

AN ACT concerning State government.

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

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

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

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

(Source: Laws 1957, p. 369.)

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

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

(Source: Laws 1957, p. 369.)

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

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

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

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

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

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

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

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

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

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

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

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

"Regulated person" means a person whose activities are subject to an Act or rule that is administered by the Division.

"Regulated person" includes licensees as well as persons who are lawfully or unlawfully unlicensed. "Regulated person" also includes managers and owners of the licensee.

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

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

(20 ILCS 1205/6)

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

~~information for the purpose of carrying out its statutory powers and responsibilities, 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.

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

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

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

Sec. 6a. The Secretary ~~Director~~ may, in accordance with the ~~The~~ Illinois Administrative Procedure Act, adopt reasonable rules with respect to the administration and enforcement of any Act the administration of which is vested in the Division ~~Director or the Department~~.

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

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

Sec. 7. Illinois Administrative Procedure Act. The provisions of the ~~"The Illinois Administrative Procedure Act"~~, ~~as now or hereafter amended,~~ are hereby expressly adopted and incorporated herein as though a part of this Act, and shall apply to all administrative rules and procedures of the Division ~~Director and the Department of Financial Institutions~~ under this Act, ~~except that the provisions of the Administrative Procedure Act regarding contested cases shall not apply to actions of the Director under Section 15.1 of "An Act in relation to the definition, licensing and regulation of community currency exchanges and ambulatory currency exchanges, and the operators and employees thereof, and to make an appropriation therefor, and to provide penalties and remedies for the violation thereof", approved June 30, 1943, as amended, or Sections 8 and 61 of "The Illinois Credit Union Act"~~.

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

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

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

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

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

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

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

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

~~(6) Make an annual report regarding the work of the Department and such special reports as he may consider desirable to the Governor, or as the Governor may request.~~

(5) ~~(7)~~ Perform any other lawful acts that the Secretary ~~which he~~ may consider necessary or desirable to carry out the

purposes and provisions of this Act ~~Law~~.

(Source: Laws 1957, p. 369.)

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

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

(Source: Laws 1957, p. 369.)

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

Sec. 16. Director and supervisors. The Governor shall, by and with the advice and consent of the Senate, appoint a Director of the Division, who shall oversee the Division and who shall report to the Secretary. There shall be a Supervisor of Consumer Credit, a Supervisor of Currency Exchanges, a Supervisor of Title Insurance, and a Supervisor of Credit Unions. The respective supervisors ~~Supervisors~~ shall be appointed by and responsible to the Director and shall be administratively responsible within the Department for the financial institutions ~~and title insurance entities~~ to which their appointments pertain. The Secretary may appoint other supervisory staff as deemed necessary to implement Acts the

Division administers.

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

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

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

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

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

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

Sec. 18. Oaths; subpoenas; penalty.

(a) At any time during the course of any investigation or hearing conducted pursuant to any Act administered by the Division, the Secretary ~~The Director~~ shall have the power to administer oaths, subpoena witnesses, take evidence, and compel the production of any books, records, or any other documents that the Secretary deems relevant or ~~and papers~~ pertinent to any investigation or hearing regarding the

operation of any financial institution. Witnesses in investigations or hearings conducted under this Section are entitled to the same fees and mileage, and in the same manner, as prescribed by law in judicial proceedings in civil cases of this State.

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

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

(20 ILCS 1205/18.2 new)

Sec. 18.2. Court order requiring attendance of witnesses or production of materials. Upon application by the Division, any Illinois circuit court may enter an order to enforce a subpoena issued by the Division for the attendance of witnesses and the production of relevant books and papers or other documents deemed relevant or pertinent before the Division in any hearing relative to the denial of an application, refusal to renew, suspension, revocation, placing

on probationary status, reprimand, fine, or the taking of any other disciplinary action as may be authorized in any Act administered by the Division. The court may compel obedience to its order through proceedings for contempt.

(20 ILCS 1205/18.3 new)

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

(20 ILCS 1205/18.5 new)

Sec. 18.5. Consent orders and settlement agreements. The Secretary may enter into a consent order or settlement agreement at any time with a regulated person to resolve a matter arising under this Act or any other Act under the jurisdiction of the Division. A consent order or settlement agreement need not constitute an admission by a regulated person that this Act or a rule or order issued or adopted under this Act or any Act under the jurisdiction of the Division has been violated, nor need it constitute a finding by the Secretary that the person has violated this Act or a rule or order adopted under this Act or any Act under the jurisdiction

of the Division. Nothing in this Section shall be construed as requiring a regulated person to enter a consent order or settlement agreement with the Secretary.

(20 ILCS 1205/9 rep.)

(20 ILCS 1205/10 rep.)

(20 ILCS 1205/11 rep.)

(20 ILCS 1205/12 rep.)

(20 ILCS 1205/13 rep.)

(20 ILCS 1205/13.5 rep.)

(20 ILCS 1205/14 rep.)

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

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

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

Sec. 19. The Department may make and enforce such reasonable rules, directions, orders, decisions and findings as the execution and enforcement of the provisions of this Act require, and as are not inconsistent within this Act. All such rules, directions, orders, decisions and findings shall be filed and entered by the Secretary in an indexed permanent book or record, or electronic record, with the effective date thereof suitably indicated, and such book or record shall be a

public document. All rules and directions, which are of a general character, shall be made available in electronic form to all licensees within 10 days after filing and any changes shall be emailed to all licensees ~~shall receive by mail notice of any changes~~. Copies of all findings, orders and decisions shall be mailed to the parties affected thereby by United States mail within 5 days of such filing.

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

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

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

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

Sec. 8. The Department may deny an application for a license, deny an application for renewal of a license, or suspend or revoke a license on any of the grounds listed in Sections 8.1 through 8.14 and the Financial Institutions Act.

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

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

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

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

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

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

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

(a-5) All orders issued pursuant to this Act shall be served on the licensee, person, or entity with notice of his or her action, including a statement of the reasons for his or her actions, either personally, or by certified mail. Service by certified mail shall be deemed completed when the notice is deposited in the U.S. Mail.

(b) The Director may fine, suspend, or revoke only the particular license with respect to which grounds for the fine, revocation or suspension occur or exist, but if the Director shall find that grounds for revocation are of general

application to all offices or to more than one office of the licensee, the Director shall fine, suspend, or revoke every license to which such grounds apply.

(c) (Blank).

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

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

(f) (Blank).

(g) In every case in which a license is suspended or revoked or an application for a license or renewal of a license is denied, the Director shall serve the licensee with notice of his or her action, including a statement of the reasons for his or her actions, either personally, or by certified mail, return receipt requested. Service by certified mail shall be deemed completed when the notice is deposited in the U.S. Mail.

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

entered.

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

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

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

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

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

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

Sec. 15. Charges permitted.

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

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

"Applicable interest" for a precomputed loan contract means the amount of interest attributable to each monthly installment period. It is computed as if each installment period were one month and any interest charged for extending the first installment period beyond one month is ignored. The applicable interest for any monthly installment period is that portion of the precomputed interest that bears the same ratio to the total precomputed interest as the balances scheduled to be outstanding during that month bear to the sum of all scheduled monthly outstanding balances in the original contract.

"Interest-bearing loan" means a loan in which the debt is expressed as a principal amount plus interest charged on

actual unpaid principal balances for the time actually outstanding.

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

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

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

(d) To compute time for either interest-bearing or precomputed loans for the calculation of interest and other purposes, a month shall be a calendar month and a day shall be considered 1/30th of a month when calculation is made for a fraction of a month. A month shall be 1/12th of a year. A calendar month is that period from a given date in one month to the same numbered date in the following month, and if there is no same numbered date, to the last day of the following month. When a period of time includes a month and a fraction of a month, the fraction of the month is considered to follow the whole month. In the alternative, for interest-bearing loans, the licensee may charge interest at the rate of 1/365th of the agreed annual rate for each day actually elapsed.

(d-5) No licensee or other person may condition an

extension of credit to a consumer on the consumer's repayment by preauthorized electronic fund transfers. Payment options, including, but not limited to, electronic fund transfers and Automatic Clearing House (ACH) transactions may be offered to consumers as a choice and method of payment chosen by the consumer.

(e) With respect to interest-bearing loans:

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

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

loan transaction for all purposes.

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

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

(f) With respect to precomputed loans:

(1) Loans shall be repayable in substantially equal and consecutive weekly, biweekly, semimonthly, or monthly installments of principal and interest combined, except that the first installment period may be longer than one month by not more than 15 days, and the first installment payment amount may be larger than the remaining payments by the amount of interest charged for the extra days; and provided further that monthly installment payment dates may be omitted to accommodate borrowers with seasonal income.

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

(3) When any loan contract is paid in full by cash, renewal or refinancing, or a new loan, one month or more before the final installment due date, a licensee shall refund or credit the obligor with the total of the applicable interest for all fully unexpired installment periods, as originally scheduled or as deferred, which follow the day of prepayment; provided, if the prepayment occurs prior to the first installment due date, the licensee may retain 1/30 of the applicable interest for a first installment period of one month for each day from the date of the loan to the date of prepayment, and shall refund or credit the obligor with the balance of the total interest contracted for. If the maturity of the loan is accelerated for any reason and judgment is entered, the licensee shall credit the borrower with the same refund as if prepayment in full had been made on the date the judgment ~~judgement~~ is entered.

(4) The lender or creditor may, if the contract

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

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

obligor a refund of the unearned deferment charge in addition to any other refund or credit made for prepayment of the loan in full.

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

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

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

(205 ILCS 670/20.5)

Sec. 20.5. Cease and desist.

(a) The Director may issue a cease and desist order to any

licensee, or other person or entity doing business without the required license, when in the opinion of the Director, the licensee, or other person or entity, has violated, is violating, or is about to violate any provision of this Act or any rule or requirement imposed in writing by the Department as a condition of granting any authorization permitted by this Act.

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

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

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

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

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

(g) If it is determined that the Director had the authority to issue the cease and desist order, he or she may issue such orders as may be reasonably necessary to correct,

eliminate, or remedy such conduct.

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

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

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

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

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

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

Sec. 13.2. Powers and duties of Department. The Department shall exercise the powers and duties prescribed by the Financial Institutions Act ~~Code~~ for the administration of licensing Acts and shall exercise such other powers and duties necessary for effectuating the purposes of this Act.

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

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

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

(3) Obtain written recommendations from the Board regarding standards of professional conduct, formal disciplinary actions and the formulation of rules affecting these matters. Notice of proposed rulemaking shall be transmitted to the Board and the Department shall review the response of the Board and any recommendations made in the response. The Department may solicit the advice of the Board on any matter relating to the administration and enforcement of this Act.

(4) (Blank).

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

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

(815 ILCS 122/4-10)

Sec. 4-10. Enforcement and remedies.

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

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

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

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

(e) The Secretary may issue a cease and desist order to any licensee or other person or entity doing business without the required license, when in the opinion of the Secretary the licensee or other person or entity has violated, is violating, or is about to violate any provision of this Act or any rule or requirement imposed in writing by the Department as a

condition of granting any authorization permitted by this Act. The cease and desist order permitted by this subsection (e) may be issued prior to a hearing.

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

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

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

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

(f) The Secretary may, ~~after 10 days notice by registered mail to the licensee at the address set forth in the license~~

~~stating the contemplated action and in general the grounds therefore,~~ fine a the licensee or other person or entity doing business without the required license an amount not exceeding \$10,000 per violation, or revoke or suspend any license issued hereunder if he or she finds that:

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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Statutes amended in order of appearance

20 ILCS 1205/1	from Ch. 17, par. 101
20 ILCS 1205/2	from Ch. 17, par. 102
20 ILCS 1205/4	from Ch. 17, par. 104
20 ILCS 1205/6	
20 ILCS 1205/6a	from Ch. 17, par. 107
20 ILCS 1205/7	from Ch. 17, par. 108
20 ILCS 1205/8	from Ch. 17, par. 109
20 ILCS 1205/15	from Ch. 17, par. 116
20 ILCS 1205/16	from Ch. 17, par. 117
20 ILCS 1205/17	from Ch. 17, par. 118
20 ILCS 1205/18	from Ch. 17, par. 119
20 ILCS 1205/18.2 new	
20 ILCS 1205/18.3 new	
20 ILCS 1205/18.4 new	
20 ILCS 1205/18.5 new	
20 ILCS 1205/9 rep.	
20 ILCS 1205/10 rep.	
20 ILCS 1205/11 rep.	
20 ILCS 1205/12 rep.	
20 ILCS 1205/13 rep.	
20 ILCS 1205/13.5 rep.	
20 ILCS 1205/14 rep.	
205 ILCS 405/19	from Ch. 17, par. 4835

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

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

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

205 ILCS 670/20.5

205 ILCS 740/13.2 was 225 ILCS 425/13.2

815 ILCS 122/4-10