



103RD GENERAL ASSEMBLY

State of Illinois

2023 and 2024

HB5538

Introduced 2/9/2024, by Rep. Mark L. Walker

SYNOPSIS AS INTRODUCED:

See Index

Amends the Financial Institutions Code. Changes the name of the Code to the Financial Institutions Act. Makes conforming changes, including in the Collection Agency Act. Provides that the Division of Financial Institutions is authorized to receive and investigate complaints made about regulated persons; to keep records of all registrations or other authorizations; to issue orders and fines, to require information or reports from regulated persons; to examine activities, books, and records of regulated persons; to defray operating and implementation expenses of administering the Act and other laws; to enter into cooperative agreements; to prescribe the forms of and receive applications or other authorizations and all reports, books, and records required to be made by regulated persons; to subpoena documents and witnesses and administer oaths; to appoint examiners, supervisors, experts, and special assistants; and to investigate and take actions reasonably necessary to prohibit and stop unlicensed activity. Provides for the Division to make and implement rules. Repeals provisions relating to the transfer of powers, rights, and duties from various former Departments to the Department of Financial and Professional Regulation. Provides for a Director of the Division appointed by the Governor to report to the Secretary of Financial and Professional Regulation. Provides that any Illinois circuit court may enter an order to enforce subpoenas issued by the Division. Requires regulated persons to maintain character and fitness to justify confidence of the public. Provides for the Secretary to enter into consent orders or settlement agreements with regulated persons. Provides exceptions for some forms of financial interest in any financial institutions under the Division's jurisdiction. Makes other changes. Amends the Consumer Installment Loan Act and the Payday Loan Reform Act. Provides that the Director may fine a person doing business without the required license. Makes other changes. Effective immediately.

LRB103 37882 RTM 68013 b

1 AN ACT concerning State government.

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

4 Section 5. The Financial Institutions Code is amended by
5 changing Sections 1, 2, 4, 6, 6a, 7, 8, 15, 16, 17, and 18 and
6 by adding Sections 18.2, 18.3, 18.4, and 18.5 as follows:

7 (20 ILCS 1205/1) (from Ch. 17, par. 101)

8 Sec. 1. Short title. This Act shall be known and shall be
9 cited as the "Financial Institutions Act Code."

10 (Source: Laws 1957, p. 369.)

11 (20 ILCS 1205/2) (from Ch. 17, par. 102)

12 Sec. 2. Purpose. The purpose of the Financial Institutions
13 Act Code is to provide ~~under the Governor~~ for the orderly
14 administration and enforcement of laws relating to financial
15 institutions under the authority of the Governor.

16 (Source: Laws 1957, p. 369.)

17 (20 ILCS 1205/4) (from Ch. 17, par. 104)

18 Sec. 4. Definitions. As used in this Act:

19 "Address of record" means the designated address recorded
20 by the Division in the applicant's application file or the
21 licensee's license file, as maintained by the Division.

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

3 "Director" means the Director or acting Director of the
4 Division of Financial Institutions and any authorized
5 representative of the Director.

6 "Division" means the Division of Financial Institutions of
7 the Department.

8 "Financial institutions" means ambulatory and community
9 currency exchanges, credit unions, guaranteed credit unions,
10 money transmitters, title insuring or guaranteeing companies
11 and their agents, consumer installment lenders, payday
12 lenders, sales finance agencies, consumer legal funding
13 companies, collection agencies, and any other person who
14 ~~industry or business that~~ offers services or products that are
15 regulated under any Act administered by the Director.

16 "License" means any certificate or authorization issued to
17 any person, party, or entity pursuant to any Act administered
18 by the Division.

19 "Licensee" means any person, party, or entity who is or
20 comes to be certified, chartered, registered, licensed, or
21 otherwise authorized by the Division pursuant to any Act
22 administered by the Division.

23 "Payday loan" has the meaning ascribed to that term in the
24 Payday Loan Reform Act.

25 "Person" means any individual, partnership, joint venture,
26 trust, estate, firm, corporation, cooperative society or

1 association, or any other form of business association or
2 legal entity.

3 "Regulated person" means a person whose activities are
4 subject to an Act or rule that is administered by the Division.
5 "Regulated person" includes licensees as well as persons who
6 are lawfully or unlawfully unlicensed. "Regulated person" also
7 includes managers and owners of the licensee.

8 "Secretary" means the Secretary or acting Secretary of
9 Financial and Professional Regulation and any authorized
10 representative of the Secretary.

11 (Source: P.A. 102-975, eff. 1-1-23.)

12 (20 ILCS 1205/6)

13 Sec. 6. General powers and duties. In addition to the
14 powers and duties provided by law and imposed elsewhere in
15 this Act, the Division has the following powers and duties:

16 (1) To administer and enforce the Consumer Installment
17 Loan Act and its implementing rules.

18 (2) To administer and enforce the Currency Exchange
19 Act and its implementing rules.

20 (3) To administer and enforce the Debt Management
21 Service Act and its implementing rules.

22 (4) To administer and enforce the Debt Settlement
23 Consumer Protection Act and its implementing rules.

24 (5) To administer and enforce the Illinois Development
25 Credit Corporation Act and its implementing rules.

1 (6) To administer and enforce the Payday Loan Reform
2 Act and its implementing rules.

3 (7) To administer and enforce the Safety Deposit
4 License Act and its implementing rules.

5 (8) To administer and enforce the Sales Finance Agency
6 Act and its implementing rules.

7 (9) To administer and enforce the Title Insurance Act
8 and its implementing rules.

9 (10) To administer and enforce the Transmitters of
10 Money Act and its implementing rules.

11 (11) To administer and enforce the Predatory Loan
12 Prevention Act and its implementing rules.

13 (12) To administer and enforce the Motor Vehicle
14 Retail Installment Sales Act and its implementing rules.

15 (13) To administer and enforce the Retail Installment
16 Sales Act and its implementing rules.

17 (14) To administer and enforce the Illinois Credit
18 Union Act and its implementing rules.

19 (15) To administer and enforce the Collection Agency
20 Act and its implementing rules.

21 (16) To administer and enforce the Consumer Legal
22 Funding Act and its implementing rules.

23 (17) ~~(16)~~ To administer and enforce this Act and any
24 other Act administered by the Director or Division.

25 ~~(17) If the Division is authorized or required by law~~
26 ~~to consider some aspect of criminal history record~~

~~information for the purpose of carrying out its statutory powers and responsibilities, to obtain from the Illinois State Police, upon request and payment of the fees required by the Illinois State Police Law of the Civil Administrative Code of Illinois, pursuant to positive identification, such information contained in State files as is necessary to carry out the duties of the Division.~~

(18) To authorize and administer examinations to ascertain the qualifications of applicants and licensees for which the examination is held.

(19) To conduct hearings in proceedings to revoke, suspend, refuse to renew, or take other disciplinary action regarding licenses, charters, certifications, registrations, or authorities of persons as authorized in any Act administered by the Division.

(20) To receive, consider, investigate, and act upon complaints made by any person relating to a regulated person.

(21) To keep records of all licenses, registrations, charters, or other authorizations.

(22) To issue orders and fines against any person: (A) if the Secretary has reasonable cause to believe that an unsafe, unsound, deceptive, unfit, or unlawful practice has occurred, is occurring, or is likely to occur; (B) if any person has violated, is violating, or is about to violate any law, rule, or written agreement with the

1 Secretary; or (C) for the purpose of administering the
2 provisions of this Act or other law and any rule adopted in
3 accordance with this Act or other law administered by the
4 Division.

5 (23) To require information or reports from any
6 licensee or regulated person at any time the Secretary
7 chooses.

8 (24) To examine the activities, books, and records of
9 every regulated person.

10 (25) To enforce the provisions of this Act, Illinois
11 laws, and the federal laws applicable to persons regulated
12 by the Division.

13 (26) To levy fees, fines, and civil penalties, charge
14 for services, and impose assessments to defray operating
15 expenses, including direct and indirect costs, of
16 administering this Act and other laws administered by the
17 Division.

18 (27) To enter into cooperative agreements with federal
19 and state regulatory authorities and to accept reports of
20 examinations from federal and state regulatory
21 authorities.

22 (28) To exercise visitorial power over regulated
23 persons.

24 (29) To prescribe the forms of and receive (A)
25 applications for licenses, registrations, charters, or
26 other authorizations; and (B) all reports and all books

1 and records required to be made by any regulated person.

2 (30) To subpoena documents and witnesses and compel
3 their attendance and production, to administer oaths, and
4 to require the production of any books, papers, or other
5 materials relevant to any inquiry authorized by this Act
6 or other law administered by the Division.

7 (31) To appoint examiners, supervisors, experts, and
8 special assistants as needed to administer this Act and
9 other laws administered by the Division.

10 (32) To assign an examiner or examiners to monitor the
11 affairs of a regulated person with whatever frequency the
12 Secretary determines appropriate and to charge the
13 regulated person for reasonable and necessary expenses of
14 the Secretary.

15 (33) To investigate unlicensed activity and take any
16 actions reasonably necessary to prohibit and stop
17 unlicensed activity.

18 (34) To perform any other lawful acts necessary or
19 desirable to carry out the purposes and provisions of this
20 Act and other laws administered by the Division.

21 Whenever the Division is authorized or required by law to
22 consider some aspect of criminal history record information
23 for the purpose of carrying out its statutory powers and
24 responsibilities, then, upon request and payment of fees in
25 conformance with the requirements of Section 2605-400 of the
26 Illinois State Police Law, the Illinois State Police is

1 authorized to furnish, pursuant to positive identification,
2 the information contained in State files that is necessary to
3 fulfill the request.

4 (Source: P.A. 102-538, eff. 8-20-21; 102-813, eff. 5-13-22;
5 102-975, eff. 1-1-23; 103-154, eff. 6-30-23.)

6 (20 ILCS 1205/6a) (from Ch. 17, par. 107)

7 Sec. 6a. Rulemaking authority.

8 (a) In addition to such powers and rulemaking authority as
9 may be prescribed elsewhere in this Act or other laws
10 administered by the Division, the Secretary may adopt rules
11 consistent with the purposes of this Act applicable to
12 regulated persons, including, but not limited to:

13 (1) rules in connection with the activities of
14 regulated person as may be necessary and appropriate for
15 the protection of consumers in this State;

16 (2) rules to define the terms used in this Act and as
17 may be necessary and appropriate to interpret and
18 implement the provisions of this Act and any other law
19 administered by the Division;

20 (3) rules as may be necessary for the implementation,
21 administration, and enforcement of this Act and any other
22 law administered by the Division;

23 (4) rules relating to prohibiting disclosure of
24 confidential supervisory information; and

25 (5) rules as may be necessary to increase competition

1 and price transparency.

2 (b) The Secretary is hereby authorized and empowered to
3 make specific rulings, demands, and findings that the
4 Secretary deems necessary for the proper conduct of regulated
5 persons.

6 ~~The Director may, in accordance with The Illinois~~
7 ~~Administrative Procedure Act, adopt reasonable rules with~~
8 ~~respect to the administration and enforcement of any Act the~~
9 ~~administration of which is vested in the Director or the~~
10 ~~Department.~~

11 (Source: P.A. 81-205.)

12 (20 ILCS 1205/7) (from Ch. 17, par. 108)

13 Sec. 7. Illinois Administrative Procedure Act. The
14 provisions of the "The Illinois Administrative Procedure Act",
15 ~~as now or hereafter amended,~~ are hereby expressly adopted and
16 incorporated herein as though a part of this Act, and shall
17 apply to all administrative rules and procedures of the
18 Division Director and the Department of Financial Institutions
19 under this Act., ~~except that the provisions of the~~
20 ~~Administrative Procedure Act regarding contested cases shall~~
21 ~~not apply to actions of the Director under Section 15.1 of "An~~
22 ~~Act in relation to the definition, licensing and regulation of~~
23 ~~community currency exchanges and ambulatory currency~~
24 ~~exchanges, and the operators and employees thereof, and to~~
25 ~~make an appropriation therefor, and to provide penalties and~~

1 ~~remedies for the violation thereof", approved June 30, 1943,~~
2 ~~as amended, or Sections 8 and 61 of "The Illinois Credit Union~~
3 ~~Act".~~

4 (Source: P.A. 100-22, eff. 1-1-18.)

5 (20 ILCS 1205/8) (from Ch. 17, par. 109)

6 Sec. 8. Duties of the Secretary. The Secretary ~~Director~~
7 shall direct and supervise all Department administrative and
8 technical activities, in addition to the duties imposed upon
9 the Secretary ~~him~~ elsewhere in this Act ~~Code~~, and shall:

10 (1) Apply and carry out this Act ~~Code~~ and the laws and all
11 rules adopted in pursuance thereof.

12 (2) Appoint, subject to the provisions of the Personnel
13 Code, such employees of the Division ~~Department~~ and such
14 experts and special assistants as may be necessary to carry
15 out effectively the provisions of this Act ~~Code~~.

16 (3) Foster and develop programs with financial
17 institutions, for the best interests of these institutions,
18 their services, and the People ~~people~~ of the State of
19 Illinois.

20 (4) Attend meetings of the Advisory Boards created by laws
21 relating to financial institutions.

22 ~~(5) Make continuous studies and report his recommendations~~
23 ~~to the Governor for the improvement of the Department.~~

24 ~~(6) Make an annual report regarding the work of the~~
25 ~~Department and such special reports as he may consider~~

1 ~~desirable to the Governor, or as the Governor may request.~~

2 (5) ~~(7)~~ Perform any other lawful acts that the Secretary
3 ~~which he~~ may consider necessary or desirable to carry out the
4 purposes and provisions of this Act ~~Law~~.

5 (Source: Laws 1957, p. 369.)

6 (20 ILCS 1205/15) (from Ch. 17, par. 116)

7 Sec. 15. Pending actions and proceedings. This Act shall
8 not affect any act done, ratified or confirmed or any right
9 accrued or established, or affect or abate any action or
10 proceeding had or commenced in a civil or criminal cause
11 before this Act takes effect; but such actions or proceedings
12 may be prosecuted and continued by the Division ~~Department of~~
13 ~~Financial Institutions.~~

14 (Source: Laws 1957, p. 369.)

15 (20 ILCS 1205/16) (from Ch. 17, par. 117)

16 Sec. 16. Director and supervisors. The Governor shall
17 appoint a Director of the Division, who shall oversee the
18 Division and who shall report to the Secretary. There shall be
19 a Supervisor of Consumer Credit, a Supervisor of Currency
20 Exchanges, a Supervisor of Title Insurance, and a Supervisor
21 of Credit Unions. The respective supervisors ~~Supervisors~~ shall
22 be appointed by and responsible to the Director and shall be
23 administratively responsible within the Department for the
24 financial institutions ~~and title insurance entities~~ to which

1 their appointments pertain. The Secretary may appoint other
2 supervisory staff as deemed necessary to implement Acts the
3 Division administers.

4 (Source: P.A. 99-549, eff. 7-15-16.)

5 (20 ILCS 1205/17) (from Ch. 17, par. 118)

6 Sec. 17. Prohibited interests. Neither the Secretary, the
7 Director, nor any supervisor in the Division, nor any examiner
8 in the Division shall be an officer, director, owner, or
9 shareholder of, or a partner in, or have any proprietary
10 interest, direct or indirect, in any financial institution
11 under the jurisdiction of the Division. However, ~~provided,~~
12 ~~however, that~~ ownership of withdrawable capital accounts or
13 shares in credit unions and ownership of diversified
14 investment funds, employee benefit plans, pensions, retirement
15 and thrift saving plans, or similar financial instruments in
16 which the employee has no ability to exercise control over or
17 selection of the financial interests held by the fund are
18 permitted shall not be deemed to be prevented hereby. If the
19 Secretary, Director, or any supervisor, or examiner within the
20 Division is a, shall be a shareholder, ~~or~~ partner in, or an
21 owner of or has ~~have~~ any interest, direct or indirect, in any
22 such financial institution under the jurisdiction of the
23 Division at the time of ~~his~~ appointment, that person ~~he~~ shall
24 dispose of the ~~his~~ shares of stock or other evidences of
25 ownership or property within 120 days from the date of ~~his~~

1 appointment. It is unlawful for the Secretary, Director, or
2 any supervisor or examiner within the Division to obtain or
3 repay any loan, product, or service from a financial
4 institution subject to the jurisdiction of the Division on
5 terms more favorable than those offered to the general public.
6 The Secretary is authorized to adopt rules to implement or
7 interpret this Section. ~~It is unlawful for the Director, any~~
8 ~~supervisor or examiner to obtain any loan or gratuity from a~~
9 ~~financial institution subject to the jurisdiction of the~~
10 ~~Department as herein provided. If any other employee of the~~
11 ~~Department borrows from or becomes indebted in an aggregate~~
12 ~~amount of \$2,500 or more to any financial institution subject~~
13 ~~to the jurisdiction of the Department, he shall make a written~~
14 ~~report to the Director stating the date and amount of such loan~~
15 ~~or indebtedness, the security therefor, if any, and the~~
16 ~~purpose or purposes for which proceeds have been or are to be~~
17 ~~used.~~

18 (Source: P.A. 91-357, eff. 7-29-99.)

19 (20 ILCS 1205/18) (from Ch. 17, par. 119)

20 Sec. 18. Oaths; subpoenas; penalty.

21 (a) At any time during the course of any investigation or
22 hearing conducted pursuant to any Act administered by the
23 Division, the Secretary ~~The Director~~ shall have the power to
24 administer oaths, subpoena witnesses, take evidence, and
25 compel the production of any books, records, or any other

1 documents that the Secretary deems relevant or ~~and papers~~
2 pertinent to any investigation or hearing regarding the
3 operation of any financial institution. Witnesses in
4 investigations or hearings conducted under this Section are
5 entitled to the same fees and mileage, and in the same manner,
6 as prescribed by law in judicial proceedings in civil cases of
7 this State.

8 (b) Any person who fails to appear in response to a
9 subpoena, ~~or~~ to answer any question, ~~to~~ ~~or~~ produce any books,
10 ~~and~~ papers, records, or any documents deemed relevant or
11 pertinent to such investigation or hearing, or who knowingly
12 gives false testimony therein, is guilty of a Class A
13 misdemeanor. Each violation shall constitute a separate and
14 distinct offense. In addition to initiating criminal
15 proceedings through referral, the Division, through the
16 Attorney General, may seek enforcement of any such subpoena in
17 any circuit court of this State.

18 (Source: P.A. 77-2594.)

19 (20 ILCS 1205/18.2 new)

20 Sec. 18.2. Court order requiring attendance of witnesses
21 or production of materials. Upon application by the Division,
22 any Illinois circuit court may enter an order to enforce a
23 subpoena issued by the Division for the attendance of
24 witnesses and the production of relevant books and papers or
25 other documents deemed relevant or pertinent before the

1 Division in any hearing relative to the denial of an
2 application, refusal to renew, suspension, revocation, placing
3 on probationary status, reprimand, fine, or the taking of any
4 other disciplinary action as may be authorized in any Act
5 administered by the Division. The court may compel obedience
6 to its order through proceedings for contempt.

7 (20 ILCS 1205/18.3 new)

8 Sec. 18.3. Perjury; penalty. The Secretary may require any
9 document filed under any Act administered or rule adopted by
10 the Division to be verified or contain a written affirmation
11 that it is signed under the penalties of perjury. Any person
12 who knowingly signs a fraudulent document commits perjury as
13 defined in Section 32-2 of the Criminal Code of 2012 and shall
14 be guilty of a Class A misdemeanor.

15 (20 ILCS 1205/18.4 new)

16 Sec. 18.4. Character and fitness. To receive and maintain
17 any license for any Act administered by the Division, a
18 regulated person shall at all times have the character and
19 general fitness as to justify the confidence of the public and
20 be fit, willing, and able to carry on the proposed business in
21 a lawful and fair manner.

22 (20 ILCS 1205/18.5 new)

23 Sec. 18.5. Consent orders and settlement agreements. The

1 Secretary may enter into a consent order or settlement
2 agreement at any time with a regulated person to resolve a
3 matter arising under this Act or any other Act under the
4 jurisdiction of the Division. A consent order or settlement
5 agreement need not constitute an admission by a regulated
6 person that this Act or a rule or order issued or adopted under
7 this Act or any Act under the jurisdiction of the Division has
8 been violated, nor need it constitute a finding by the
9 Secretary that the person has violated this Act or a rule or
10 order adopted under this Act or any Act under the jurisdiction
11 of the Division.

12 (20 ILCS 1205/9 rep.)

13 (20 ILCS 1205/10 rep.)

14 (20 ILCS 1205/11 rep.)

15 (20 ILCS 1205/12 rep.)

16 (20 ILCS 1205/13 rep.)

17 (20 ILCS 1205/13.5 rep.)

18 (20 ILCS 1205/14 rep.)

19 Section 10. The Financial Institutions Code is amended by
20 repealing Sections 9, 10, 11, 12, 13, 13.5, and 14.

21 Section 15. The Currency Exchange Act is amended by
22 changing Section 19 as follows:

23 (205 ILCS 405/19) (from Ch. 17, par. 4835)

1 Sec. 19. The Department may make and enforce such
2 reasonable rules, directions, orders, decisions and findings
3 as the execution and enforcement of the provisions of this Act
4 require, and as are not inconsistent within this Act. All such
5 rules, directions, orders, decisions and findings shall be
6 filed and entered by the Secretary in an indexed permanent
7 book or record, or electronic record, with the effective date
8 thereof suitably indicated, and such book or record shall be a
9 public document. All rules and directions, which are of a
10 general character, shall be made available in electronic form
11 to all licensees within 10 days after filing and any changes
12 shall be emailed to all licensees ~~shall receive by mail notice~~
13 ~~of any changes~~. Copies of all findings, orders and decisions
14 shall be mailed to the parties affected thereby by United
15 States mail within 5 days of such filing.

16 The Department shall adopt rules concerning classes of
17 violations, which may include continuing violations of this
18 Act, and factors in mitigation of violations.

19 (Source: P.A. 99-445, eff. 1-1-16.)

20 Section 20. The Sales Finance Agency Act is amended by
21 changing Section 8 as follows:

22 (205 ILCS 660/8) (from Ch. 17, par. 5208)

23 Sec. 8. The Department may deny an application for a
24 license, deny an application for renewal of a license, or

1 suspend or revoke a license on any of the grounds listed in
2 Sections 8.1 through 8.14 and the Financial Institutions Act.
3 (Source: P.A. 90-437, eff. 1-1-98.)

4 Section 25. The Consumer Installment Loan Act is amended
5 by changing Sections 9, 15 and 20.5 as follows:

6 (205 ILCS 670/9) (from Ch. 17, par. 5409)

7 Sec. 9. Fines, Suspension or Revocation of license.

8 (a) The Director may fine a licensee or any other person or
9 entity doing business without the required license, after 10
10 days notice by registered mail to the licensee at the address
11 set forth in the license, stating the contemplated action and
12 in general the grounds therefor, fine such licensee an amount
13 not exceeding \$10,000 per violation, or revoke or suspend any
14 license issued hereunder if he or she finds that:

15 (1) The licensee has failed to comply with any
16 provision of this Act or any order, decision, finding,
17 rule, regulation or direction of the Director lawfully
18 made pursuant to the authority of this Act; or

19 (2) Any fact or condition exists which, if it had
20 existed at the time of the original application for the
21 license, clearly would have warranted the Director in
22 refusing to issue the license.

23 (a-5) All orders issued pursuant to this Act shall be
24 served on the licensee, person, or entity with notice of his or

1 her action, including a statement of the reasons for his or her
2 actions, either personally, or by certified mail. Service by
3 certified mail shall be deemed completed when the notice is
4 deposited in the U.S. Mail.

5 (b) The Director may fine, suspend, or revoke only the
6 particular license with respect to which grounds for the fine,
7 revocation or suspension occur or exist, but if the Director
8 shall find that grounds for revocation are of general
9 application to all offices or to more than one office of the
10 licensee, the Director shall fine, suspend, or revoke every
11 license to which such grounds apply.

12 (c) (Blank).

13 (d) No revocation, suspension, or surrender of any license
14 shall impair or affect the obligation of any pre-existing
15 lawful contract between the licensee and any obligor.

16 (e) The Director may issue a new license to a licensee
17 whose license has been revoked when facts or conditions which
18 clearly would have warranted the Director in refusing
19 originally to issue the license no longer exist.

20 (f) (Blank).

21 (g) In every case in which a license is suspended or
22 revoked or an application for a license or renewal of a license
23 is denied, the Director shall serve the licensee with notice
24 of his or her action, including a statement of the reasons for
25 his or her actions, either personally, or by certified mail,
26 return receipt requested. Service by certified mail shall be

1 deemed completed when the notice is deposited in the U.S.
2 Mail.

3 (h) An order assessing a fine, an order revoking or
4 suspending a license or, an order denying renewal of a license
5 shall take effect upon service of the order unless the
6 licensee requests, in writing, within 10 days after the date
7 of service, a hearing. In the event a hearing is requested, the
8 order shall be stayed until a final administrative order is
9 entered.

10 (i) If the licensee requests a hearing, the Director shall
11 schedule a preliminary hearing within 30 days after the
12 request for a hearing unless otherwise agreed to by the
13 parties.

14 (j) The hearing shall be held at the time and place
15 designated by the Director. The Director and any
16 administrative law judge designated by him or her shall have
17 the power to administer oaths and affirmations, subpoena
18 witnesses and compel their attendance, take evidence, and
19 require the production of books, papers, correspondence, and
20 other records or information that he or she considers relevant
21 or material to the inquiry.

22 (k) The costs for the administrative hearing shall be set
23 by rule.

24 (l) The Director shall have the authority to prescribe
25 rules for the administration of this Section.

26 (m) The Department shall establish by rule and publish a

1 schedule of fines that are reasonably tailored to ensure
2 compliance with the provisions of this Act and which include
3 remedial measures intended to improve licensee compliance.
4 Such rules shall set forth the standards and procedures to be
5 used in imposing any such fines and remedies.

6 (Source: P.A. 98-209, eff. 1-1-14.)

7 (205 ILCS 670/15) (from Ch. 17, par. 5415)

8 Sec. 15. Charges permitted.

9 (a) Every licensee may lend a principal amount not
10 exceeding \$40,000 and may charge, contract for and receive
11 thereon charges ~~interest~~ at an annual percentage rate of no
12 more than 36%, subject to the provisions of this Act. For
13 purposes of this Section, the annual percentage rate shall be
14 calculated as such rate is calculated using the system for
15 calculating a military annual percentage rate under Section
16 232.4 of Title 32 of the Code of Federal Regulations as in
17 effect on the effective date of this amendatory Act of the
18 101st General Assembly.

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

21 "Applicable interest" for a precomputed loan contract
22 means the amount of interest attributable to each monthly
23 installment period. It is computed as if each installment
24 period were one month and any interest charged for extending
25 the first installment period beyond one month is ignored. The

1 applicable interest for any monthly installment period is that
2 portion of the precomputed interest that bears the same ratio
3 to the total precomputed interest as the balances scheduled to
4 be outstanding during that month bear to the sum of all
5 scheduled monthly outstanding balances in the original
6 contract.

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

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

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

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

21 (d) To compute time for either interest-bearing or
22 precomputed loans for the calculation of interest and other
23 purposes, a month shall be a calendar month and a day shall be
24 considered 1/30th of a month when calculation is made for a
25 fraction of a month. A month shall be 1/12th of a year. A
26 calendar month is that period from a given date in one month to

1 the same numbered date in the following month, and if there is
2 no same numbered date, to the last day of the following month.
3 When a period of time includes a month and a fraction of a
4 month, the fraction of the month is considered to follow the
5 whole month. In the alternative, for interest-bearing loans,
6 the licensee may charge interest at the rate of 1/365th of the
7 agreed annual rate for each day actually elapsed.

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

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

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

26 (2) Interest shall not be payable in advance or

1 compounded. However, if part or all of the consideration
2 for a new loan contract is the unpaid principal balance of
3 a prior loan, then the principal amount payable under the
4 new loan contract may include any unpaid interest which
5 has accrued. The unpaid principal balance of a precomputed
6 loan is the balance due after refund or credit of unearned
7 interest as provided in paragraph (f), clause (3). The
8 resulting loan contract shall be deemed a new and separate
9 loan transaction for all purposes.

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

16 (4) The lender or creditor may, if the contract
17 provides, collect a delinquency or collection charge on
18 each installment in default for a period of not less than
19 10 days in an amount not exceeding 5% of the installment on
20 installments in excess of \$200, or \$10 on installments of
21 \$200 or less, but only one delinquency and collection
22 charge may be collected on any installment regardless of
23 the period during which it remains in default.

24 (f) With respect to precomputed loans:

25 (1) Loans shall be repayable in substantially equal
26 and consecutive weekly, biweekly, semimonthly, or monthly

1 installments of principal and interest combined, except
2 that the first installment period may be longer than one
3 month by not more than 15 days, and the first installment
4 payment amount may be larger than the remaining payments
5 by the amount of interest charged for the extra days; and
6 provided further that monthly installment payment dates
7 may be omitted to accommodate borrowers with seasonal
8 income.

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

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

1 the date of the loan to the date of prepayment, and shall
2 refund or credit the obligor with the balance of the total
3 interest contracted for. If the maturity of the loan is
4 accelerated for any reason and judgment is entered, the
5 licensee shall credit the borrower with the same refund as
6 if prepayment in full had been made on the date the
7 judgment ~~judgement~~ is entered.

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

16 (5) If the parties agree in writing, either in the
17 loan contract or in a subsequent agreement, to a deferment
18 of wholly unpaid installments, a licensee may grant a
19 deferment and may collect a deferment charge as provided
20 in this Section. A deferment postpones the scheduled due
21 date of the earliest unpaid installment and all subsequent
22 installments as originally scheduled, or as previously
23 deferred, for a period equal to the deferment period. The
24 deferment period is that period during which no
25 installment is scheduled to be paid by reason of the
26 deferment. The deferment charge for a one-month ~~one month~~

1 period may not exceed the applicable interest for the
2 installment period immediately following the due date of
3 the last undeferred payment. A proportionate charge may be
4 made for deferment for periods of more or less than one
5 month. A deferment charge is earned pro rata during the
6 deferment period and is fully earned on the last day of the
7 deferment period. Should a loan be prepaid in full during
8 a deferment period, the licensee shall credit to the
9 obligor a refund of the unearned deferment charge in
10 addition to any other refund or credit made for prepayment
11 of the loan in full.

12 (6) If 2 ~~two~~ or more installments are delinquent one
13 full month or more on any due date, and if the contract so
14 provides, the licensee may reduce the unpaid balance by
15 the refund credit which would be required for prepayment
16 in full on the due date of the most recent maturing
17 installment in default. Thereafter, and in lieu of any
18 other default or deferment charges, the agreed rate of
19 interest may be charged on the unpaid balance until fully
20 paid.

21 (7) Fifteen days after the final installment as
22 originally scheduled or deferred, the licensee, for any
23 loan contract which has not previously been converted to
24 interest-bearing under paragraph (f), clause (6), may
25 compute and charge interest on any balance remaining
26 unpaid, including unpaid default or deferment charges, at

1 the agreed rate of interest until fully paid. At the time
2 of payment of said final installment, the licensee shall
3 give notice to the obligor stating any amounts unpaid.

4 (Source: P.A. 101-563, eff. 8-23-19; 101-658, eff. 3-23-21.)

5 (205 ILCS 670/20.5)

6 Sec. 20.5. Cease and desist.

7 (a) The Director may issue a cease and desist order to any
8 licensee, or other person or entity doing business without the
9 required license, when in the opinion of the Director, the
10 licensee, or other person or entity, has violated, is
11 violating, or is about to violate any provision of this Act or
12 any rule or requirement imposed in writing by the Department
13 as a condition of granting any authorization permitted by this
14 Act.

15 (b) The Director may issue a cease and desist order prior
16 to a hearing.

17 (c) The Director shall serve notice of his or her action,
18 designated as a cease and desist order made pursuant to this
19 Section, including a statement of the reasons for the action,
20 either personally or by certified mail, ~~return receipt~~
21 ~~requested~~. Service by certified mail shall be deemed completed
22 when the notice is deposited in the U.S. mail.

23 (d) Within 15 days of service of the cease and desist
24 order, the licensee or other person may request, in writing, a
25 hearing.

1 (e) The Director shall schedule a preliminary hearing
2 within 30 days after the request for a hearing unless
3 otherwise agreed to by the parties.

4 (f) The Director shall have the authority to prescribe
5 rules for the administration of this Section.

6 (g) If it is determined that the Director had the
7 authority to issue the cease and desist order, he or she may
8 issue such orders as may be reasonably necessary to correct,
9 eliminate, or remedy such conduct.

10 (h) The powers vested in the Director by this Section are
11 additional to any and all other powers and remedies vested in
12 the Director by law, and nothing in this Section shall be
13 construed as requiring that the Director shall employ the
14 power conferred in this Section instead of or as a condition
15 precedent to the exercise of any other power or remedy vested
16 in the Director.

17 (i) The cost for the administrative hearing shall be set
18 by rule.

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

20 Section 35. The Collection Agency Act is amended by
21 changing Section 13.2 as follows:

22 (205 ILCS 740/13.2) (was 225 ILCS 425/13.2)

23 (Section scheduled to be repealed on January 1, 2026)

24 Sec. 13.2. Powers and duties of Department. The Department

1 shall exercise the powers and duties prescribed by the
2 Financial Institutions Act ~~Code~~ for the administration of
3 licensing Acts and shall exercise such other powers and duties
4 necessary for effectuating the purposes of this Act.

5 Subject to the provisions of this Act, the Department may:

6 (1) Conduct hearings on proceedings to refuse to issue
7 or renew or to revoke licenses or suspend, place on
8 probation, or reprimand persons licensed under this Act.

9 (2) To adopt rules consistent with the purposes of
10 this Act, including, but not limited to: (i) rules in
11 connection with the activities of collection agencies as
12 may be necessary and appropriate for the protection of
13 consumers in this State; (ii) rules as may be necessary
14 and appropriate to define and enforce against improper or
15 fraudulent business practices in connection with the
16 activities of collection agencies; (iii) rules that define
17 the terms used in this Act and as may be necessary and
18 appropriate to interpret and implement the provisions of
19 this Act; and (iv) rules as may be necessary for the
20 enforcement of this Act.

21 (3) Obtain written recommendations from the Board
22 regarding standards of professional conduct, formal
23 disciplinary actions and the formulation of rules
24 affecting these matters. Notice of proposed rulemaking
25 shall be transmitted to the Board and the Department shall
26 review the response of the Board and any recommendations

1 made in the response. The Department may solicit the
2 advice of the Board on any matter relating to the
3 administration and enforcement of this Act.

4 (4) (Blank).

5 (Source: P.A. 102-975, eff. 1-1-23.)

6 Section 40. The Payday Loan Reform Act is amended by
7 changing Section 4-10 as follows:

8 (815 ILCS 122/4-10)

9 Sec. 4-10. Enforcement and remedies.

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

12 (b) Any material violation of this Act, including the
13 commission of an act prohibited under Section 4-5, constitutes
14 a violation of the Consumer Fraud and Deceptive Business
15 Practices Act.

16 (c) If any provision of the written agreement described in
17 subsection (b) of Section 2-20 violates this Act, then that
18 provision is unenforceable against the consumer.

19 (d) Subject to the Illinois Administrative Procedure Act,
20 the Secretary may hold hearings, make findings of fact,
21 conclusions of law, issue cease and desist orders, have the
22 power to issue fines of up to \$10,000 per violation, refer the
23 matter to the appropriate law enforcement agency for
24 prosecution under this Act, and suspend or revoke a license

1 granted under this Act. All proceedings shall be open to the
2 public.

3 (e) The Secretary may issue a cease and desist order to any
4 licensee or other person or entity doing business without the
5 required license, when in the opinion of the Secretary the
6 licensee or other person or entity has violated, is violating,
7 or is about to violate any provision of this Act or any rule or
8 requirement imposed in writing by the Department as a
9 condition of granting any authorization permitted by this Act.
10 The cease and desist order permitted by this subsection (e)
11 may be issued prior to a hearing.

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

17 Within 10 days of service of the cease and desist order,
18 the licensee or other person may request a hearing in writing.
19 The Secretary shall schedule a hearing within 30 days after
20 the request for a hearing unless otherwise agreed to by the
21 parties.

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

26 The powers vested in the Secretary by this subsection (e)

1 are additional to any and all other powers and remedies vested
2 in the Secretary by law, and nothing in this subsection (e)
3 shall be construed as requiring that the Secretary shall
4 employ the power conferred in this subsection instead of or as
5 a condition precedent to the exercise of any other power or
6 remedy vested in the Secretary.

7 (f) The Secretary may, ~~after 10 days notice by registered~~
8 ~~mail to the licensee at the address set forth in the license~~
9 ~~stating the contemplated action and in general the grounds~~
10 ~~therefore,~~ fine a the licensee or other person or entity doing
11 business without the required license an amount not exceeding
12 \$10,000 per violation, or revoke or suspend any license issued
13 hereunder if he or she finds that:

14 (1) the licensee has failed to comply with any
15 provision of this Act or any order, decision, finding,
16 rule, regulation, or direction of the Secretary lawfully
17 made pursuant to the authority of this Act; or

18 (2) any fact or condition exists which, if it had
19 existed at the time of the original application for the
20 license, clearly would have warranted the Secretary in
21 refusing to issue the license.

22 The Secretary may fine, suspend, or revoke only the
23 particular license with respect to which grounds for the fine,
24 revocation, or suspension occur or exist, but if the Secretary
25 finds that grounds for revocation are of general application
26 to all offices or to more than one office of the licensee, the

1 Secretary shall fine, suspend, or revoke every license to
2 which the grounds apply.

3 The Department shall establish by rule and publish a
4 schedule of fines that are reasonably tailored to ensure
5 compliance with the provisions of this Act and which include
6 remedial measures intended to improve licensee compliance.
7 Such rules shall set forth the standards and procedures to be
8 used in imposing any such fines and remedies.

9 No revocation, suspension, or surrender of any license
10 shall impair or affect the obligation of any pre-existing
11 lawful contract between the licensee and any obligor.

12 The Secretary may issue a new license to a licensee whose
13 license has been revoked when facts or conditions which
14 clearly would have warranted the Secretary in refusing
15 originally to issue the license no longer exist.

16 In every case in which a license is suspended or revoked or
17 an application for a license or renewal of a license is denied,
18 the Secretary shall serve the licensee or other person or
19 entity doing business without the required license with notice
20 of his or her action, including a statement of the reasons for
21 his or her actions, either personally, or by certified mail,
22 ~~return receipt requested~~. Service by certified mail shall be
23 deemed completed when the notice is deposited in the U.S.
24 Mail.

25 An order assessing a fine, an order revoking or suspending
26 a license, or an order denying renewal of a license shall take

1 effect upon service of the order unless the licensee requests
2 a hearing, in writing, within 10 days after the date of
3 service. In the event a hearing is requested, the order shall
4 be stayed until a final administrative order is entered.

5 If the licensee requests a hearing, the Secretary shall
6 schedule a preliminary hearing within 30 days after the
7 request for a hearing unless otherwise agreed to by the
8 parties.

9 The hearing shall be held at the time and place designated
10 by the Secretary. The Secretary and any administrative law
11 judge designated by him or her shall have the power to
12 administer oaths and affirmations, subpoena witnesses and
13 compel their attendance, take evidence, and require the
14 production of books, papers, correspondence, and other records
15 or information that he or she considers relevant or material
16 to the inquiry.

17 (g) The costs of administrative hearings conducted
18 pursuant to this Section shall be paid by the licensee.

19 (h) Notwithstanding any other provision of this Section,
20 if a lender who does not have a license issued under this Act
21 makes a loan pursuant to this Act to an Illinois consumer, then
22 the loan shall be null and void and the lender who made the
23 loan shall have no right to collect, receive, or retain any
24 principal, interest, or charges related to the loan.

25 (Source: P.A. 97-1039, eff. 1-1-13; 98-209, eff. 1-1-14.)

26 Section 99. Effective date. This Act takes effect upon

1 becoming law.

1		INDEX
2		Statutes amended in order of appearance
3	20 ILCS 1205/1	from Ch. 17, par. 101
4	20 ILCS 1205/2	from Ch. 17, par. 102
5	20 ILCS 1205/4	from Ch. 17, par. 104
6	20 ILCS 1205/6	
7	20 ILCS 1205/6a	from Ch. 17, par. 107
8	20 ILCS 1205/7	from Ch. 17, par. 108
9	20 ILCS 1205/8	from Ch. 17, par. 109
10	20 ILCS 1205/15	from Ch. 17, par. 116
11	20 ILCS 1205/16	from Ch. 17, par. 117
12	20 ILCS 1205/17	from Ch. 17, par. 118
13	20 ILCS 1205/18	from Ch. 17, par. 119
14	20 ILCS 1205/18.2 new	
15	20 ILCS 1205/18.3 new	
16	20 ILCS 1205/18.4 new	
17	20 ILCS 1205/18.5 new	
18	20 ILCS 1205/9 rep.	
19	20 ILCS 1205/10 rep.	
20	20 ILCS 1205/11 rep.	
21	20 ILCS 1205/12 rep.	
22	20 ILCS 1205/13 rep.	
23	20 ILCS 1205/13.5 rep.	
24	20 ILCS 1205/14 rep.	
25	205 ILCS 405/19	from Ch. 17, par. 4835

- 1 205 ILCS 660/8 from Ch. 17, par. 5208
- 2 205 ILCS 670/9 from Ch. 17, par. 5409
- 3 205 ILCS 670/15 from Ch. 17, par. 5415
- 4 205 ILCS 670/20.5
- 5 205 ILCS 740/13.2 was 225 ILCS 425/13.2
- 6 815 ILCS 122/4-10