

SB3480



104TH GENERAL ASSEMBLY

State of Illinois

2025 and 2026

SB3480

Introduced 2/5/2026, by Sen. Mike Simmons

SYNOPSIS AS INTRODUCED:

New Act
815 ILCS 505/2MMMM new

Creates the Payday Advance Consumer Protection Act. Provides that no person shall engage in the business of providing payday advance services without licensure under the Act. Provides that the Division of Financial Institutions of the Department of Financial and Professional Regulation shall administer the Act. Sets forth requirements for initial licensure; renewals; revocations; grounds for discipline; and administrative procedures. Provides that any payday advance provider that offers payday advance services to a consumer in the State shall comply with specified consumer protection provisions. Provides that a violation of the Act constitutes an unlawful practice under the Consumer Fraud and Deceptive Business Practices Act. Amends the Consumer Fraud and Deceptive Business Practices Act to make a conforming change. Effective July 1, 2027.

LRB104 16720 SPS 30126 b

A BILL FOR

1 AN ACT concerning business.

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

4 Section 1. Short title. This Act may be cited as the Payday
5 Advance Consumer Protection Act.

6 Section 5. Definitions. As used in this Act:

7 "Applicant" means a person who has submitted an
8 application for a license under this Act.

9 "Consumer" means any natural person who has applied for or
10 received proceeds.

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

13 "Division" means the Division of Financial Institutions of
14 the Department of Financial and Professional Regulation.

15 "Earned but unpaid income" means a consumer's net unpaid
16 income, unpaid wages, unpaid government benefits, or other
17 distributions of any kind that a consumer has earned or is
18 otherwise entitled to receive, and which the provider has
19 reasonably determined are owed to the consumer. "Earned but
20 unpaid income" includes, without limitation, government
21 benefits, salary, wages, compensation, or other income earned
22 on an hourly, project-based, piecework, salaried, or other
23 basis, and through services rendered as an independent

1 contractor.

2 "Fees" means any money or other consideration paid,
3 directly or indirectly, by a consumer to a payday advance
4 provider in the process of, or connected to, obtaining payday
5 advance services. "Fees" include, but are not limited to,
6 transaction fees, fees for the expedited delivery of funds,
7 subscription or membership fees, the cost of ancillary
8 products, and voluntary payments. "Fees" do not include any
9 payment, fee, or other consideration paid by an obligor unless
10 the payment, fee, or other consideration comes indirectly from
11 a consumer.

12 "Multistate licensing system" means any third-party,
13 multistate licensing system used by the Secretary for
14 licensing, examinations, or any other regulatory purpose under
15 this Act.

16 "Obligor" or "employer" means either a W-2-issuing
17 employer, or any other person who is not an employer but who is
18 contractually obligated to pay the consumer a sum of money on
19 an hourly, project-based, piecework, or any other basis for
20 labor or services provided by the consumer to or on behalf of
21 the obligor.

22 "Payday advance provider" or "provider" means a person
23 that is engaged in the business of providing payday advance
24 services.

25 "Payday advance annual percentage rate" means a measure of
26 the cost of proceeds, expressed as a yearly rate, that relates

1 the amount and timing of value received by the consumer to the
2 amount and timing of payments made.

3 "Payday advance services" means the business of:

4 (1) delivering proceeds to consumers based on earned
5 but unpaid income;

6 (2) making attempts to collect fees and proceeds from
7 consumers; or

8 (3) making attempts to collect proceeds, payments,
9 fees, or other consideration from obligors.

10 "Person" means any individual, or a partnership, joint
11 venture, trust, estate, firm, corporation, cooperative society
12 or association, or any other form of business association or
13 legal entity. "Person" includes the employees, owners, agents,
14 managers, members, principals, and directors of a person.

15 "Proceeds" means a payment that a payday advance provider
16 has advanced to a consumer based on the consumer's earned but
17 unpaid income.

18 "Secretary" means the Secretary of Financial and
19 Professional Regulation or the Secretary's designee, including
20 the Director of the Division of Financial Institutions.

21 "Voluntary payment" means a payment amount of the
22 consumer's choosing paid by the consumer to the payday advance
23 provider or connected to receiving payday advance services.

24 "Voluntary payment" includes, but is not limited to, tips,
25 gifts, gratuities, and donations.

1 Section 10. Administration by the Division of Financial
2 Institutions. This Act shall be administered by the Division
3 on behalf of the Secretary.

4 Section 15. Licensure requirement. No person shall engage
5 in the business regulated by this Act without licensure under
6 this Act. Any person who provides payday advance services
7 without the license required by this Act shall be guilty of a
8 Class 4 felony. The Secretary shall be empowered to
9 investigate any person the Secretary believe may require
10 licensure under this Act, including, but not limited to,
11 compelling production of testimony, books, records, written
12 reports or answers to questions, or any other information
13 necessary for the Secretary to determine whether the person
14 requires licensure.

15 Section 20. Applicability.

16 (a) Except as otherwise provided in this Section, this Act
17 applies to any person that offers or provides payday advance
18 services in this State.

19 (b) The provisions of this Act apply to any person that
20 seeks to evade its applicability by any device, subterfuge, or
21 pretense whatsoever.

22 (c) The provisions of this Act apply to any person that
23 facilitates or aids or abets a violation of this Act.

24 (d) Banks, savings banks, savings and loan associations,

1 credit unions, and insurance companies organized, chartered,
2 or holding a certificate of authority to do business under the
3 laws of this State, any other state, or under the laws of the
4 United States are exempt from the provisions of this Act.

5 Section 25. Licensee name. No person engaged in the
6 business regulated by this Act shall operate the business
7 under a name other than the real names of the entity and
8 individuals conducting business. The business may, as
9 authorized by the Secretary, also operate under an assumed
10 corporate name under the Business Corporation Act of 1983, an
11 assumed limited liability company name under the Limited
12 Liability Company Act, or an assumed business name under the
13 Assumed Business Name Act.

14 Section 30. Application process; investigation; fees.

15 (a) The Secretary may issue a license to a person after the
16 person completes the following:

17 (1) the filing of an application for licensure with
18 the Secretary or the multistate licensing system, as
19 approved by the Secretary;

20 (2) the filing with the Secretary or the multistate
21 licensing system, as approved by the Secretary, of a
22 listing of judgments entered against, and bankruptcy
23 petitions by, the applicant for the preceding 10 years;

24 (3) the payment, in certified funds, of investigation

1 and application fees, the total of which shall be in an
2 amount equal to \$2,500, unless changed by the Secretary in
3 accordance with subsection (b) of Section 55; and

4 (4) the filing of an audited balance sheet, including
5 all footnotes prepared by a certified public accountant in
6 accordance with generally accepted accounting principles
7 and generally accepted auditing standards; notwithstanding
8 the requirements of this subsection, an applicant that is
9 a subsidiary may submit audited consolidated financial
10 statements of its parent, intermediary parent, or ultimate
11 parent as long as the consolidated statements are
12 supported by consolidating statements that include the
13 applicant's financial statement; if the consolidating
14 statements are unaudited, the applicant's chief financial
15 officer shall attest to the applicant's financial
16 statements disclosed in the consolidating statements.

17 (b) The Secretary may, for good cause shown, waive or
18 modify the requirements of paragraph (4) of subsection (a).

19 (c) Upon receipt of the license, a payday advance provider
20 licensee shall be authorized to engage in the business
21 regulated by this Act. The license shall remain in full force
22 and effect until it expires, is surrendered by the licensee,
23 or is revoked or suspended.

24 (d) The Secretary may impose conditions on a license if
25 the Secretary determines that those conditions are necessary
26 or appropriate. The conditions shall be imposed in writing and

1 shall continue in effect for the period prescribed by the
2 Secretary.

3 Section 35. Application form.

4 (a) Application for a payday advance provider license must
5 be made in accordance with this Act and in accordance with
6 requirements of the multistate licensing system, if required
7 by the Secretary. The application shall be in writing, under
8 oath, and on a form obtained from and prescribed by the
9 Secretary. The Secretary may require part or all of the
10 application to be submitted electronically, with attestation,
11 to the multistate licensing system.

12 (b) The application shall contain the name and complete
13 business and residential address or addresses of the
14 applicant. The application shall also include a description of
15 the activities of the applicant in such detail and for such
16 periods as the Secretary may require, including the following:

17 (1) an affirmation that the applicant and its members,
18 directors, or principals, as may be appropriate, are at
19 least 18 years of age;

20 (2) information as to the name, complete business
21 address, complete residential address, character, fitness,
22 financial and business responsibility, background,
23 experience, and criminal record of any:

24 (A) person, including an ultimate equitable owner,
25 that directly or indirectly owns or controls 10% or

1 more of any class of stock of the applicant;

2 (B) person, including an ultimate equitable owner
3 that is not a depository institution, as defined in
4 Section 17.50 of the Savings Bank Act, that lends,
5 provides, or infuses, directly or indirectly, in any
6 way, funds to or into an applicant in an amount equal
7 to or more than 10% of the applicant's net worth;

8 (C) person, including an ultimate equitable owner
9 that controls, directly or indirectly, the election of
10 25% or more of the members of the board of directors of
11 an applicant;

12 (D) person, including an ultimate equitable owner
13 that the Secretary finds influences the management of
14 the applicant;

15 (E) directors of an applicant; and

16 (F) principal officers of an applicant; and

17 (3) other information as required by the Secretary to
18 assess whether the applicant and its owners, officers, and
19 directors have the financial responsibility, financial
20 condition, business experience, character, and general
21 fitness to justify the confidence of the public and that
22 the applicant and its owners, officers, and directors are
23 fit, willing, and able to carry on the proposed business
24 in a lawful and fair manner.

25 Section 40. Payday advance provider license application

1 and issuance.

2 (a) Applicants for a license shall apply in a form
3 prescribed by the Secretary. The form may be changed or
4 updated by the Secretary to carry out the purposes of this Act.

5 (b) In order to fulfill the purposes of this Act, the
6 Secretary is authorized to establish relationships or
7 contracts with a multistate licensing system or other persons
8 to collect and maintain records and process fees related to
9 licensees or other persons subject to this Act.

10 (c) In connection with an application for licensing, the
11 applicant, owners, officers, and directors of an applicant may
12 be required, at a minimum, to furnish to the Secretary or the
13 multistate licensing system information concerning the
14 identity of the owners, officers, and directors of the
15 applicant, including personal history and experience in a form
16 prescribed by the Secretary or the multistate licensing system
17 including, but not limited to:

18 (1) a complete and accurate copy of an independent
19 credit report obtained from a consumer reporting agency as
20 described in Section 603(p) of the Fair Credit Reporting
21 Act (15 U.S.C. 1681a(p)); and

22 (2) information related to any administrative, civil,
23 or criminal findings by any governmental jurisdiction.

24 (d) For the purposes of this Section, and to reduce the
25 points of contact that the Secretary may have to maintain, the
26 Secretary may use a multistate licensing system as a

1 channeling agent for requesting and distributing information
2 to and from any source.

3 (e) Each application shall be accompanied by averments as
4 determined by the Secretary to fulfill the purposes of this
5 Act.

6 Section 45. Refusal to issue license. The Secretary may
7 refuse to issue or renew a license if:

8 (1) the Secretary determines that the applicant has
9 not complied with a provision of this Act, its
10 implementing rules, or other laws that apply to the
11 applicant;

12 (2) the Secretary determines that there is substantial
13 continuity between the applicant and any violator of this
14 Act, its implementing rules, or other laws that apply to
15 the applicant or related violator; and

16 (3) the Secretary determines that the applicant or its
17 owners, officers, or directors do not have the financial
18 responsibility, financial condition, business experience,
19 character, and general fitness to justify the confidence
20 of the public and that the license applicant and its
21 owners, officers, and directors are fit, willing, and able
22 to carry on the proposed business in a lawful and fair
23 manner.

24 Section 50. License issuance and renewal.

1 (a) Licensees shall apply to renew their license every
2 calendar year. Licensees may submit properly completed renewal
3 application forms and filing fees 60 days before the license
4 expiration date. To be deemed timely, the completed renewal
5 application forms and filing fees must be received by the
6 Secretary at least 30 days before the license expiration date.

7 (b) It shall be the responsibility of each licensee to
8 accomplish timely renewal of its license. Absent a written
9 extension from the Department and payment of any late fees
10 required by the Department, a license shall expire on the
11 license expiration date if a licensee fails to timely submit a
12 properly completed renewal application form and fees.

13 (c) No activity regulated by this Act shall be conducted
14 by a licensee whose license has expired. The Secretary may,
15 within the Secretary's discretion, reinstate an expired
16 license upon payment of the renewal fee, payment of a
17 reactivation fee equal to five times the renewal fee,
18 submission of a completed renewal application, and an
19 affidavit of good cause for late renewal.

20 Section 55. Fees.

21 (a) The persons regulated by this Act shall bear the
22 expenses of administering this Act, including investigations
23 and examinations provided for in this Act. The Secretary may
24 establish fees by rule or modify fees in at least the following
25 categories:

1 (1) application and renewal fees;
2 (2) examination and investigation fees;
3 (3) contingent fees; and
4 (4) other fees as may be required to administer this
5 Act.

6 (b) The Secretary may modify any fees established by this
7 Act by rule beginning one year after the effective date of this
8 Act.

9 Section 60. Functions; powers; duties. The functions,
10 powers, and duties of the Secretary shall include, but are not
11 limited to:

12 (1) to issue or refuse to issue any license or
13 renewal;

14 (2) to impose fines, revoke, or suspend for cause any
15 license issued under this Act;

16 (3) to impose fines for any unlicensed activity under
17 this Act;

18 (4) to keep records of all licenses issued under this
19 Act;

20 (5) to receive, consider, investigate, and act upon
21 complaints made by any person in connection with any
22 payday advance provider licensee in this State or
23 unlicensed payday advance services activity of any person;

24 (6) to prescribe the forms of and receive:

25 (A) applications for licenses and renewals; and

1 (B) all reports and all books and records required
2 to be made by any licensee under this Act, including
3 annual audited financial statements if required by the
4 Secretary and annual reports of payday advance
5 provider activity;

6 (7) to adopt rules necessary and proper for the
7 administration of this Act, to protect consumers,
8 obligors, and to promote fair competition;

9 (8) to subpoena documents and witnesses and compel
10 attendance and production, to administer oaths, and to
11 require the production of any books, papers, or other
12 materials relevant to any inquiry authorized by this Act
13 or its implementing rules;

14 (9) to issue orders against any person if the
15 Secretary has reasonable cause to believe that an unsafe,
16 unsound, or unlawful practice has occurred, is occurring,
17 or is about to occur; if any person is violating, or is
18 about to violate any law, rule, or written agreement with
19 the Secretary; or for the purpose of administering the
20 provisions of this Act and any rule adopted in accordance
21 with this Act;

22 (10) to address any inquiries to any licensee, or the
23 owners, officers, or directors thereof, in relation to its
24 activities and conditions, or any other matter connected
25 with its affairs, and it shall be the duty of any licensee
26 or person so addressed to promptly reply in writing to

1 those inquiries and to require reports from any licensee
2 at any time the Secretary may deem desirable;

3 (11) to examine the books and records of every
4 licensee under this Act or any person requiring a license
5 or who the Secretary reasonably believes may require a
6 license at any time interval reasonably determined
7 appropriate by the Secretary;

8 (12) to enforce provisions of this Act and rules
9 adopted under this Act;

10 (13) to levy fees including, but not limited to,
11 contingent fees, assessments, examination fees, licensing
12 fees, fines, and charges for services performed in
13 administering this Act;

14 (14) to issue refunds to licensees within one year of
15 any overpayment for good cause shown;

16 (15) to appoint examiners, supervisors, experts, and
17 special assistants as needed to effectively and
18 efficiently administer this Act;

19 (16) to conduct hearings for the purpose of carrying
20 out the purposes of this Act;

21 (17) to exercise visitorial power over a licensee;

22 (18) to enter into cooperative agreements with state
23 regulatory authorities of other states to provide for
24 examination of corporate offices or branches in those
25 states, participate in joint examinations with other
26 regulators, and to accept reports of the examinations;

1 (19) to assign an examiner or examiners to monitor the
2 affairs of a licensee with whatever frequency the
3 Secretary determines appropriate and to charge the
4 licensee for reasonable and necessary expenses of the
5 Secretary if in the opinion of the Secretary an emergency
6 exists or appears likely to occur;

7 (20) to impose civil penalties of up to \$1,000 per day
8 against a licensee for failing to respond to a regulatory
9 request or reporting requirement; and

10 (21) to enter into agreements in connection with a
11 multistate licensing system.

12 Section 65. Financial Institutions Fund. All moneys
13 received by the Secretary under this Act shall be paid into the
14 Financial Institutions Fund. The amounts deposited into that
15 Fund shall be used for the ordinary and contingent expenses of
16 the Department. Nothing in this Act shall prevent paying
17 expenses involving salaries, retirement, social security, and
18 State-paid insurance of State employees, or any other expenses
19 incurred under this Act by appropriation from the General
20 Revenue Fund, PIC Fund, or any other fund.

21 Section 70. Examination; prohibited activities.

22 (a) The Secretary shall examine the business affairs of a
23 licensee under this Act as often as the Secretary deems
24 necessary and proper. The Secretary may adopt rules with

1 respect to the frequency and manner of examination. The
2 Secretary shall appoint a suitable person to perform the
3 examination. The Secretary and the Secretary's appointees may
4 examine the entire books, records, documents, and operations
5 of each licensee and its subsidiary, affiliate, or agent, and
6 may examine any of the licensee's or its subsidiaries',
7 owners', affiliates', or agents' officers, directors,
8 employees, and agents under oath. The examination fee shall be
9 \$1,200 per day, unless changed by the Secretary in accordance
10 with subsection (b) of Section 55. The licensee shall also
11 cover all travel expenses of the Department.

12 (b) Affiliates of a licensee shall be subject to
13 examination by the Secretary on the same terms as the
14 licensee, but only when reports from or examination of a
15 licensee finds evidence of unlawful activity between a
16 licensee and affiliate benefiting, affecting, or deriving from
17 the activities regulated by this Act.

18 (c) The expenses of any examination of the licensee or its
19 affiliates shall be borne by the licensee and assessed by the
20 Secretary as may be established by rule.

21 (d) All confidential supervisory information collected by
22 the Department in the course of an examination or
23 investigation of a licensee or applicant, including, but not
24 limited to, any complaint against a licensee filed with the
25 Department and information collected to investigate any
26 complaint, shall be maintained for the confidential use of the

1 Department and shall not be disclosed other than in the course
2 of a formal hearing as determined by the Department or as
3 authorized by this Act or rule. All confidential supervisory
4 information, shall belong to the Secretary's office and may
5 not be disclosed to anyone other than the licensee, law
6 enforcement officials, or other regulatory agencies that have
7 an appropriate regulatory interest as determined by the
8 Secretary, or to a party presenting a lawful subpoena to the
9 Department. The Secretary may, through the Attorney General,
10 immediately appeal to the court of jurisdiction the disclosure
11 of the confidential supervisory information and seek a stay of
12 the subpoena pending the outcome of the appeal. Reports
13 required of licensees by the Secretary under this Act and
14 results of examinations performed by the Secretary under this
15 Act shall be the property of only the Secretary, but may be
16 shared with the licensee. Any person demanded to produce the
17 Department's confidential supervisory information whether by
18 subpoena, order, or other judicial or administrative process,
19 must withhold production of the confidential supervisory
20 information and must notify the Secretary of the demand. The
21 Secretary is authorized to intervene for the purpose of
22 enforcing the limitations of this Section or seeking the
23 withdrawal or termination of the attempt to compel production
24 of the confidential supervisory information. The Secretary may
25 impose any conditions and limitations on the disclosure of
26 confidential supervisory information that are necessary to

1 protect the confidentiality of that information. The Secretary
2 may condition a decision to disclose confidential supervisory
3 information on entry of a protective order by the court or
4 administrative tribunal presiding in the particular case or on
5 a written agreement of confidentiality. In a case in which a
6 protective order or agreement has already been entered between
7 parties other than the Secretary, the Secretary may
8 nevertheless condition approval for release of confidential
9 supervisory information upon the inclusion of additional or
10 amended provisions in the protective order. The Secretary may
11 authorize a party who obtained the records for use in one case
12 to provide them to another party in another case, subject to
13 any conditions that the Secretary may impose on either or both
14 parties. The requester shall promptly notify other parties to
15 a case of the release of confidential supervisory information
16 obtained and, upon entry of a protective order, shall provide
17 copies of confidential supervisory information to the other
18 parties.

19 Section 75. Subpoena power of the Secretary.

20 (a) The Secretary shall have the power to issue and to
21 serve subpoenas and subpoenas duces tecum to compel the
22 attendance of witnesses and the production of all books,
23 accounts, records, and other documents and materials relevant
24 to an examination or investigation. The Secretary, or the
25 Secretary's duly authorized representative, shall have the

1 power to administer oaths and affirmations to any person.

2 (b) If a person does not comply with the Secretary's
3 subpoena or subpoena duces tecum, the Secretary may, through
4 the Attorney General, petition the circuit court of the county
5 in which the subpoenaed person resides or has its principal
6 place of business for an order requiring the subpoenaed person
7 to testify and to comply with the subpoena duces tecum. The
8 court may grant injunctive relief restraining the person from
9 engaging in activity regulated by this Act. The court may
10 grant other relief, including, but not limited to, the
11 restraint, by injunction or appointment of a receiver, of any
12 transfer, pledge, assignment, or other disposition of the
13 person's assets, concealment, destruction, or other
14 disposition of books, accounts, records, or other documents
15 and materials as the court deems appropriate, until the person
16 has fully complied with the subpoena or subpoena duces tecum
17 and the Secretary has completed an investigation or
18 examination.

19 (c) If it appears to the Secretary that the compliance
20 with a subpoena or subpoena duces tecum issued or caused to be
21 issued by the Secretary under this Section is essential to an
22 investigation or examination, the Secretary, in addition to
23 the other remedies provided for in this Act, may, through the
24 Attorney General, apply for relief to the circuit court of the
25 county in which the subpoenaed person resides or has its
26 principal place of business. The court shall direct the

1 issuance of an order against the subpoenaed person requiring
2 sufficient bond conditioned on compliance with the subpoena or
3 subpoena duces tecum. The court shall cause to be endorsed on
4 the order a suitable amount of bond or payment under which the
5 person named be freed, having a due regard to the nature of the
6 case.

7 (d) In addition, the Secretary may, through the Attorney
8 General, seek a writ of attachment or an equivalent order from
9 the circuit court having jurisdiction over the person who has
10 refused to obey a subpoena, who has refused to give testimony,
11 or who has refused to produce the matters described in the
12 subpoena duces tecum.

13 Section 80. Reports required of licensee. Every licensee
14 shall produce to the Department written reports or answers to
15 questions in the time and manner requested by the Secretary.

16 Section 85. Suspension; revocation of licenses; fines and
17 other discipline.

18 (a) The Secretary may enter an order imposing one or more
19 of the following penalties:

20 (1) revocation of license;

21 (2) suspension of a license subject to reinstatement
22 upon satisfying all reasonable conditions the Secretary
23 may specify;

24 (3) placement of the licensee or applicant on

1 probation for a period of time and subject to all
2 reasonable conditions as the Secretary may specify;

3 (4) issuance of a reprimand;

4 (5) imposition of a civil penalty not to exceed
5 \$25,000 for each count of separate offense;

6 (6) restitution, refunds, or any other relief
7 necessary to protect consumers; and

8 (7) denial of a license.

9 (b) Grounds for penalties include:

10 (1) when a person has violated or aided another to
11 violate, any provisions of this Act, any rule adopted by
12 the Secretary, or any other law, rule, or regulation of
13 this State, any other state, or the United States;

14 (2) that any fact or condition exists that, if it had
15 existed at the time of the original application for the
16 license, would have warranted the Secretary in refusing to
17 issue the original license;

18 (3) that a licensee that is not an individual has
19 acted or failed to act in a way that would be cause for
20 suspending or revoking a license to an individual;

21 (4) that a person engaged in unsafe, unsound, unfair,
22 deceptive, or abusive business practices related to the
23 activity covered by this Act;

24 (5) that a person has been adjudicated guilty of a
25 crime against the law of this State, any other state, or of
26 the United States involving moral turpitude, abusive,

1 deceptive, fraudulent, or dishonest dealing;

2 (6) that a final judgment has been entered against a
3 person in a civil action upon grounds of abusive conduct,
4 conversion, fraud, misrepresentation, or deceit;

5 (7) that a person made a material misstatement in its
6 application for licensure or any other communication to
7 the Secretary;

8 (8) that a person has demonstrated by course of
9 conduct, negligence or incompetence in performing any act
10 for which it is required to hold a license under this Act;

11 (9) that a person has failed to advise the Secretary
12 in writing of any changes to the information submitted on
13 the person's most recent application for license within 30
14 days after the change;

15 (10) that a licensee failed to submit to periodic
16 examination by the Secretary as required by this Act or
17 failed to maintain, preserve, and keep available for
18 examination all books, accounts, or other documents
19 required by the provisions of this Act and rules adopted
20 under this Act;

21 (11) that a person failed to account or deliver to any
22 person any property, such as any money, fund, deposit,
23 check, draft, or other document or thing of value, that
24 has come into the person's possession and that is not the
25 person's property or that the person is not in law or
26 equity entitled to retain, under the circumstances and at

1 the time which has been agreed upon or is required by law
2 or, in the absence of a fixed time, upon demand of the
3 person for the accounting and delivery;

4 (12) that a person failed to disburse funds in
5 accordance with agreements or law;

6 (13) that a person had a license, or the equivalent,
7 to practice any profession, occupation, other industry or
8 activity requiring licensure revoked, suspended,
9 disciplined, or otherwise acted against, including the
10 denial of licensure by a licensing authority of this State
11 or another state, territory, or country for fraud,
12 dishonest dealing, misrepresentations, incompetence,
13 conversion, any act of moral turpitude or any other
14 grounds that would constitute grounds for discipline under
15 this Act;

16 (14) that a person licensed under this Act failed to
17 timely notify the Department that the person has been
18 disciplined by a licensing authority of this State or
19 another state;

20 (15) that a person engaged in activities regulated by
21 the Act without a current, active license unless
22 specifically exempted by this Act;

23 (16) that a person failed to timely pay any fee,
24 charge, or fine assessed under this Act; and

25 (17) that a person refused, obstructed, or evaded an
26 investigation, written report or information request, or

1 examination authorized under this Act or failed to comply
2 with timeframes for response as set by the Secretary, or
3 refused, obstructed, or evaded compliance with the
4 Secretary's subpoena or subpoena duces tecum or failed to
5 comply with timeframes for response as set by the
6 Secretary.

7 (c) No license shall be suspended or revoked, except as
8 provided in this Section, or any licensee be fined, without
9 notice of their right to a hearing.

10 (d) The Secretary may suspend any license for a period not
11 exceeding 90 days pending investigation for good cause shown
12 that an emergency exists.

13 (e) No revocation, suspension, or surrender of any license
14 shall impair or affect the obligation of any pre-existing
15 lawful contract between the licensee and any person. The
16 Secretary's approval of a licensee's application to surrender
17 its license shall not affect the licensee's civil or criminal
18 liability for acts committed prior to surrender. Surrender of
19 a license does not entitle the licensee to a return of any part
20 of the fee for initial licensure or any part of the fee for
21 annual license renewal.

22 (f) Every license issued under this Act shall remain in
23 force and effect until the license expires, is surrendered, is
24 revoked, or is suspended in accordance with the provisions of
25 this Act. The Secretary shall have authority, in the
26 Secretary's sole discretion, to reinstate a suspended license

1 or to issue a new license to a licensee whose license has been
2 revoked or surrendered if no fact or condition then exists
3 which would have warranted the Secretary in refusing
4 originally to issue that license under this Act.

5 (g) If the Secretary imposes discipline authorized by this
6 Section, the Secretary shall execute a written order to that
7 effect. The Secretary shall serve a copy of the order upon the
8 person. The Secretary shall serve the person with notice of
9 the order, including a statement of the reasons for the order,
10 either personally, or by certified mail. Service by certified
11 mail shall be deemed completed when the notice is deposited in
12 the U.S. Mail.

13 (h) An order assessing a fine, an order imposing
14 conditions upon a license, an order revoking or suspending a
15 license, or an order denying renewal of a license shall take
16 effect upon service of the order unless the licensee serves
17 the Department with a written request for a hearing in the
18 manner required by the notice within 20 days after the date of
19 service of the order. If a person requests a hearing, the order
20 shall be stayed from its date of service until the Department
21 enters a final administrative order.

22 If the licensee requests a hearing, the Secretary shall
23 schedule a preliminary hearing within 90 days after the
24 request for a hearing unless otherwise agreed to by the
25 parties.

26 The preliminary hearing shall be held at the time and

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

8 (i) The costs of administrative hearings conducted under
9 this Section shall be paid by the licensee or other person
10 subject to the hearing.

11 (j) A licensee and other persons subject to this Act shall
12 be subject to the disciplinary actions specified in this Act
13 for any violations conducted by any officer, director,
14 shareholder, joint venture, partner, owner, including, but not
15 limited to, ultimate equitable owner.

16 Section 90. Investigation of complaints. The Secretary may
17 investigate any complaints and inquiries made concerning this
18 Act and any licensees or persons the Secretary believes may
19 require a license under this Act. Each licensee or person the
20 Secretary believes may require a license under this Act shall
21 open the licensee or person's books, records, documents, and
22 offices, wherever situated, to the Secretary as needed to
23 facilitate the investigations.

24 Section 95. Additional investigation and examination

1 authority. In addition to any authority allowed under this
2 Act, the Secretary shall have the authority to conduct
3 investigations and examinations as follows:

4 (1) For purposes of initial licensing, license
5 renewal, license suspension, license conditioning, license
6 probation, license revocation or termination, or general
7 or specific inquiry or investigation to determine
8 compliance with this Act, the Secretary shall have the
9 authority to access, receive, and use any books, accounts,
10 records, files, documents, information, or evidence,
11 including, but not limited to, the following:

12 (A) criminal, civil, licensure, and administrative
13 history information, including non-conviction data as
14 specified in the Criminal Identification Act;

15 (B) personal history and experience information,
16 including independent credit reports obtained from a
17 consumer reporting agency described in Section 603(p)
18 of the federal Fair Credit Reporting Act; and

19 (C) any other documents, information, or evidence
20 the Secretary deems relevant to the inquiry or
21 investigation, regardless of the location, possession,
22 control, or custody of the documents, information, or
23 evidence.

24 (2) For the purposes of investigating violations or
25 complaints arising under this Act or for the purposes of
26 examination, the Secretary may review, investigate, or

1 examine any licensee, individual, or person subject to
2 this Act as often as necessary in order to carry out the
3 purposes of this Act. The Secretary may direct, subpoena,
4 or order the attendance of, and examine under oath all
5 persons; and order any person to produce records, files,
6 written reports or answers to questions, and any other
7 documents the Secretary deems relevant to an inquiry.

8 (3) Each person subject to this Act shall make
9 available to the Secretary upon request the books and
10 records relating to the operations of the person subject
11 to this Act. The Secretary shall have access to those
12 books and records and may interview the owners, officers,
13 principals, employees, independent contractors, agents,
14 vendors, and customers of any licensee or person subject
15 to this Act.

16 (4) Each person subject to this Act shall make or
17 compile written reports or answers to questions or prepare
18 other information as directed by the Secretary to carry
19 out the purposes of this Section, including, but not
20 limited to:

21 (A) accounting compilations;

22 (B) information lists and data concerning
23 transactions in a format prescribed by the Secretary;
24 or

25 (C) other information deemed necessary to carry
26 out the purposes of this Section.

1 (5) In making any examination or investigation
2 authorized by this Act, the Secretary may control access
3 to any documents and records of the licensee or person
4 under examination or investigation. The Secretary may take
5 possession of the documents and records or otherwise take
6 constructive control of the documents. During the period
7 of control, no person shall remove or alter any of the
8 documents or records, except pursuant to a court order or
9 with the consent of the Secretary. Unless the Secretary
10 has reasonable grounds to believe the documents or records
11 of the licensee have been or are at risk of being altered
12 or destroyed for purposes of concealing a violation of
13 this Act, the licensee or owner of the documents and
14 records shall have access to the documents or records as
15 necessary to conduct its ordinary business affairs.

16 (6) In order to carry out the purposes of this
17 Section, the Secretary may:

18 (A) retain attorneys, accountants, or other
19 professionals and specialists as examiners, auditors,
20 or investigators to conduct or assist in the conduct
21 of examinations or investigations;

22 (B) enter into agreements or relationships with
23 other government officials or regulatory associations
24 to protect consumers, improve efficiencies, and reduce
25 regulatory burden by sharing resources, standardized
26 or uniform methods or procedures, and documents,

1 records, information, or evidence obtained under this
2 Section;

3 (C) use, hire, contract, or employ publicly or
4 privately available analytical systems, methods, or
5 software to examine or investigate the licensee,
6 individual, or person subject to this Act;

7 (D) accept and rely on examination or
8 investigation reports made by other government
9 officials, within or outside this State; or

10 (E) accept audit reports made by an independent
11 certified public accountant for the person subject to
12 this Act and incorporate the audit report in the
13 report of the examination, report of investigation, or
14 other writing of the Secretary.

15 (7) The authority of this Section shall remain in
16 effect, whether a person subject to this Act acts or
17 claims to act under any licensing or registration law of
18 this State or claims to act without authority.

19 (8) No licensee or person subject to investigation or
20 examination under this Section may knowingly withhold,
21 alter, abstract, remove, mutilate, destroy, hide, or
22 conceal any books, records, computer records, or other
23 information or take actions designed to delay or
24 complicate review of records.

25 Section 100. Confidentiality. To promote more effective

1 regulation, protect consumers, and reduce regulatory burden
2 through inter-regulator sharing of confidential supervisory
3 information:

4 (1) The privacy or confidentiality of any information
5 or material provided to the multistate licensing system,
6 including all privileges arising under federal or state
7 court rules and law, shall continue to apply to the
8 information or material after the information or material
9 has been disclosed to the multistate licensing system.
10 Information and material may be shared with the multistate
11 licensing system, federal and state regulatory officials
12 with relevant oversight authority, and law enforcement
13 without the loss of privilege or the loss of
14 confidentiality protections.

15 (2) The Secretary is authorized to enter into
16 agreements or sharing arrangements with other governmental
17 agencies, the Conference of State Bank Supervisors, and
18 other associations representing governmental agencies.

19 (3) Information or material that is privileged or
20 confidential under this Act as determined by the Secretary
21 shall not be subject to the following:

22 (A) disclosure under any State law governing the
23 disclosure to the public of information held by an
24 officer or an agency of the State; or

25 (B) subpoena, discovery, or admission into
26 evidence, in any private civil action or

1 administrative process except as authorized by the
2 Secretary.

3 (4) Any other law relating to the disclosure of
4 confidential supervisory information that is inconsistent
5 with this Act shall be superseded by the requirements of
6 this Section to the extent the other law provides less
7 confidentiality or a weaker privilege for information that
8 is privileged or confidential under this Act.

9 (5) Confidential or privileged information received
10 from the multistate licensing system, another licensing
11 body, federal and state regulatory officials, or law
12 enforcement shall be protected to the same extent as the
13 Secretary's confidential and privileged information is
14 protected under this Act. The Secretary may also protect
15 from disclosure confidential or privileged information
16 that would be exempt from disclosure to the extent it is
17 held directly by the multistate licensing system, another
18 licensing body, federal and state regulatory officials, or
19 law enforcement.

20 Section 105. Rules.

21 (a) In addition to the powers as may be prescribed by this
22 Act and the Financial Institutions Code, the Secretary may
23 adopt rules consistent with the purposes of this Act,
24 including, but not limited to:

25 (1) rules in connection with the activities of persons

1 subject to this Act as may be necessary and appropriate
2 for the protection of consumers and obligors in this
3 State;

4 (2) rules as may be necessary and appropriate to
5 define improper, deceptive, unfair, abusive or fraudulent
6 business practices in connection with providing payday
7 advance services;

8 (3) rules that define terms used in this Act and as may
9 be necessary and appropriate to interpret and implement
10 this Act;

11 (4) rules as may be necessary to promote competition
12 and price transparency; and

13 (5) rules as may be necessary for the enforcement of
14 this Act.

15 (b) The Secretary is authorized and empowered to make
16 specific rulings, demands, and findings deemed necessary for
17 the proper conduct of the payday advance provider industry.

18 Section 110. Appeal and review.

19 (a) The Secretary may, in accordance with the Illinois
20 Administrative Procedure Act, adopt rules to provide for
21 review within the Department of the Secretary's decisions
22 affecting the rights of persons under this Act. The review
23 shall provide for, at a minimum:

24 (1) appointment of a hearing officer;

25 (2) appropriate procedural rules, specific deadlines

1 for filings, and standards of evidence and of proof; and
2 (3) provisions for apportioning costs among parties to
3 the appeal.

4 (b) All final agency determinations of appeals to
5 decisions of the Secretary may be reviewed in accordance with
6 and under the provisions of the Administrative Review Law.
7 Appeals from all final orders and judgments entered by a court
8 in review of any final administrative decision of the
9 Secretary or of any final agency review of a decision of the
10 Secretary may be taken as in other civil cases.

11 Section 115. Licensure fees.

12 (a) The nonrefundable fee for initial licensure shall be
13 \$2,500, unless changed by the Secretary in accordance with
14 subsection (b) of Section 55.

15 (b) The nonrefundable fee for annual license renewal shall
16 be \$2,500, unless changed by the Secretary in accordance with
17 subsection (b) of Section 55.

18 (c) The Department shall impose a contingent fee
19 sufficient to cover its operating expenses in administering
20 this Act not otherwise covered by all other revenue collected
21 under this Act. Each licensee shall pay to the Division its pro
22 rata share, based on number or volume of transactions or
23 revenue, of the cost for administration of the Act that
24 exceeds other fees listed in this Section, as estimated by the
25 Division, for the current year and any deficit actually

1 incurred in the administration of the Act in prior years.

2 Section 120. Cease and Desist Order.

3 (a) The Secretary may issue a cease and desist order to any
4 licensee or person doing business without the required
5 license, when in the opinion of the Secretary the licensee or
6 other person has violated, is violating, or is about to
7 violate any provision of this Act or any rule adopted by the
8 Department under this Act or any requirement imposed in
9 writing by the Department as a condition of granting any
10 authorization permitted by this Act. The cease and desist
11 order authorized by this Section may be issued prior to a
12 hearing.

13 (b) The Secretary shall serve notice of the Secretary's
14 order, either personally or by certified mail. Service by
15 certified mail shall be deemed completed when the notice is
16 deposited in the U.S. Mail. The Secretary's notice shall
17 include a statement of the reasons for the action.

18 (c) Within 15 days after service of the cease and desist
19 order, the person subject to the order may request a hearing in
20 writing. The Secretary shall schedule a preliminary hearing
21 within 60 days after the request for a hearing unless the
22 parties agree to a later date.

23 (d) If it is determined that the Secretary had the
24 authority to issue the cease and desist order, the Secretary
25 may issue the orders as may be reasonably necessary to

1 correct, eliminate, deter, or remedy the conduct described in
2 the order and resulting harms.

3 (e) The powers vested in the Secretary by this Section are
4 additional to all other powers and remedies vested in the
5 Secretary by any law. Nothing in this Section shall be
6 construed as requiring that the Secretary must employ the
7 power conferred in this subsection instead of or as a
8 condition precedent to the exercise of any other power or
9 remedy vested in the Secretary.

10 Section 125. Injunction. The Secretary may maintain an
11 action in the name of the people of the State of Illinois
12 through the Attorney General and may apply for an injunction
13 in the circuit court to enjoin a person from violating this Act
14 or its implementing rules. The Court, in its discretion, may
15 exercise all powers necessary, including, but not limited to:
16 injunction; revocation, forfeiture or suspension of any
17 license, charter, franchise, certificate or other evidence of
18 authority of any person to do business in this State;
19 appointment of a receiver; dissolution of domestic
20 corporations or association suspension or termination of the
21 right of foreign corporations or associations to do business
22 in this State; and restitution. The Attorney General may
23 request and the Court may impose a civil penalty in a sum not
24 to exceed \$50,000 per violation against any person found by
25 the Court to have engaged in any method, act, or practice

1 declared unlawful under this Act.

2 Section 130. Requirements to provide payday advance
3 services. Any payday advance provider that offers payday
4 advance services to a consumer in this State shall comply with
5 the following:

6 (1) The provider shall not provide a consumer with
7 proceeds that are greater than 50% of the consumer's
8 expected earned but unpaid income on the date of scheduled
9 repayment.

10 (2) All proceeds must be provided on a non-recourse
11 basis to the consumer.

12 (3) The provider shall maintain and perform reasonable
13 underwriting procedures.

14 (4) The provider shall ensure that its methodology for
15 determining the availability and amount of proceeds, as
16 well as for calculating earned but unpaid income, complies
17 with the Equal Credit Opportunity Act, and any rules
18 adopted by the Department.

19 (5) The delivery of the proceeds to a consumer shall
20 not create a future wage assignment on the part of the
21 consumer.

22 (6) A provider may not request or rely on a credit
23 score, report, or other score in order to determine the
24 consumer's eligibility for proceeds or engage in any
25 credit reporting related to the transaction except as

1 authorized by this Act, by rule, or required by law.

2 (7) A provider shall collect the proceeds and fees in
3 compliance with this Act and rules adopted under this Act.

4 (8) A provider's terms of service shall expressly
5 provide that the delivery of the proceeds shall not create
6 a future wage assignment on the part of the consumer, and
7 shall expressly state that the provider may not request or
8 rely on a credit score, report, or other score to
9 determine the consumer's eligibility for proceeds or
10 engage in any credit reporting related to the transaction
11 except as authorized this Act, by rule, or as required by
12 law. The terms of service shall expressly provide that a
13 provider shall only be permitted to collect the proceeds
14 and fees in compliance with this Act and rules adopted
15 under this Act.

16 (9) A provider shall maintain and adequately staff a
17 toll-free telephone and a written electronic messaging
18 system to respond to inquiries. A written electronic
19 messaging system may be an email address.

20 (10) Contemporaneous with or before delivery of
21 proceeds to a consumer the provider shall provide a
22 written receipt to the consumer containing the following
23 information:

24 (A) the amount of the proceeds;

25 (B) a list of fees that will be charged to or have
26 been paid by the consumer;

1 (C) the date on which the provider will attempt to
2 collect outstanding proceeds;

3 (D) the toll-free telephone number for customer
4 assistance and information on the written electronic
5 messaging system; and

6 (E) information on how to file a complaint with
7 the Department.

8 (11) The amount of the proceeds delivered by the
9 provider to the consumer, and any fees permitted under
10 this Act, may be collected from a consumer within the
11 timeframe agreed upon by the provider and consumer, which
12 shall not exceed 30 days after the date that the proceeds
13 are delivered to the consumer. A provider may collect the
14 proceeds and fees from an obligor at any time agreed to
15 between the provider and the obligor.

16 (12) A provider may not attempt to debit the proceeds
17 from a consumer more than one time for any particular
18 transaction absent express written consent of the consumer
19 for one additional debit. A provider may only request
20 express written consent from a consumer for an additional
21 debit after the provider's first debit attempt fails. a
22 provider may not accept written consent for additional
23 debits in the contract for payday advance services.

24 (13) Before providing proceeds to a consumer, a
25 provider must conspicuously disclose to the consumer that
26 the proceeds are provided on a non-recourse basis and

1 provide a brief explanation of the meaning of
2 "non-recourse basis".

3 (14) Except as authorized by this Act, by rule, or
4 otherwise required by law, the provider shall not report a
5 consumer's repayment or failed repayment of proceeds to
6 any person other than the consumer, including, but not
7 limited to, a consumer credit reporting agency or a debt
8 collector.

9 (15) No portion of the proceeds may be used to settle
10 or pay down prior proceeds. No proceeds may roll over or be
11 structured in any way to create any continuing obligation
12 on the part of a consumer.

13 (16) No provider shall provide any payday advance
14 services to a consumer unless the consumer has earned but
15 unpaid income.

16 (17) The provider shall document the basis for its
17 determination that the consumer has earned but unpaid
18 income.

19 (18) A provider shall allow a consumer to cancel a
20 transaction at any time before distribution of the
21 proceeds without incurring any fee.

22 (19) If a provider solicits a tip, gratuity, or
23 donation from the consumer, the provider must (i)
24 conspicuously disclose or cause to be disclosed to the
25 consumer that any tip, gratuity or donation paid by the
26 consumer does not inure to the direct benefit of any

1 specific employee of the provider or any other person; and
2 (ii) conspicuously provide a simple, conspicuous option
3 for the consumer to select zero as an amount for the tip,
4 gratuity or donation.

5 (20) The provider shall reimburse the consumer for the
6 full amount of any overdraft or insufficient funds fee
7 imposed on a consumer that was caused by the provider
8 attempting to seek payment of any outstanding proceeds or
9 fees on a date before the date of collection disclosed to
10 the consumer or in an amount greater than that disclosed
11 to the consumer. The reimbursement shall occur within 3
12 days after receiving credible information about the fees.

13 (21) The provider shall reimburse the consumer for any
14 amount that the provider incorrectly debited from a
15 consumer or obligor within 3 days after determining the
16 error or receiving credible information about the error,
17 whichever is sooner.

18 (22) The provider shall reimburse the consumer for the
19 full amount of any charges or late fees the consumer
20 incurs because of an erroneous debit amount, or because of
21 the provider debiting before the agreed time. The
22 reimbursement shall occur within 3 days after determining
23 the error or receiving credible information about the
24 error, whichever is sooner.

25 (23) The provider shall not charge a late fee,
26 deferral fee, interest, or any other penalty or charge for

1 failure to pay outstanding proceeds or fees.

2 (24) The provider shall not enter any agreement with
3 an obligor authorizing or requiring the provider to
4 disclose any non-payment of the proceeds or fees by a
5 consumer to the obligor or any other person except as
6 authorized by this Act, by rule, or required by law.

7 (25) A provider shall provide the contract, if any,
8 its term of service, and all disclosures required by this
9 Section in English and in the languages used to negotiate
10 any agreement. The provider shall also conspicuously
11 provide an option for consumer to receive the contract, if
12 any, its term of service, and all disclosures required by
13 this Section in any language used by the provider in its
14 marketing or advertising materials.

15 (26) A provider must provide a copy of the contract,
16 if any, the terms of service, and the disclosures required
17 by this Section pertaining to a transaction to the
18 consumer. The provider shall email the contract, if any,
19 the terms of service and the disclosures by this Section
20 pertaining to a transaction to a consumer if the consumer
21 provides an email address.

22 Section 135. Non-recourse basis. Absent clear and
23 convincing evidence of common law fraud by the consumer, no
24 person shall initiate a collection action or sue a consumer,
25 file a claim in a bankruptcy proceeding, make a credit report,

1 assign a right to collect, or otherwise attempt to collect
2 proceeds or fees from a consumer if a provider is unable to
3 collect proceeds or fees from a consumer in the manner
4 permitted by this Act.

5 Section 140. Privacy. A provider shall not sell, share, or
6 otherwise disclose information that is solicited or collected
7 from a consumer or obligor in relation to providing payday
8 advance services to any person except as required to comply
9 with this Act, by rule, or other law. A provider shall not
10 disclose to an obligor any failure of a consumer to pay the
11 proceeds or the fees unless required by law to do so. A
12 provider shall not purchase data of any kind about consumers
13 from an obligor for which it contracts to provide payday
14 advance services.

15 Section 145. Payments to obligors. A provider shall not
16 share fees with or provide compensation to an obligor.

17 Section 150. Maximum number of transactions and fees.

18 (a) A provider shall not enter into more than 2
19 transactions for proceeds with a consumer in any calendar
20 month or more than 12 transactions with a consumer in any
21 calendar year.

22 (b) A payday advance provider shall not contract for or
23 receive fees exceeding a 36% payday advance annual percentage

1 rate on the unpaid balance of the proceeds. The payday advance
2 annual percentage rate shall be determined in accordance with
3 either the actuarial method or the United States Rule method.
4 The method for determining the payday advance annual
5 percentage rate shall be disclosed in the terms of service or
6 contract with the consumer.

7 (c) Any payment, fee, or other consideration paid by an
8 obligor shall not be included in the payday advance annual
9 percentage rate unless the payment, fee, or other
10 consideration directly or indirectly comes from a consumer.

11 Section 155. Payments from obligors. A provider may
12 collect the proceeds and fees, money, or other payments from
13 the obligor with the express authorization of the consumer. A
14 provider who collects the proceeds or any fees, money, or
15 other consideration of any kind from an obligor may not
16 collect the same proceeds or any fees from a consumer. The
17 provider and obligor may agree to any mutually agreeable
18 repayment terms of the proceeds and fees so long as any
19 payment, fee, or other consideration from the obligor does not
20 come directly or indirectly from the consumer and does not
21 create any legal liability of any kind for a consumer. Any
22 collection efforts against an obligor shall not state or imply
23 that a consumer has defaulted or is in any way responsible for
24 the missed payments, fees, or other consideration by the
25 obligor.

1 Section 160. Other payors. A provider may only receive
2 payment of the proceeds and fees from the consumer or obligor
3 as authorized by this act or by rule. a provider shall not
4 receive the proceeds or fees from any other person.

5 Section 165. Annual report. No later than March 1 of each
6 year, each licensee shall file an annual report with the
7 Secretary which includes the following for the prior calendar
8 year:

9 (1) gross revenue received from consumers in this
10 State relating to payday advance services;

11 (2) gross revenue received from any person in this
12 State related to payday advance services covered by this
13 Act;

14 (3) gross revenue received from any obligor in this
15 State related to payday advance services covered by this
16 Act.

17 (4) total number of transactions conducted in this
18 State;

19 (5) total dollar amount of proceeds provided to
20 consumers in this State;

21 (6) total dollar amount of fees collected from
22 consumers in this State;

23 (7) total number of unique consumers served in this
24 State;

1 (8) total number of unique obligors under contract in
2 this State;

3 (9) the median, average, and standard deviation of the
4 number of payday advance transactions per unique consumer
5 in this State;

6 (10) the total number of failed proceeds transfers
7 covered by this Act;

8 (11) the total number of consumers affected by at
9 least one failed proceeds transfer covered by this Act;

10 (12) the total number of failed debit attempts to
11 recover from proceeds covered by this Act;

12 (13) the total number of consumers affected by at
13 least one failed debit attempt to recover proceeds in this
14 State; and

15 (14) any other information requested on the annual
16 report form questionnaire issued by the Secretary.

17 Section 170. Prohibition on referrals. A provider shall
18 not refer or direct any consumer to any other consumer lender
19 or lending product.

20 Section 175. Prohibition on repayment of proceeds from
21 sources other than earned but unpaid income from a consumer. A
22 provider shall only be permitted to collect proceeds or fees
23 from a consumer through a debit of the consumer's bank account
24 in compliance with the provisions of this Act and rules

1 adopted under this Act. It shall be a violation of this Act for
2 the provider to steer or direct a consumer to repay the
3 proceeds through any other method or to steer or direct the
4 consumer to repay the proceeds through funds other than earned
5 but unpaid income. Notwithstanding the requirements of this
6 Section, collection from obligors, as authorized by this Act,
7 shall not violate this Section.

8 Section 180. Action for damages.

9 (a) A claim of violation of this Act or its implementing
10 rules may be asserted in a civil action. Additionally, a
11 prevailing consumer or obligor may be awarded reasonable
12 attorney's fees and court costs.

13 (b) The action may be commenced in the county in which the
14 provider against whom it is brought resides, has its principal
15 place of business, or is doing business, or in the county where
16 the transaction or any substantial portion thereof occurred.

17 (c) In addition to actual damages or injunctive relief,
18 the Court may award statutory damages of \$1,000 for each
19 violation of this Act or its implementing rules.

20 (d) A provider shall not prohibit any consumer from
21 pursuing the remedies available under this Section as a
22 condition of providing proceeds.

23 Section 185. Violations.

24 (a) Nothing in this Act shall be construed to restrict the

1 exercise of powers or the performance of the duties of the
2 Attorney General that the Attorney General is authorized to
3 exercise or perform by law.

4 (b) A violation of this Act constitutes an unlawful
5 practice under the Consumer Fraud and Deceptive Business
6 Practices Act. All remedies, penalties, and authority granted
7 to the Attorney General by the Consumer Fraud and Deceptive
8 Business Practices Act shall be available to the Attorney
9 General for the enforcement of this Act.

10 Section 190. Surety bond.

11 (a) An applicant for a license shall post and a licensee
12 must maintain with the Secretary a bond or bonds issued by
13 corporations qualified to do business as surety companies in
14 this State.

15 (b) The applicant or licensee shall post a bond in a
16 minimum amount of \$100,000. The minimum bond amount may be
17 modified by rule. If the Secretary finds at any time that a
18 bond is of insufficient size, is insecure, exhausted, or
19 otherwise doubtful, an additional bond in the amount as
20 determined by the Secretary shall be filed by the licensee
21 within 30 days after written demand therefor by the Director.

22 (c) The bond must be in a form satisfactory to the
23 Secretary and shall run to the State of Illinois for the
24 benefit of any claimant against the applicant or licensee with
25 respect to any activity regulated by this Act, including

1 unpaid fees, fines, or penalties owed to the Department. A
2 claimant damaged by a breach of the conditions of a bond shall
3 have a right to action upon the bond for damages suffered
4 thereby and may bring suit directly on the bond, or the
5 Secretary may bring suit on behalf of the claimant.

6 Section 195. Liberal construction and purpose. The purpose
7 of this Act is to regulate payday advance providers and
8 protect consumers and obligors. This Act shall be liberally
9 construed to protect consumers and obligors.

10 Section 900. The Consumer Fraud and Deceptive Business
11 Practices Act is amended by adding Section 2MMMM as follows:

12 (815 ILCS 505/2MMMM new)

13 Sec. 2MMMM. Violations of the Payday Advance Consumer
14 Protection Act. Any person who violates the Payday Advance
15 Consumer Protection Act commits an unlawful practice within
16 the meaning of this Act.

17 Section 997. Severability. If any provision of this Act or
18 the application of the provision is held invalid, the
19 invalidity shall not affect other provisions or applications
20 of the Act which can be given effect without the invalidated
21 provision or application.

22 Section 999. Effective date. This Act takes effect July 1,

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