

1 AN ACT concerning business.

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

4 Section 5. The Collateral Protection Act is amended by  
5 changing Section 40 as follows:

6 (815 ILCS 180/40)

7 Sec. 40. Substantial compliance.

8 (a) A creditor that places collateral protection insurance  
9 in substantial compliance with the terms of this Act shall not  
10 be directly or indirectly liable in any manner to a debtor,  
11 co-signor, guarantor, or any other person, in connection with  
12 the placement of the collateral protection insurance. Notices  
13 and coupon books required to be mailed under this Act shall be  
14 mailed by United States Mail, first class, postage prepaid.

15 (b) A servicer subject to the regulations prescribed by the  
16 Consumer Financial Protection Bureau pursuant to Section 1463  
17 of the federal Dodd-Frank Wall Street Reform and Consumer  
18 Protection Act (12 C.F.R. 1024.37) that places hazard insurance  
19 in substantial compliance with those regulations shall be  
20 deemed to be in substantial compliance with the terms of this  
21 Act.

22 (Source: P.A. 89-623, eff. 8-9-96; 90-35, eff. 6-27-97.)

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