

**103RD GENERAL ASSEMBLY****State of Illinois****2023 and 2024****SB3550**

Introduced 2/9/2024, by Sen. Sara Feigenholtz

**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 37880 RTM 68011 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