



## 104TH GENERAL ASSEMBLY

### State of Illinois

2025 and 2026

HB5250

Introduced 2/10/2026, by Rep. Amy Elik

#### SYNOPSIS AS INTRODUCED:

765 ILCS 67/5

Amends the Installment Sales Contract Act. Changes the definition of "seller" under the Act to mean an individual or legal entity that possesses a legal or beneficial interest in real estate and that enters into an installment sales contract more than 3 times during a continuous 12-month period to sell residential real estate. Provides that the Installment Sales Contract Act applies only to contracts entered into once an individual or legal entity has qualified as a seller. Effective immediately.

LRB104 17763 JRC 31195 b

1 AN ACT concerning civil law.

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

4 Section 5. The Installment Sales Contract Act is amended  
5 by changing Section 5 as follows:

6 (765 ILCS 67/5)

7 Sec. 5. Definitions. As used in this Act, unless the  
8 context otherwise requires:

9 "Amortization schedule" means a written schedule which  
10 sets forth the date of each periodic payment, the amount of  
11 each periodic payment that will be applied to the principal  
12 balance and the resulting principal balance, and the amount of  
13 each periodic payment that will be applied to any interest  
14 charged, if applicable, pursuant to the contract.

15 "Balloon payment" means a payment, other than the initial  
16 down payment, in which more than the ordinary periodic payment  
17 is charged during the contract.

18 "Business day" means any calendar day except Saturday,  
19 Sunday, or a State or federal holiday.

20 "Buyer" means the person who is seeking to obtain title to  
21 a property by an installment sales contract or is obligated to  
22 make payments to the seller pursuant to the contract.

23 "Date of sale" means the date that both the seller and

1 buyer have signed the written contract.

2 "Dwelling structure" means any private home or residence  
3 or any building or structure intended for residential use with  
4 not less than one nor more than 4 residential dwelling units.

5 "Installment sales contract" or "contract" means any  
6 contract or agreement, including a contract for deed, bond for  
7 deed, or any other sale or legal device whereby a seller agrees  
8 to sell and the buyer agrees to buy a residential real estate,  
9 in which the consideration for the sale is payable in  
10 installments for a period of at least one year after the date  
11 of sale, and the seller continues to have an interest or  
12 security for the purchase price or otherwise in the property.

13 "Installment sales contract" does not include a financing  
14 arrangement that for religious or cultural reasons does not  
15 allow the imposition or collection of interest and that is  
16 offered by a person, partnership, association, limited  
17 liability company, or corporation doing business under and as  
18 permitted by any law of this State or the United States  
19 relating to banks, savings and loan associations, savings  
20 banks, credit unions, or third-party religious or cultural  
21 lenders.

22 "Residential real estate" means real estate with a  
23 dwelling structure, excluding property that is sold as a part  
24 of a tract of land consisting of 4 acres or more zoned for  
25 agricultural purposes.

26 "Seller" means an individual or legal entity that

1 possesses a legal or beneficial interest in real estate and  
2 that enters into an installment sales contract more than 3  
3 times during a continuous 12-month period to sell residential  
4 real estate. Any individual or legal entity that has a legal or  
5 beneficial interest in real estate under the name of more than  
6 one legal entity shall be considered the same seller. This Act  
7 shall only apply to contracts entered into once an individual  
8 or legal entity has qualified as a "seller".

9 "Third-party religious or cultural lender" means an  
10 individual or legal entity licensed under the Residential  
11 Mortgage License Act of 1987 that is in compliance with the  
12 principles and norms of an established religious or cultural  
13 legal system and that is obtaining an interest in a  
14 residential dwelling solely as collateral security for a  
15 financing arrangement that for religious or cultural reasons  
16 does not allow the imposition or collection of interest and  
17 had no interest in the residential dwelling prior to the  
18 consummation of the financing arrangement, other than an  
19 interest in the nature of collateral security that may have  
20 been obtained as part of a prior financing arrangement made by  
21 the third-party lender.

22 (Source: P.A. 100-416, eff. 1-1-18; 100-626, eff. 7-20-18;  
23 101-557, eff. 6-1-20.)

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