



102ND GENERAL ASSEMBLY

State of Illinois

2021 and 2022

HB4554

Introduced 1/21/2022, by Rep. Maurice A. West, II

SYNOPSIS AS INTRODUCED:

New Act

Creates the Consumer Income Share Agreement Act. Provides that no person, partnership, association, limited liability company, or corporation may engage in the business of making income share agreements without a license provided under the Act. Sets forth provisions concerning applications for an income share agreement license, investigations, fees, suspension or revocation of licenses, closing of business, books and records, prohibitions and limitations of income share agreements, required disclosures, statements of account, advertising, penalties, and cease and desist orders. Provides that a person who engages in business as a licensee without the license required by the Act commits a Class 4 felony. Provides that the Department of Financial and Professional Regulation may adopt and enforce reasonable rules, directions, orders, decisions, and findings as the execution and enforcement of the provisions of the Act require, and rules in connection with the activities of licensees that are necessary and appropriate for the protection of consumers in the State. Provides that if it appears to the Director that a person or any entity has committed or is about to commit a violation of the Act, a rule adopted under the Act, or an order of the Director, the Director may apply to the circuit court for an order enjoining the person or entity from the violation. Provides that the provisions of the Act are severable. Defines terms. Makes other changes. Effective immediately.

LRB102 22903 BMS 32056 b

1 AN ACT concerning regulation.

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

4 Section 1. Short title. This Act may be cited as the
5 Consumer Income Share Agreement Act.

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

7 "Amount financed" means the amounts advanced by the
8 licensee to the consumer or on behalf of the consumer or, if
9 the licensee is a merchant financing the sale of goods or
10 services to the consumer using an income share agreement, the
11 amount credited by the licensee toward the purchase of such
12 goods and services on behalf of the consumer.

13 "Annual percentage rate" or "APR" means the percentage
14 rate calculated according to the Federal Reserve Board's
15 methodology as set forth under Regulation Z, 12 CFR Part 1026.
16 The "annual percentage rate" of an income share agreement is
17 the measure of the cost of the income share agreement,
18 expressed as a yearly rate, that relates to the amount and
19 timing of value received by the consumer to the amount and
20 timing of payments made. The "annual percentage rate" is
21 determined in accordance with either the actuarial method or
22 the United States rule method.

23 "Consumer" means a natural person who enters into an

1 income share agreement for personal, family, or household use.

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

4 "Director" means the Director of the Division of Financial
5 Institutions of the Department of Financial and Professional
6 Regulation.

7 "Disposable earnings" means that part of the earnings of
8 an individual remaining after the deduction from total
9 earnings of amounts required by law to be withheld.

10 "Educational ISA" means an income share agreement that:

11 (1) is not made, insured, or guaranteed under Title IV
12 of the Higher Education Act of 1965, 20 U.S.C. 1070 et
13 seq., or another federally subsidized educational finance
14 program;

15 (2) is extended to a consumer expressly, in whole or
16 in part, for postsecondary educational expenses, tuition,
17 or other obligations of, or pays amounts to, or on behalf
18 of, such individual for costs associated with a
19 postsecondary training program or any other program
20 designed to increase the individual's human capital,
21 employability, or earning potential, and is not limited to
22 programs eligible to participate as programs under Title
23 IV of the Higher Education Act of 1965, 20 U.S.C. 1070 et
24 seq., as well as any personal expenses, such as books,
25 supplies, transportation, and living costs, incurred by
26 the individual while enrolled in such a program and any

1 other costs or expenses included in the definition of a
2 "qualified higher education expense" as specified in 26
3 U.S.C. 529(e)(3)(A), including refinancing of loans or
4 income share agreements used for the purposes described in
5 this paragraph, and regardless of whether the income share
6 agreement is provided by the educational institution that
7 the consumer attends; and

8 (3) does not include loans, open-end credit, or any
9 loan or income share agreement that is secured by real
10 property or a dwelling.

11 "Federal poverty guidelines" means the poverty guidelines
12 updated periodically in the Federal Register by the U.S.
13 Department of Health and Human Services under the authority of
14 42 U.S.C. 9902(2).

15 "Garnishment" means any legal or equitable procedure
16 through which earnings of an individual are required to be
17 withheld for payment of the income share agreement.

18 "Income" means the salary, wages, income, tips, capital
19 gains, earnings, and other sources of income of a consumer as
20 set forth in an income share agreement.

21 "Income share agreement" or "ISA" means an agreement
22 between a consumer and an ISA provider under which:

23 (1) the ISA provider advances a sum of money to the
24 consumer or to a third party on the consumer's behalf or,
25 if the ISA provider is a seller of goods or services to the
26 consumer, the ISA provider credits toward the purchase of

1 such goods or services;

2 (2) the consumer is obligated to make periodic
3 payments, if any become due, to the ISA provider
4 calculated, based upon, or determined by the consumer's
5 income;

6 (3) the consumer's obligation to make payments, if any
7 become due, to the ISA provider is conditional on the
8 consumer's income exceeding the income threshold set forth
9 in the income share agreement;

10 (4) there is an ISA duration; and

11 (5) each of these elements is available at the time of
12 contracting of the income share agreement.

13 "Income threshold" means a fixed dollar amount that, if a
14 consumer earns less than such amount during the relevant
15 period, the consumer is not required to make a payment for such
16 payment period.

17 "Index" means the Consumer Price Index for Urban Wage
18 Earners and Clerical Workers: U.S. City Average, All Items,
19 1967=100, compiled by the Bureau of Labor Statistics, United
20 States Department of Labor.

21 "ISA duration" means the maximum length of time during
22 which income may be subject to an ISA payment, absent periods
23 of payment relief pause at the request of the consumer. "ISA
24 duration" does not include periods of payment relief pause.

25 "ISA maximum number of payments" means the maximum number
26 of ISA payments during ISA payment periods in which the

1 consumer's income is equal to or greater than the income
2 threshold that a consumer could be required to make. "ISA
3 maximum number of payments" does not include periods of
4 payment relief pause.

5 "ISA payment" means the amount of a consumer's periodic
6 payment obligation, if any, based on the terms of the income
7 share agreement. The "ISA payment" is equal to the product of
8 the ISA percentage multiplied by the consumer's income, except
9 in cases of an ISA where the ISA payment amount is determined
10 by a schedule of fixed amounts based on a consumer's income in
11 a given payment period. An "ISA payment" is required only for
12 income earned during an ISA payment period in which the
13 consumer's income was equal to or greater than the income
14 threshold.

15 "ISA payment cap" means the maximum amount of money a
16 consumer must pay to satisfy the terms of an income share
17 agreement.

18 "ISA percentage" or "percentage" means the percentage of
19 income or schedule of percentages of income or fixed amounts
20 based on the consumer's income in a given ISA payment period
21 used to calculate a consumer's ISA payment pursuant to an
22 income share agreement.

23 "ISA provider" means a person who provides funding to a
24 consumer pursuant to an income share agreement or, if the ISA
25 provider is a seller of goods and services, the seller.

26 "Licensee" means a person who is licensed under this Act.

1 "Net worth" means total assets minus total liabilities.

2 "Payment relief pause" means a period of time that is
3 requested by the consumer during which the consumer is not
4 required to make payments despite the consumer's income
5 exceeding the income threshold.

6 Section 10. License required to engage in business.
7 Without a license provided under this Act, no person,
8 partnership, association, limited liability company, or
9 corporation may engage in the business of:

10 (1) making income share agreements; or

11 (2) taking assignments of and undertaking direct
12 collection of payments from or enforcement of rights
13 against consumers arising from income share agreements,
14 except for collection of payments and enforcement of
15 rights for 3 months without a license if the person or
16 entity promptly applies for a license and the application
17 has not been denied.

18 Section 15. Application for income share agreement
19 license; fees; surety bond.

20 (a) Application for a license shall be in writing and in a
21 form prescribed by the Director. The applicant at the time of
22 making an application shall pay the Director the sum of \$300 as
23 an application fee and the additional sum of \$450 as an annual
24 license fee for a period terminating on the last day of the

1 current calendar year; however, if the application is filed
2 after June 30 in any year, the license fee shall be half of the
3 annual license fee for the year.

4 (b) Before the license is granted, every applicant shall
5 provide in a form satisfactory to the Director that the
6 applicant has or will maintain a positive net worth in a
7 minimum of \$30,000. Every applicant and licensee shall
8 maintain a surety bond in the principal sum of \$25,000 issued
9 by a bonding company authorized to do business in this State
10 and that shall be approved by the Director. The bond shall run
11 to the Director and shall be for the benefit of any consumer
12 who incurs damages as a result of a violation of this Act or
13 rules adopted pursuant to this Act by a licensee. If the
14 Director at any time finds that a bond is of insufficient size,
15 is insecure, is exhausted, or is otherwise doubtful, an
16 additional bond in such amount as determined by the Director
17 shall be filed by the licensee within 30 days after written
18 demand therefor by the Director.

19 Section 20. Appointment of attorney-in-fact for service of
20 process. Every licensee shall appoint, in writing, the
21 Director and his or her successors in office or any official
22 who shall be charged with the administration of this Act, as
23 attorney-in-fact upon whom all lawful process against the
24 licensee may be served within the same legal force and
25 validity as if served on the licensee. A copy of such written

1 appointment, duly certified, shall be filed in the office of
2 the Director, and a copy thereof certified by him or her shall
3 be sufficient evidence. This appointment shall remain in
4 effect while any liability remains outstanding in this State
5 against the licensee. When summons is served upon the Director
6 as attorney-in-fact for such licensee, the Director shall
7 immediately notify the licensee by registered mail, enclosing
8 the summons and specifying the hour and day of service.

9 Section 25. Investigation; license issuance.

10 (a) Upon the filing of an application and the payment of
11 the fees, the Director shall investigate to determine:

12 (1) that the reputation of the applicant, including
13 the managers of a limited liability company, and the
14 partners, owners, officers, or directors thereof warrants
15 belief that the business will be operated honestly and
16 fairly within the purposes of this Act; and

17 (2) that the applicant meets the positive net worth
18 requirements of this Act.

19 Unless the Director makes findings enumerated in this
20 subsection, he or she shall not issue a license and shall
21 notify the applicant of the denial and return to the applicant
22 the sum paid by the applicant as a license fee, but shall
23 retain the \$300 application fee. The Director shall approve or
24 deny every application for license within 60 days after the
25 filing of an application with payment of a fee.

1 (b) Upon written request, the applicant is entitled to a
2 hearing on the question of his or her qualifications for a
3 license if:

4 (1) the Director notifies the applicant in writing
5 that his or her application has been denied; or

6 (2) the Director does not issue a license within 60
7 days after the application for the license was filed.

8 A request for a hearing may not be made more than 15 days
9 after the Director mails a writing to the applicant notifying
10 him or her that the application has been denied and stating in
11 substance the Director's findings supporting denial.

12 Section 30. License. The license shall state the address,
13 including the city and state, at which the business is to be
14 conducted and shall state fully the name of the licensee. The
15 license shall be conspicuously posted in the place of business
16 of the licensee and shall not be transferable or assignable.

17 Section 35. License; place of business.

18 (a) Not more than one place of business shall be
19 maintained under the same license, but the Director may issue
20 more than one license to the same licensee upon compliance
21 with all the provisions of this Act governing the original
22 issuance of a license. A webpage operated by the licensee
23 shall constitute a location.

24 (b) Whenever a licensee changes his or her place of

1 business to a location other than that set forth in the
2 license, he or she shall give written notice to the Director at
3 least 10 days before the relocation. However, if the new
4 location is in excess of 15 miles from the previous location,
5 the licensee shall obtain written approval from the Director
6 before relocation.

7 Section 40. Annual license fee; expenses.

8 (a) Before December 1 of each year, a licensee shall pay to
9 the Director, and the Department must receive, the annual
10 license fee required by this Act for the next succeeding
11 calendar year. The license shall expire on January 1 of the
12 following year unless the licensee fee has been paid before
13 then.

14 (b) In addition to the license fee, the reasonable expense
15 of any examination, investigation, or custody by the Director
16 under any provisions of this Act shall be borne by the
17 licensee.

18 (c) If a licensee fails to renew his or her license by
19 December 31, it shall automatically expire and the licensee is
20 not entitled to a hearing; however, the Director, in his or her
21 discretion, may reinstate an expired license upon payment of
22 the annual renewal fee and proof of good cause for failure to
23 renew.

24 Section 45. Suspension or revocation of license.

1 (a) The Director may issue to a licensee an order to show
2 cause why his or her license should not be suspended for a
3 period not in excess of 6 months or be revoked. The order shall
4 set a place for a hearing and a time therefor that is no less
5 than 10 days after the date of the order. After the hearing the
6 Director shall revoke or suspend the license, or, if there are
7 mitigating circumstances, may accept an assurance of
8 discontinuance and allow retention of the license, if the
9 Director finds that:

10 (1) the licensee has repeatedly and intentionally
11 violated this Act or any rule or order lawfully made
12 pursuant to this Act, or has violated an assurance of
13 discontinuance; or

14 (2) facts or conditions exist that clearly would have
15 justified the Director in refusing to grant a license for
16 that place or those places of business were the facts or
17 conditions known to exist at the time the application for
18 the license was made.

19 (b) A revocation or suspension of a license is not lawful
20 unless the Director, before instituting proceedings, gives
21 notice to the licensee of the facts or conduct that warrant the
22 intended action and the licensee is afforded an opportunity to
23 show compliance with all lawful requirements for retention of
24 the license.

25 (c) If the Director finds that probable cause for
26 revocation of a license exists and that enforcement of this

1 Act requires immediate suspension of the license pending
2 investigation, the Director, after a hearing upon 10 days'
3 written notice, may enter an order suspending the license for
4 not more than 30 days.

5 (d) Whenever the Director revokes or suspends a license,
6 he or she shall enter an order to that effect and forthwith
7 notify the licensee of the revocation or suspension. Within 10
8 days after entry of the order he or she shall deliver to the
9 licensee a copy of the order and the findings supporting the
10 order.

11 (e) A person holding a license to make income share
12 agreements may relinquish the license by notifying the
13 Director in writing of its relinquishment, but the
14 relinquishment does not affect his or her liability for acts
15 previously committed.

16 (f) Revocation, suspension, or relinquishment of a license
17 does not impair or affect the obligation of any preexisting
18 lawful contract between the licensee and any consumer.

19 (g) The Director may reinstate a license, terminate a
20 suspension, or grant a new license to a person whose license
21 has been revoked or suspended if no fact or condition then
22 exists that clearly would have justified the Director in
23 refusing to grant a license.

24 Section 50. Closing of business; surrender of license.

25 (a) At least 10 days before a licensee ceases operations,

1 closes business, or files for bankruptcy, the licensee shall
2 do the following:

3 (1) Notify the Department of its action in writing.

4 (2) With the exception of filing for bankruptcy,
5 surrender its license to the Director for cancellation;
6 the surrender of the license shall not affect the
7 licensee's civil or criminal liability for acts committed
8 before surrender or entitle the licensee to return any
9 part of the annual license fee.

10 (3) Notify the Director of the location where the
11 books, accounts, contracts, and records will be maintained
12 and the procedure to ensure prompt return of contracts,
13 titles, and releases to the customers.

14 (4) Ensure that the accounts, books, records, and
15 contracts shall be maintained and serviced by the licensee
16 or another licensee under this Act or an entity exempt
17 from licensure under this Act.

18 (b) The Department shall have the authority to conduct
19 examinations of the books, records, and loan documents at any
20 time after surrender of the license, filing of bankruptcy, or
21 the cessation of operations.

22 Section 55. Examinations and investigations of conduct of
23 business.

24 (a) The Director shall examine periodically, at intervals
25 he or she deems appropriate but not less than once per year,

1 income share agreements, business, and records of every
2 licensee. In addition, for the purpose of discovering
3 violations of this Act or securing information lawfully
4 required, the Director at any time may investigate the income
5 share agreements, business, and records of any licensee. For
6 these purposes the Director shall have free and reasonable
7 access to the offices, places of business, and records of the
8 licensee.

9 (b) If the licensee's records are located outside this
10 State, the licensee at the Director's request shall make them
11 available to the Director at a convenient location within this
12 State, or pay the reasonable and necessary expenses for the
13 Director or his or her representative to examine them where
14 they are located. The Director may designate representatives,
15 including comparable officials of the state in which the
16 records are located, to inspect them on the Director's behalf.

17 (c) For purposes of this Section, the Director may
18 administer oaths or affirmations, and upon request of a party
19 or his or her own motion may subpoena witnesses, compel their
20 attendance, adduce evidence, and require the production of any
21 matter that is relevant to the investigation, including the
22 existence, description, nature, custody, condition, and
23 location of any books, documents, or other tangible things and
24 the identity and location of persons having knowledge of
25 relevant facts or any other matter reasonably calculated to
26 lead to the discovery of admissible evidence.

1 (d) Upon failure without lawful excuse to obey a subpoena
2 or to give testimony and upon reasonable notice to all persons
3 affected thereby, the Director may apply to the court for an
4 order compelling compliance.

5 Section 60. Books and records.

6 (a) Every licensee shall maintain records in conformity
7 with generally accepted accounting principles and practices in
8 a manner that will enable the Director to determine whether
9 the licensee is complying with this Act. The recordkeeping
10 system of a licensee is sufficient if it makes the required
11 information reasonably available. The records pertaining to
12 any income share agreement need not be preserved for more than
13 2 years after making the final entry relating to the income
14 share agreement.

15 (b) On or before April 15 of each year, every licensee
16 shall file with the Director a composite annual report in a
17 form prescribed by the Director relating to all income share
18 agreements made by the licensee. Information contained in
19 annual reports shall be confidential and may be published only
20 in composite form.

21 Section 65. No other business allowed.

22 (a) A licensee may not carry on other business for the
23 purpose of evasion or violation of this Act at a location where
24 the licensee makes income share agreements.

1 (b) Upon application by the licensee, the Director may
2 approve the conduct of other businesses not specifically
3 permitted by this Act in the licensee's place of business,
4 unless the Director finds that such conduct will conceal or
5 facilitate evasion or violation of this Act. The Director's
6 approval shall be in writing and shall describe the other
7 businesses which may be conducted in the licensed office.

8 Section 70. Prohibitions.

9 (a) No licensee shall take any power of attorney in
10 connection with an income share agreement.

11 (b) A consumer may not authorize any person to confess
12 judgment on a claim arising out of an income share agreement.
13 An authorization in violation of this Section is void.

14 Section 75. Pledge or sale of income share agreement.

15 (a) No licensee or other person shall pledge, hypothecate,
16 or sell an income share agreement entered into under this Act
17 by a consumer except to another licensee under this Act, a
18 bank, savings bank, savings and loan association, or credit
19 union created under the laws of this State or the United
20 States, or to other persons or entities authorized by the
21 Director in writing. Sales of such notes by licensees under
22 this Act or other persons shall be made by agreement in writing
23 and shall authorize the Director to examine the income share
24 agreement documents so hypothecated, pledged, or sold.

1 (b) A consumer may pay the original ISA provider until he
2 or she receives notification of assignment of rights to
3 payment pursuant to an income share agreement and that payment
4 is to be made to the assignee. A notification that does not
5 reasonably identify the rights assigned is ineffective. If
6 requested by the consumer, the assignee shall seasonably
7 furnish reasonable proof that the assignment has been made and
8 unless the proof is furnished the consumer may pay the
9 original ISA provider.

10 (c) An assignee of the rights of the ISA provider is
11 subject to all claims and defenses of the consumer against the
12 ISA provider arising from the income share agreement. A claim
13 or defense of a consumer may be asserted against the assignee
14 under this Section only if the consumer has made a good faith
15 attempt to obtain satisfaction from the ISA provider with
16 respect to the claim or defense and then only to the extent of
17 the amount owing to the assignee with respect to the ISA
18 provider or defense that arose at the time the assignee has
19 notice of the claim or defense. Notice of the claim or defense
20 may be given before the good faith attempt specified in this
21 subsection. Oral notice is effective unless the assignee
22 requests written confirmation when or promptly after oral
23 notice is given and the consumer fails to give the assignee
24 written confirmation within the period of time, not less than
25 14 days, stated to the consumer when written confirmation is
26 requested. An agreement may not limit or waive the claims or

1 defenses of a consumer under this Section.

2 Section 80. Monthly payment affordability.

3 (a) Maximum income percentage. Each income share agreement
4 shall specify the ISA percentage applicable to the income
5 share agreement and shall comply with the following:

6 (1) The income share agreement may not include an ISA
7 percentage in excess of 20%, or if an ISA defines a series
8 of fixed amounts based on the consumer's income, such
9 amounts shall not equate to more than 20% of the
10 consumer's income.

11 (2) A licensee may not enter into an educational ISA
12 with a consumer if the consumer would be committing more
13 than 20% of his or her income, inclusive of other
14 educational ISA and education loans known at the time. The
15 licensee must confirm a consumer's educational ISA and
16 education loan liabilities through a verifiable
17 third-party source. At a minimum, the licensee must
18 confirm such liabilities using information maintained by a
19 nationwide consumer reporting agency, as defined by 15
20 U.S.C. 1681a(f), and doing so is sufficient for meeting
21 the requirement in this paragraph; however, nothing in
22 this paragraph shall prohibit a licensee from using other
23 sources to provide additional verification. For the
24 purposes of calculating the portion of a student's future
25 income that would be consumed by the educational ISA for

1 which the student has applied and other educational ISAs
2 and education loans known at the time, the ISA provider
3 shall calculate the aggregate future burden of all such
4 obligations, including the educational ISA for which the
5 student is applying, at hypothetical future income levels
6 ranging from the income threshold of the ISA for which the
7 student has applied up to \$70,000, with such number
8 adjusting for inflation each year, in increments of
9 \$10,000. The terms of the educational ISA for which the
10 student has applied cannot cause the student's aggregate
11 future burden to exceed the limit in subsection (b) at any
12 of the income increments stated in this paragraph. For the
13 purpose of calculating the percentage burden of an
14 educational ISA at a given future income level, the ISA
15 provider shall use the income percentage that would be
16 applicable for the ISA at such income level, or the fixed
17 amount divided by the income level, where applicable. For
18 the purpose of calculating the percentage burden of an
19 educational loan at a given future income level, the ISA
20 provider shall divide the annual payment obligation by
21 income level using the most affordable payment option that
22 would be available to the student at such income level
23 under such loan. For students enrolled in a Title IV
24 program, as part of this analysis the ISA provider shall
25 assume a federal loan balance equal to the larger of (1)
26 the student's existing federal loan balance, and (2) the

1 maximum amount the student is eligible to borrow under
2 Federal Direct Stafford Loans for his or her status,
3 dependent or independent.

4 (b) Protections during periods of low earnings. The income
5 share agreement must state that when a consumer has income
6 that is equal to or below the income threshold set forth in the
7 income share agreement that the consumer's payment obligation
8 is zero dollars. The income threshold at the time of
9 origination must be high enough such that the consumer's gross
10 income minus any income share agreement obligation must leave
11 the consumer with gross income equal to at least 200% of the
12 federal poverty guidelines for a single person.

13 (c) Required payment relief pauses. An income share
14 agreement must offer at least 3 months of voluntary payment
15 relief pauses, so long as a consumer's current income at the
16 time of requesting the payment relief pause is equal to or less
17 than 400% of the federal poverty guidelines for a single
18 individual, for every 30 income-determined payments required
19 under the income share agreement.

20 Section 85. Maximum effective annual percentage rate. An
21 income share agreement must specify that the maximum amount
22 that a consumer could be required to pay based on the
23 consumer's income under the income share agreement will not
24 result in a consumer ever being required to pay an effective
25 annual percentage rate that is greater than 36%. If at any time

1 the consumer makes payment of an amount that would cause the
2 limit in this Section to apply, all further obligations under
3 the income share agreement shall cease.

4 Section 90. Limits on duration of income share agreements.

5 (a) An income share agreement shall specify that the
6 maximum number of payments may not exceed 240 monthly
7 payments.

8 (b) An income share agreement shall specify that the ISA
9 duration may not exceed 360 months, except in the case of a
10 payment relief pause requested by the consumer.

11 Section 95. Risk sharing.

12 (a) A licensee may not contract for income share agreement
13 terms that would result in a consumer having income that is
14 less than or equal to 300% of the federal poverty guidelines
15 for a single person for the ISA duration being required to make
16 a stream of ISA payments that would yield an effective APR
17 greater than 8%, or the high yield of the 10-year United States
18 Constant Maturity Treasury Notes auctioned at the final
19 auction held before the current calendar year in which an ISA
20 offering is made plus 7%, whichever is greater.

21 (b) A licensee may not contract for income share agreement
22 terms that would result in a consumer having income that is
23 less than or equal to 400% of the federal poverty guidelines
24 for a single person for the ISA duration being required to make

1 a stream of ISA payments that would yield an effective APR
2 greater than 12%, or the high yield of the 10-year United
3 States Constant Maturity Treasury Notes auctioned at the final
4 auction held before the current calendar year in which an ISA
5 offering is made plus 11%, whichever is greater.

6 (c) A licensee may not contract for income share agreement
7 terms that would result in a consumer having income that is
8 less than or equal to 500% of the federal poverty guidelines
9 for a single person for the ISA duration being required to make
10 a stream of ISA payments that would yield an effective APR
11 greater than 15%, or the high yield of the 10-year United
12 States Constant Maturity Treasury Notes auctioned at the final
13 auction held before the current calendar year in which an ISA
14 offering is made plus 14%, whichever is greater.

15 (d) A licensee may not contract for income share agreement
16 terms that would result in a consumer having income that is
17 less than or equal to 600% of the federal poverty guidelines
18 for a single person for the ISA duration being required to make
19 a stream of ISA payments that would yield an effective APR
20 greater than 18%, or the high yield of the 10-year United
21 States Constant Maturity Treasury Notes auctioned at the final
22 auction held before the current calendar year in which an ISA
23 offering is made plus 17%, whichever is greater.

24 (e) For the purposes of determining the various tiers set
25 forth in this Section, a licensee shall calculate the
26 effective APR by determining the various federal poverty

1 guidelines tiers at the time the consumer's income share
2 agreement is originated and assuming such amounts are fixed
3 through the ISA duration.

4 (f) For the purposes of determining ISA duration in this
5 Section: in the case of an educational ISA, a licensee shall
6 assume the ISA duration started after a period equal to the
7 expected length of the program for which a consumer is
8 enrolling; or in the case of a non-educational ISA, a licensee
9 shall assume the ISA duration started immediately.

10 Section 100. Limits on covered income. An income share
11 agreement must specify the definition of income to be used for
12 the purposes of calculating a consumer's payment obligation
13 under the income share agreement. No income share agreement
14 shall include any of the following in its definition of
15 income:

16 (1) The income of the consumer's children or
17 dependents.

18 (2) Any amount paid by the consumer under Title II or
19 XVI of the Social Security Act, 42 U.S.C. 401 et seq., 42
20 U.S.C. 1381 et seq.; or under a State program funded by
21 Title IV of the Social Security Act, 42 U.S.C. 601 et seq.

22 (3) Individual retirement account distributions.

23 (4) Pensions and annuities.

24 (5) Social security benefits.

25 (6) Other sources of federal or State aid provided to

1 individuals through any of the following:

2 (A) unemployment programs;

3 (B) disaster relief programs;

4 (C) Medicare or Medicaid benefits;

5 (D) benefits received through the Supplemental
6 Nutrition Assistance Program;

7 (E) economic impact payments; or

8 (F) other income excluded from the definition of
9 taxable income set forth by the Internal Revenue
10 Service.

11 Section 105. Fees permitted. In addition to the ISA
12 percentage permitted by this Act, a licensee may contract for
13 and receive the following additional charges:

14 (1) Official fees and taxes.

15 (2) A fee, which shall not exceed the sum of \$25, for
16 failure to provide documentation to the licensee for the
17 confirmation and reconciliation of the consumer's income.

18 (3) A fee for processing any forms to confirm the
19 consumer's income with the United States Internal Revenue
20 Service or a State department of revenue or taxation on a
21 dollar-for-dollar, pass-through basis of the expenses
22 incurred by the licensee.

23 (4) A late payment fee in an amount of \$20 or 5% of the
24 late payment, whichever is greater, for any payment that
25 is more than 15 days past due; no late payment fee may be

1 charged more than once per late payment.

2 (5) An amount not exceeding \$25, plus any actual
3 expenses incurred in connection with a check or draft that
4 is not honored because of insufficient or uncollected
5 funds or because no such account exists.

6 (6) Charges for other benefits conferred on the
7 consumer, if the benefits are of value to her or him and
8 the charges are reasonable in relation to the benefits,
9 are of a type that is not for credit, and are authorized as
10 permissible additional charges by rule adopted by the
11 Department.

12 (7) Before or after default in payment of a scheduled
13 payment of an income share agreement, the parties to the
14 income share agreement may agree in writing to a deferral
15 of all or part of one or more unpaid payments and the
16 licensee may make, at the time of deferral and receive at
17 that time or at any time thereafter, a deferral charge not
18 exceeding an amount equal to 10% of the missed payment.

19 Section 110. Restriction on security interest. Under no
20 circumstances shall a licensee take a security interest in any
21 collateral in connection with an income share agreement.

22 Section 115. Discharge of obligations.

23 (a) All further obligations under an income share
24 agreement, except those accruing before the date of

1 determination by a relevant governmental agency, shall
2 terminate if the consumer is deemed totally and permanently
3 disabled by the applicable governmental agency.

4 (b) All further obligations under the income share
5 agreement, except those accruing before the consumer's death,
6 shall terminate upon the death of the consumer.

7 Section 120. Prohibition on co-signers. No income share
8 agreement shall include or permit the use of a co-signer in
9 connection with any obligation related to an income share
10 agreement.

11 Section 125. Limitation on acceleration.

12 (a) Licensees may not attempt to accelerate or otherwise
13 liquidate a future payment stream under an income share
14 agreement.

15 (b) Notwithstanding subsection (a), nothing in this
16 Section shall prevent a licensee from collecting or pursuing
17 any other remedy available to the licensee for the collection
18 of amounts that were due from the consumer under an income
19 share agreement but that were not paid or properly remitted to
20 the licensee. These amounts may include projected future
21 payments as provided in the income share agreement if the
22 consumer does not provide contractually obligated
23 documentation of income.

24 (c) Notwithstanding subsection (a), an income share

1 agreement may contain a provision that allows a consumer to
2 terminate his or her income share agreement before the events
3 terminating further obligations under the income share
4 agreement. The early termination mechanisms, such as total
5 caps on payments due to the licensee or other rights to
6 partially or fully terminate further obligations under the
7 income share agreement, must be optional to the consumer and
8 within the consumer's control. In such circumstances, such
9 mechanisms will not be deemed a form of acceleration, early
10 termination penalty, or prepayment penalty.

11 Section 130. No assignment of wages.

12 (a) A licensee may not take an assignment of earnings of
13 the consumer for payment or as security for payment of a debt
14 arising out of an income share agreement. An assignment of
15 earnings in violation of this Section is unenforceable by the
16 assignee of the earnings and revocable by the consumer. This
17 Section does not prohibit a consumer from authorizing
18 deductions from his or her earnings in favor of a licensee if
19 the authorization is revocable, the consumer is given a
20 complete copy of the writing evidencing the authorization at
21 the time the consumer signs it, and the writing contains on its
22 face a conspicuous notice of the consumer's right to revoke
23 the authorization.

24 (b) A sale of unpaid earnings made in consideration of the
25 payment of money to or for the account of the seller of the

1 earnings is deemed to be a loan to the seller secured by an
2 assignment of earnings.

3 Section 135. Limitations on garnishment.

4 (a) Before entry of judgment in an action against a
5 consumer for a payment arising from an income share agreement,
6 a licensee may not attach unpaid earnings of the consumer by
7 garnishment or like proceedings.

8 (b) The maximum part of the aggregate disposable earnings
9 of an individual for any workweek which is subjected to
10 garnishment to enforce payment of a judgment arising from an
11 income share agreement may not exceed the lesser of:

12 (1) 25% of the individual's disposable earnings for
13 that week; or

14 (2) the amount by which the individual's disposable
15 earnings for that week exceed 40 times the federal minimum
16 hourly wage prescribed by Section 6(a)(1) of the Fair
17 Labor Standards Act of 1938, 29 U.S.C. 206(a)(1), in
18 effect at the time the earnings are payable.

19 In case of earnings for a pay period other than a week, the
20 Department shall prescribe by rule a multiple of the federal
21 minimum hourly wage equivalent to the amount set forth in
22 paragraph (2).

23 (c) No court may make, execute, or enforce an order or
24 process in violation of this Section.

25 (d) At any time after entry of a judgment in favor of a

1 licensee in an action against a consumer for a payment arising
2 from an income share agreement, the consumer may file with the
3 court a verified application for an order exempting from
4 garnishment pursuant to that judgment, for an appropriate
5 period of time, a greater portion or all of the consumer's
6 aggregate disposable earnings for a workweek or other
7 applicable pay period than is provided for in subsection (b).
8 The consumer shall in the application designate the portion of
9 earnings not exempt from garnishment under this Section and
10 other law, designate the period of time for which the
11 additional exemption is sought, describe the judgment with
12 respect to which the application is made, and state that the
13 designated portion as well as his or her earnings that are
14 exempt by law are necessary for the maintenance of the
15 consumer or a family supported wholly or partly by the
16 earnings. Upon filing a sufficient application under this
17 subsection, the court may issue any temporary order necessary
18 under the circumstances to stay enforcement of the judgment by
19 garnishment, shall set a hearing on the application not less
20 than 5 nor more than 10 days after the date of filing of the
21 application, and shall cause notice of the application and the
22 hearing date to be served on the judgment creditor or the
23 creditor's attorney of record. At the hearing, if it appears
24 to the court that all or any portion of the earnings sought to
25 be additionally exempt are necessary for the maintenance of
26 the consumer or a family supported wholly or partly by the

1 earnings of the consumer for all or any part of the time
2 requested in the application, the court shall issue an order
3 granting the application to that extent; otherwise it shall
4 deny the application. The order is subject to modification or
5 vacation upon further application of any party to it upon a
6 showing of changed circumstances after a hearing upon notice
7 to all interested parties.

8 (e) An employer may not discharge an employee because a
9 licensee has subjected or attempted to subject unpaid earnings
10 of the employee to garnishment or like proceedings directed to
11 the employer for the purpose of paying a judgment arising from
12 an income share agreement.

13 Section 140. Use of multiple agreements. A licensee may
14 not use multiple agreements with respect to a single income
15 share agreement with intent to violate any limitations of this
16 Act.

17 Section 145. Required disclosures.

18 (a) A licensee shall disclose the following information to
19 each consumer, clearly and conspicuously, in a form that the
20 consumer can keep at the time the transaction is consummated:

21 (1) The date of the contract.

22 (2) The dollar amount of the amount financed.

23 (3) The ISA percentage, expressed as a percentage, and
24 an explanation of whether the ISA percentage is fixed or

1 will vary; and any limitation on the ISA percentage
2 adjustments or lack of limitations if the ISA percentage
3 will change after consummation of the income share
4 agreement. The ISA percentage shall be rounded to the
5 nearest one-hundredth of 1% if the ISA percentage is not a
6 whole number.

7 (4) The maximum number of payments expressed as a
8 whole number.

9 (5) The maximum duration expressed as a whole number
10 of the period of time.

11 (6) The income threshold expressed as a dollar amount
12 and a statement that payments will only be required during
13 periods when the consumer's income is equal to or exceeds
14 the income threshold.

15 (7) An itemization of the amount financed; if the ISA
16 provider is a seller of goods or services, then the amount
17 of any down payment and any additional fees or costs shall
18 be itemized.

19 (8) The definition of income to be used for the
20 purposes of calculating the consumer's obligations under
21 the income share agreement.

22 (9) A description of the terms under which the
23 obligations of the consumer under the income share
24 agreement will be extinguished before the full ISA
25 duration.

26 (10) A payment schedule that shows the date on which

1 the first payment will be due and reflecting each date
2 thereafter during the ISA duration that a payment may be
3 due.

4 (11) An itemization of any permissible fees associated
5 with the ISA.

6 (12) A description of the methods used by the ISA
7 provider to engage in a process of reconciliation and
8 verification to determine if the consumer's payments are
9 more than, equal to, or less than the payments owed by the
10 consumer under his or her income share agreement; this
11 description shall include the following:

12 (i) a description of the frequency or triggers
13 for the commencement of the income verification
14 process;

15 (ii) a description of the requirements and
16 timing of the process in which the consumer must
17 participate in order for the ISA provider to
18 verify the consumer's income; and

19 (iii) a description of any records or forms,
20 including tax records, that the consumer may be
21 required to execute or submit.

22 (13) The name and address of the ISA provider.

23 (14) A table displaying the dollar amounts of each
24 payment, the number of payments, the effective annual
25 percentage rate, and the sum total of all payments that a
26 consumer would be required to pay under the income share

1 agreement at a range of annual income levels based on the
2 ISA duration. The comparison table shall include a
3 statement that "This Comparison Table is for illustrative
4 purposes only and may not reflect the amounts that you are
5 likely to pay under this income share agreement. This
6 table assumes you have the same income over the entire
7 term of your income share agreement. It does not take into
8 account changes in income. Your income will likely change
9 over time. This table does not represent the income or
10 range of incomes that you are likely to earn in the
11 future.". In computing the APR, the ISA provider shall use
12 the amount financed and may assume that the income share
13 agreement will be disbursed in the amount and with the
14 disbursement schedule that it reasonably expects to follow
15 for such income share agreement and that payments would
16 commence on the date set forth in the income share
17 agreement. The income used in this disclosure shall
18 include, at minimum, the obligations at the following
19 incomes:

20 (i) no income;

21 (ii) income equal to the annual equivalent of
22 the income threshold;

23 (iii) various income scenarios with at least
24 calculations at annual incomes of \$40,000,
25 \$60,000, \$80,000, \$100,000, \$125,000, \$150,000,
26 \$175,000, and \$200,000; and

1 (iv) if known by the ISA provider, the
2 consumer's current income.

3 (15) A statement that the income share agreement is
4 not a fixed payment installment loan and that the amount
5 the consumer will be required to pay under the income
6 share agreement:

7 (i) may be more or less than the amount
8 financed by the ISA provider; and

9 (ii) will vary in proportion with the
10 consumer's income.

11 (b) The disclosures required by this Section shall be
12 grouped together and segregated from all other information.

13 (c) The disclosures required by this Section may be
14 provided to a consumer in electronic form, subject to
15 compliance with the consumer's consent and other applicable
16 provisions of the Electronic Signatures in Global and National
17 Commerce Act, 15 U.S.C. 7001 et seq., and applicable State
18 law.

19 (d) If model documents are established pursuant to any
20 federal law covering income share agreements, compliance with
21 those forms shall be considered compliance with this Act with
22 respect to the disclosure requirements contained in this Act.

23 Section 150. Early completion. An income share agreement
24 shall specify the terms and conditions by which the consumer
25 may extinguish his or her obligations under the income share

1 agreement before the end of the income share agreement's
2 duration. An income share agreement may include any method to
3 determine the early completion payment; however, a consumer
4 may always cancel an income share agreement by making
5 aggregate payments, excluding payments to fees, equal to the
6 ISA payment cap. The consumer is entitled to this early
7 completion regardless of whether the consumer makes this early
8 completion payment by making regularly scheduled payments or
9 by making a single lump sum payment in the amount of the early
10 completion payment.

11 Section 155. Assumption of increase in future income.

12 (a) If a consumer fails to provide income documentation as
13 reasonably required by an income share agreement, a licensee
14 may assign an amount of income to the consumer and compute the
15 consumer's monthly payment amount by any of the following
16 methods, to the extent disclosed in the income share
17 agreement:

18 (1) assigning an income amount obtained from a
19 reasonably reliable third party or a credit reporting
20 agency;

21 (2) if the consumer previously provided income
22 documentation or has had an income assigned in the prior
23 12-month period that has increased by an amount not to
24 exceed 10%, but such increase may not be applied more than
25 once per 12-month period;

1 (3) contacting the consumer's employer, or any person
2 or entity reasonably believed to represent the consumer's
3 employer, to obtain, verify, or update the consumer's
4 income information;

5 (4) contacting the Department of Revenue or the
6 Internal Revenue Service to obtain the most recent
7 information available about the student's income; or

8 (5) for licensees providing educational income share
9 agreements, assigning a reasonable qualified income based
10 on the incomes of:

11 (A) the nearest reasonably relevant quantile of
12 income for individuals working in the profession for
13 which the consumer's educational program was intended
14 to prepare the participant, as determined by
15 information published by the Bureau of Labor
16 Statistics or other reasonably reliable publicly
17 available data sources; or

18 (B) the nearest reasonably relevant quantile of
19 income of consumers who attended the same or a
20 reasonably comparable covered educational program or
21 course of study, as determined by information
22 published by the Bureau of Labor Statistics or other
23 reasonably reliable publicly available data sources.

24 (b) If a licensee assigns an income to a consumer's income
25 share agreement, it shall:

26 (1) notify the consumer in the monthly billing

1 statement, and in each billing statement thereafter while
2 the assigned income remains applicable to the consumer's
3 income share agreement, that income has been assigned and
4 of the consumer's rights under this Section;

5 (2) if the consumer does provide income information as
6 reasonably required by the income share agreement within
7 one year of the date on which the licensee notified the
8 consumer that assigned income will be applied to the
9 income share agreement, then, within 15 days after the
10 licensee's receipt of such information, the licensee shall
11 update each prior instance in which assigned income was
12 applied using the income information provided by the
13 consumer; and

14 (3) if the consumer provides income information more
15 than one year after the licensee first assigned income to
16 the consumer's income share agreement, then the licensee
17 may, but is not obligated to, update each prior instance
18 in which assigned income was applied using the income
19 information provided by the consumer.

20 (c) A licensee that assigns income to an income share
21 agreement shall retain all applicable records relating to the
22 method and data sources used to make such estimation for 3
23 years after the end of that income share agreement.

24 Section 160. Receipts; statements of account; evidence of
25 payment.

1 (a) The licensee shall deliver or mail to the consumer,
2 without request, a written receipt for each payment made
3 pursuant to an income share agreement. A periodic statement
4 showing a payment received by mail complies with this
5 subsection.

6 (b) Upon written request of a consumer, the licensee shall
7 provide a written statement of the dates and amounts of
8 payments made within the 12 months preceding the month in
9 which the request is received. The statement shall be provided
10 without charge once during each year of the term of the
11 obligation. If additional statements are requested, the
12 licensee may charge an amount not to exceed \$5.00 for each
13 additional statement.

14 (c) After a consumer has fulfilled all obligations with
15 respect to an income share agreement, the licensee, upon
16 request of the consumer, shall deliver or mail to the consumer
17 written evidence acknowledging termination of all obligations
18 with respect to the income share agreement.

19 Section 165. Advertising. A licensee may not advertise,
20 print, display, publish, distribute, broadcast, or cause to be
21 advertised, printed, displayed, published, distributed, or
22 broadcast in any manner any statement or representation that
23 is false, deceptive, or misleading.

24 Section 170. Penalties.

1 (a) A person who engages in business as a licensee without
2 the license required by this Act commits a Class 4 felony.

3 (b) The consumer, before the expiration of 2 years after
4 the date of his or her last scheduled payment, may recover such
5 reasonable attorneys' fees and court costs as a court may
6 assess. A bona fide error by a licensee in calculating
7 charges, fees, or rebates is not a violation if the licensee
8 corrects the error within a reasonable time after discovery.

9 (c) No provision of this Section imposing any liability
10 shall apply to any act done or omitted in conformity with any
11 rule or written interpretation of a rule by the Division of
12 Financial Institutions of the Department of Financial and
13 Professional Regulation, notwithstanding that after such act
14 or omission has occurred, such rule or interpretation is
15 amended, rescinded, or determined by judicial or other
16 authority to be invalid for any reason. All interpretations
17 must be written and signed by the Department's chief counsel
18 and approved by the Director.

19 (d) Notwithstanding any other provision of this Section,
20 if any person who does not have a license issued under this Act
21 makes an income share agreement to an Illinois consumer, then
22 the loan shall be null and void and the person who made the
23 income share agreement shall have no right to collect,
24 receive, or retain any amounts related to the income share
25 agreement.

1 Section 175. Cease and desist.

2 (a) The Director may issue a cease and desist order to any
3 licensee or another person doing business without a required
4 license, when in the opinion of the Director, the licensee or
5 the other person is violating or is about to violate any
6 provision of this Act or any rule or requirement imposed in
7 writing by the Department as a condition of granting any
8 authorization permitted by this Act.

9 (b) The Director may issue a cease and desist order before
10 a hearing.

11 (c) The Director shall serve notice of his or her action,
12 designated as a cease and desist order made pursuant to this
13 Section, including a statement of the reasons for the action,
14 either personally or by certified mail, return receipt
15 requested. Service by certified mail shall be deemed completed
16 when the notice is deposited in the U.S. mail.

17 (d) Within 15 days after service of the cease and desist
18 order, the licensee or the other person may request, in
19 writing, a hearing.

20 (e) The Director shall schedule a hearing within 30 days
21 after the request for a hearing unless otherwise agreed to by
22 the parties.

23 (f) The cost for the administrative hearing shall be set
24 by rule.

25 (g) If it is determined that the Director had the
26 authority to issue the cease and desist order, he or she may

1 issue such orders as may be reasonably necessary to correct,
2 eliminate, or remedy such conduct.

3 (h) The powers vested in the Director by this Section are
4 additional to all other powers and remedies vested in the
5 Director by law, and nothing in this Section shall be
6 construed as requiring that the Director employ the power
7 conferred in this Section instead of or as a condition
8 precedent to the exercise of any other power or remedy vested
9 in the Director.

10 (i) The Department shall have the authority to adopt rules
11 for the administration of this Section.

12 Section 180. Civil action. A claim of violation of this
13 Act may be asserted in a civil action.

14 Section 185. Application of Act. This Act does not apply
15 to any person, partnership, association, limited liability
16 company, or corporation doing business under and as permitted
17 by any law of this State or the United States relating to
18 banks, savings and loan associations, savings banks, or credit
19 unions. This Act does not apply to any income share agreements
20 or the like made with business or commercial entities.

21 Section 190. Rules. The Department may adopt and enforce
22 such reasonable rules, directions, orders, decisions, and
23 findings as the execution and enforcement of the provisions of

1 this Act require and that are not inconsistent with this Act.
2 In addition, the Department may adopt rules in connection with
3 the activities of licensees that are necessary and appropriate
4 for the protection of consumers in this State. All rules and
5 directions of a general character shall be sent electronically
6 to all licensees.

7 Section 195. Judicial review. All final administrative
8 decisions of the Department under this Act shall be subject to
9 judicial review pursuant to the provisions of the
10 Administrative Review Law and any rules adopted pursuant to
11 the Administrative Review Law.

12 Section 200. Injunction; civil penalties; costs. If it
13 appears to the Director that a person or any entity has
14 committed or is about to commit a violation of this Act, a rule
15 adopted under this Act, or an order of the Director, the
16 Director may apply to the circuit court for an order enjoining
17 the person or entity from violating or continuing to violate
18 this Act, the rule, or order and for injunctive or other relief
19 that the nature of the case may require and may, in addition,
20 request the court to assess a civil penalty up to \$1,000 along
21 with costs and attorneys' fees.

22 Section 205. Adjustment of dollar amounts.

23 (a) From time to time the dollar amounts in this Act

1 designated as subject to change shall change, as provided in
2 this Section, according to and to the extent of changes in the
3 index.

4 (b) The index for December of the year preceding the year
5 in which this Act becomes effective is the reference base
6 index.

7 (c) The designated dollar amounts shall change on July 1
8 of each even-numbered year if the percentage of change,
9 calculated to the nearest whole percentage point, between the
10 index and the end of the preceding year and the reference base
11 index is 10% or more, but:

12 (1) the portion of the percentage change in the index
13 in excess of a multiple of 10% shall be disregarded and the
14 dollar amounts shall change only in multiples of 10% of
15 the amounts provided in this Act on the date of enactment;
16 and

17 (2) the dollar amounts shall not change if the amounts
18 required by this Section are those currently in effect
19 pursuant to this Act as a result of earlier application of
20 this Section.

21 (d) If the index is revised, the percentage of change
22 pursuant to this Section shall be calculated on the basis of
23 the revised index. If a revision of the index changes the
24 reference base index, a revised reference base index shall be
25 determined by multiplying the reference base index then
26 applicable by the rebasing factor furnished by the Bureau of

1 Labor Statistics. If the index is superseded, the index
2 referred to in this Section is the one represented by the
3 Bureau of Labor Statistics as reflecting most accurately
4 changes in the purchasing power of the dollar for consumers.

5 (e) The Department shall adopt a rule setting forth, on or
6 before April 30 of each year in which dollar amounts are to
7 change, the changes in dollar amounts required by this
8 Section. As soon as practical after the changes occur, the
9 Department shall adopt a rule setting forth the changes in the
10 index required by subsection (d), including, if applicable,
11 the numerical equivalent of the reference base index under a
12 revised reference base index and the designation or title of
13 any index superseding the index.

14 (f) A person does not violate this Act with respect to a
15 transaction otherwise complying with this Act if he or she
16 relies on dollar amounts either determined according to
17 subsection (c) or appearing in the last rule of the Department
18 announcing the then-current dollar amounts.

19 Section 210. Construction against implicit authority. This
20 Act is a general act intended as a unified coverage of its
21 subject matter; no part of this Act shall be construed to be
22 impliedly repealed by subsequent legislation if that
23 construction can reasonably be avoided.

24 Section 215. Application of Act.

1 (a) During the first 90 days after the effective date of
2 this Act, any person who has applied for a license under this
3 Act or filed written notice of intention to apply for a license
4 with the Director and whose application has not been denied,
5 shall be subject to all provisions of this Act and may make
6 income share agreements as if he or she were a licensee under
7 this Act.

8 (b) This Act shall not apply to any contract or
9 transaction made before the effective date of this Act.

10 Section 220. Severability. The provisions of this Act are
11 severable under Section 1.31 of the Statute on Statutes.

12 Section 999. Effective date. This Act takes effect upon
13 becoming law.