increased finance charges may be applied only to any such new or additional purchase or additional debt incurred regardless of any other terms of the agreement. For purposes of determining the balances to which the increased interest rate applies, all payments and other credits may be deemed to be applied to the
balance existing prior to the change in rate until that balance
is paid in full.
(Source: P.A. 90-437, eff. 1-1-98.)

(815 ILCS 405/33.1 new)

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

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

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

Sec. 2Z. Violations of other Acts. Any person who knowingly
violates the Automotive Repair Act, the Automotive Collision
Repair Act, the Home Repair and Remodeling Act, the Dance
Studio Act, the Physical Fitness Services Act, the Hearing
Instrument Consumer Protection Act, the Illinois Union Label
Act, the Installment Sales Contract Act, the Job Referral and
Job Listing Services Consumer Protection Act, the Travel
Promotion Consumer Protection Act, the Credit Services Organizations Act, the Automatic Telephone Dialers Act, the Pay-Per-Call Services Consumer Protection Act, the Telephone Solicitations Act, the Illinois Funeral or Burial Funds Act, the Cemetery Oversight Act, the Cemetery Care Act, the Safe and Hygienic Bed Act, the Illinois Pre-Need Cemetery Sales Act, the High Risk Home Loan Act, the Payday Loan Reform Act, the Predatory Loan Prevention Act, the Mortgage Rescue Fraud Act, subsection (a) or (b) of Section 3-10 of the Cigarette Tax Act, subsection (a) or (b) of Section 3-10 of the Cigarette Use Tax Act, the Electronic Mail Act, the Internet Caller Identification Act, paragraph (6) of subsection (k) of Section 6-305 of the Illinois Vehicle Code, Section 11-1431, 18d-115, 18d-120, 18d-125, 18d-135, 18d-150, or 18d-153 of the Illinois Vehicle Code, Article 3 of the Residential Real Property Disclosure Act, the Automatic Contract Renewal Act, the Reverse Mortgage Act, Section 25 of the Youth Mental Health Protection Act, the Personal Information Protection Act, or the Student Online Personal Protection Act commits an unlawful practice within the meaning of this Act.

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

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

(20 ILCS 605/605-1055 new)

Sec. 605-1055. Beauty supply industry disparity study.

(a) The Department shall compile and publish a disparity study by December 31, 2022 that: (1) evaluates whether there exists discrimination in the State's beauty supply industry; and (2) if so, evaluates the impact of such discrimination on the State and includes recommendations for reducing or eliminating any identified barriers to entry in the beauty supply industry and discriminatory behavior. The Department shall forward a copy of its findings and recommendations to the General Assembly and the Governor.

(b) The Department may compile, collect, or otherwise gather data necessary for the administration of this Section and to carry out the Department's duty relating to the recommendation of policy changes. The Department shall compile all of the data into a single report, submit the report to the Governor and the General Assembly, and publish the report on its website.

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

Section 99. Effective date. This Act takes effect upon becoming law."