

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, 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.

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.)

1 (20 ILCS 1205/6a) (from Ch. 17, par. 107)

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

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

8 (20 ILCS 1205/7) (from Ch. 17, par. 108)

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

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

2 (20 ILCS 1205/8) (from Ch. 17, par. 109)

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

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

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

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

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

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

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

24 (5) ~~(7)~~ Perform any other lawful acts that the Secretary  
25 ~~which he~~ may consider necessary or desirable to carry out the

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

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

3 (20 ILCS 1205/15) (from Ch. 17, par. 116)

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

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

12 (20 ILCS 1205/16) (from Ch. 17, par. 117)

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



1 Division administers.

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

3 (20 ILCS 1205/17) (from Ch. 17, par. 118)

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

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

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

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

18 Sec. 18. Oaths; subpoenas; penalty.

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

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

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

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

17 (20 ILCS 1205/18.2 new)

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

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

5 (20 ILCS 1205/18.3 new)

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

13 (20 ILCS 1205/18.5 new)

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

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

4 (20 ILCS 1205/9 rep.)

5 (20 ILCS 1205/10 rep.)

6 (20 ILCS 1205/11 rep.)

7 (20 ILCS 1205/12 rep.)

8 (20 ILCS 1205/13 rep.)

9 (20 ILCS 1205/13.5 rep.)

10 (20 ILCS 1205/14 rep.)

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

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

15 (205 ILCS 405/19) (from Ch. 17, par. 4835)

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

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

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

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

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

14 (205 ILCS 660/8) (from Ch. 17, par. 5208)

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

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

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

22 (205 ILCS 670/9) (from Ch. 17, par. 5409)

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

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

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

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

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

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

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

4 (c) (Blank).

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

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

12 (f) (Blank).

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

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



1 entered.

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

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

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

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

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

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

25 (205 ILCS 670/15) (from Ch. 17, par. 5415)

1           Sec. 15. Charges permitted.

2           (a) Every licensee may lend a principal amount not  
3           exceeding \$40,000 and may charge, contract for and receive  
4           thereon ~~interest at~~ an annual percentage rate of no more than  
5           36%, subject to the provisions of this Act. For purposes of  
6           this Section, the annual percentage rate shall be calculated  
7           as such rate is calculated using the system for calculating a  
8           military annual percentage rate under Section 232.4 of Title  
9           32 of the Code of Federal Regulations as in effect on the  
10          effective date of this amendatory Act of the 101st General  
11          Assembly.

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

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

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

1 actual unpaid principal balances for the time actually  
2 outstanding.

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

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

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

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

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

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

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

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

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

1 loan transaction for all purposes.

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

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 and collection  
14 charge may be collected on any installment regardless of  
15 the period during which it remains in default.

16 (f) With respect to precomputed loans:

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

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

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

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

1 provides, collect a delinquency or collection charge on  
2 each installment in default for a period of not less than  
3 10 days in an amount not exceeding 5% of the installment on  
4 installments in excess of \$200, or \$10 on installments of  
5 \$200 or less, but only one delinquency or collection  
6 charge may be collected on any installment regardless of  
7 the period during which it remains in default.

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

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

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

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

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

23 (205 ILCS 670/20.5)

24 Sec. 20.5. Cease and desist.

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



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

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

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

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

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

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

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

1 eliminate, or remedy such conduct.

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

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

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

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

14 (205 ILCS 740/13.2) (was 225 ILCS 425/13.2)

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

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

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

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

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

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

22           (4) (Blank).

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

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

1 (815 ILCS 122/4-10)

2 Sec. 4-10. Enforcement and remedies.

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

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

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

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

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

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

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

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

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

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

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

1 ~~stating the contemplated action and in general the grounds~~  
2 ~~therefore,~~ fine a the licensee or other person or entity doing  
3 business without the required license an amount not exceeding  
4 \$10,000 per violation, or revoke or suspend any license issued  
5 hereunder if he or she finds that:

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

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

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

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

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

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

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

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

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

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

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

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

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

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



1

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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	