

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  
5 Buy-Now-Pay-Later Loan Consumer Protection Act.

6 Section 2. Definitions. As used in this Act:

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

9 "Annual percentage rate" means the nominal annual  
10 percentage rate of finance charge determined in accordance  
11 with the actuarial method of computation with an accuracy at  
12 least to the nearest 1/4 of 1% or, at the option of the  
13 licensee by application of the federal rule, so that it may be  
14 disclosed with an accuracy at least to the nearest 1/4 of 1%.

15 "Buy-now-pay-later loan" or "loan" means closed-end credit  
16 provided to a consumer at the time of a transaction in  
17 connection with the consumer's particular purchase of goods or  
18 services that:

19 (1) is payable in 4 or fewer installments; or

20 (2) has a term of 120 days or less.

21 "Buy-now-pay-later loan" or "loan" includes any other loan  
22 identified by the Secretary by rule. "Buy-now-pay-later loan"  
23 or "loan" also includes (i) a buy-now-pay-later loan payable

1 in one or more installments without any interest or finance  
2 charge and (ii) a buy-now-pay-later loan with either interest  
3 or finance charges or both.

4 "Buy-now-pay-later loan" or "loan" does not include credit  
5 where the creditor is the seller of the goods or services,  
6 unless it is credit pursuant to an agreement where, at a  
7 consumer's request, the creditor purchases specific goods or  
8 services from a seller and resells the specific goods or  
9 services to the consumer on closed-end credit.  
10 "Buy-now-pay-later loan" or "loan" also does not include (i) a  
11 loan for a motor vehicle or (ii) a residential mortgage loan,  
12 as that term is defined in Section 1-4 of the Residential  
13 Mortgage License Act of 1987. "Buy-now-pay-later loan" or  
14 "loan" also does not include any loan to a seller of goods or  
15 services for the purchase of inventory for sale or resale by  
16 the seller of goods or services in the normal course of  
17 business.

18 "Consumer" means a natural person who, singly or jointly  
19 with another consumer, enters into, seeks out, applies for, or  
20 requests a buy-now-pay-later loan primarily for personal,  
21 family, or household purposes.

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

24 "Division" means the Division of Financial Institutions of  
25 the Department of Financial and Professional Regulation.

26 "Finance charge" means the cost of financing as a dollar

1 amount.

2 "Lender" means a person that offers or makes a  
3 buy-now-pay-later loan to a person in this State or is  
4 otherwise subject to this Act.

5 "Licensee" means a person licensed under this Act.

6 "Motor vehicle" means a vehicle which is self-propelled  
7 and every vehicle which is propelled by electric power  
8 obtained from overhead trolley wires, but not operated upon  
9 rails, except for vehicles moved solely by human power,  
10 motorized wheelchairs, low-speed electric bicycles, and  
11 low-speed gas bicycles.

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

16 "Person" means an individual, a partnership, joint  
17 venture, trust, estate, firm, corporation, cooperative society  
18 or association, or any other form of business association or  
19 legal entity. "Person" includes the employees, owners, agents,  
20 managers, members, principals, and directors of a person.

21 "Secretary" means the Secretary of Financial and  
22 Professional Regulation or the Secretary's designee, including  
23 the Director of the Division of Financial Institutions.

24 Section 3. Administration by the Division of Financial  
25 Institutions. This Act shall be administered by the Division

1 on behalf of the Secretary.

2 Section 4. Licensure requirement. No person shall engage  
3 in the business regulated by this Act without licensure under  
4 this Act. The Secretary may investigate any person the  
5 Secretary believes may require licensure under this Act,  
6 including, but not limited to, compelling production of  
7 testimony, books, records, or any other information necessary  
8 for the Secretary to determine whether the person requires  
9 licensure. An owner, officer, or employee of a person required  
10 to be licensed under this Act is not required to be licensed to  
11 engage in activities conducted by the licensee under this Act.

12 Section 5. Applicability.

13 (a) Except as otherwise provided in this Section, this Act  
14 applies to any person, including any affiliate or subsidiary  
15 of a person, that offers or makes a loan, buys a whole or  
16 partial interest in a loan, arranges a loan for a third party,  
17 or acts as an agent for a third party in making a loan to a  
18 consumer, regardless of whether approval, acceptance, or  
19 ratification by the third party is necessary to create a legal  
20 obligation for the third party, and includes any other person  
21 or entity if the Department determines that the person or  
22 entity is engaged in a transaction that is in substance a  
23 disguised loan or a subterfuge for the purpose of avoiding  
24 this Act. This Act applies to loan transactions conducted by

1 any medium, including, but not limited to, paper, facsimile,  
2 Internet, or telephone. This Act also applies to any servicer  
3 of a loan offered or made under this Act. This Act does not  
4 apply to a merchant or merchant platform that makes a  
5 buy-now-pay-later loan available to a consumer through an  
6 agreement with a licensed buy-now-pay-later lender or person  
7 exempt from this Act, if the merchant or merchant platform  
8 does not originate, underwrite, service, or hold an ownership  
9 interest in any buy-now-pay-later loan. Notwithstanding the  
10 provisions of this subsection, this Act also does not apply to  
11 a person who buys, acquires, or holds a partial interest in a  
12 loan as a passive investor, but does not otherwise originate,  
13 underwrite, or service the loan or control the servicing of  
14 the loan.

15 (b) The provisions of this Act apply to any person that  
16 seeks to evade its applicability by any device, subterfuge, or  
17 pretense or making, offering, assisting, or arranging for a  
18 consumer to obtain a loan with a greater rate of interest,  
19 consideration, or charge than is permitted by this Act through  
20 any method, including mail, telephone, Internet, or any  
21 electronic means, regardless of whether the person or entity  
22 has a physical location in this State.

23 (c) The provisions of this Act apply to any person that  
24 facilitates or aids or abets a violation of this Act or rules  
25 adopted under this Act.

26 (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 the United States are  
4 exempt from the provisions of this Act and rules adopted under  
5 this Act. The Secretary may exempt from this Act other persons  
6 or transactions by rule on a finding that the application of  
7 the Act to the persons or transactions is not necessary to  
8 achieve the purposes of this Act.

9 (e) A person is a lender subject to this Act, regardless of  
10 any claim that the person is acting as an agent, service  
11 provider, or in another capacity for a person that is exempt  
12 from this Act, if:

13 (1) The person holds, acquires, or maintains, directly  
14 or indirectly, the predominant economic interest in the  
15 loan.

16 (2) The person markets, brokers, arranges, or  
17 facilitates the loan and holds the right, requirement, or  
18 first right of refusal to purchase the loan or receivables  
19 or interests in the loan.

20 (3) The totality of the circumstances indicates that  
21 the person is the lender and that the transaction is  
22 structured to evade the requirements of this Act.  
23 Circumstances that support a finding that a person is a  
24 lender include, without limitation:

25 (A) The person indemnifies, insures, or protects  
26 an exempt person or entity for any costs or risks

1 related to the loan.

2 (B) The person predominantly designs, controls, or  
3 operates the loan program.

4 (C) The person purports to act as an agent,  
5 service provider, or in another capacity for a person  
6 exempt from this Act while acting directly as a lender  
7 in other states.

8 Section 5.5. Licensee name. No person engaged in the  
9 business regulated by this Act shall operate the business  
10 under a name other than the real name of the person conducting  
11 business. The business may, as authorized by the Secretary,  
12 also operate under an assumed corporate name under the  
13 Business Corporation Act of 1983, an assumed limited liability  
14 company name under the Limited Liability Company Act, or an  
15 assumed business name under the Assumed Business Name Act.

16 Section 6. Application process; investigation; fees.

17 (a) The Secretary may issue a license to a person after the  
18 person completes the following:

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

22 (2) the filing with the Secretary or the multistate  
23 licensing system, as approved by the Secretary, of a  
24 listing of judgments entered against, and bankruptcy

1 petitions by, the applicant for the preceding 10 years;

2 (3) the payment, in certified funds, of investigation  
3 and application fees, the total of which shall be in an  
4 amount equal to \$5,000, unless modified by the Secretary  
5 in accordance with subsection (b) of Section 11; and

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

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

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

26 (d) The Secretary may impose conditions on a license if

1 the Secretary determines that those conditions are necessary  
2 or appropriate. The conditions shall be imposed in writing and  
3 shall continue in effect for the period prescribed by the  
4 Secretary.

5 Section 7. Application form.

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

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

19 (1) an affirmation that the applicant and its owners,  
20 principals, officers, and directors, as may be  
21 appropriate, are at least 18 years of age;

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

1 (i) person, including an ultimate equitable owner,  
2 that directly or indirectly owns or controls 10% or  
3 more of any class of stock of the applicant;

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

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

14 (iv) person, including an ultimate equitable owner  
15 that the Secretary finds influences the management of  
16 the applicant;

17 (v) directors of an applicant; and

18 (vi) principal officers of an applicant; and

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

1 Section 8. License application 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 may establish relationships or contracts with a  
7 multistate licensing system or other persons to collect and  
8 maintain records and process fees related to licensees or  
9 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 applicant, owners, officers, and directors,  
15 including personal history and experience in a form prescribed  
16 by the Secretary or the multistate licensing system including,  
17 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

1 Secretary may use a multistate licensing system as a  
2 channeling agent for requesting and distributing information  
3 to and from any source.

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

7 Section 9. Refusal to issue license. The Secretary may  
8 refuse to issue or renew a license if the Secretary determines  
9 that:

10 (a) the applicant has not complied with a provision of  
11 this Act, rule adopted under this Act, or other laws that  
12 apply to the applicant;

13 (b) there is substantial continuity between the  
14 applicant and any violator of this Act, rule adopted under  
15 this Act, or other laws that apply to the applicant or  
16 related violator; and

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

24 Section 10. License issuance and renewal.

1 (a) Absent a written extension from the Department and  
2 payment of any late fees required by the Department, a license  
3 shall expire on the last day of December of each calendar year  
4 if a licensee fails to timely submit a properly completed  
5 renewal application form and fees.

6 (b) Licensees shall apply to renew their license every  
7 calendar year. Licensees may submit properly completed renewal  
8 application forms and filing fees 60 days before the license  
9 expiration date. To be deemed timely, the completed renewal  
10 application forms and filing fees must be received by the  
11 Secretary at least 30 days before the license expiration date.

12 (c) It shall be the responsibility of each licensee to  
13 accomplish timely renewal of its license.

14 (d) No activity regulated by this Act shall be conducted  
15 by a licensee whose license has expired. The Secretary may,  
16 within the Secretary's discretion, reinstate an expired  
17 license upon payment of the renewal fee, payment of a  
18 reactivation fee equal to 5 times the renewal fee, submission  
19 of a completed renewal application, and an affidavit of good  
20 cause for late renewal.

21 Section 11. Fees.

22 (a) The expenses of administering this Act, including  
23 licensing, investigations, and examinations provided for in  
24 this Act, shall be borne by and assessed against persons and  
25 entities regulated by this Act in the proportions and in the

1 manner as the Secretary deems appropriate. The Secretary may  
2 establish by rule the category and amount of any fees that the  
3 person and entities pay to the Department.

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

7 Section 12. Functions; powers; duties. The functions,  
8 powers, and duties of the Secretary shall include, but shall  
9 not be limited to:

10 (a) to issue or refuse to issue any license or  
11 renewal;

12 (b) to impose fines, revoke, or suspend for cause any  
13 license issued under this Act;

14 (c) to impose fines for any unlicensed activity under  
15 this Act;

16 (d) to keep records of all licenses issued under this  
17 Act;

18 (e) to receive, consider, investigate, and act upon  
19 complaints made by any person in connection with any  
20 licensee in this State or unlicensed activity under this  
21 Act of any person;

22 (f) to prescribe the forms of and receive:

23 (1) applications for licenses and renewals; and

24 (2) all reports and all books and records required  
25 to be made by any licensee, including annual audited

1 financial statements if required by the Secretary and  
2 annual reports of activity;

3 (g) to adopt rules necessary and proper for the  
4 administration of this Act, to protect consumers and to  
5 promote fair competition;

6 (h) to subpoena documents and witnesses and compel  
7 attendance and production, to administer oaths, and to  
8 require the production of any books, papers, or other  
9 materials relevant to any inquiry authorized by this Act  
10 or rules adopted under this Act;

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

19 (j) to address any inquiries to any licensee, or the  
20 owners, officers, or directors, in relation to its  
21 activities and conditions, or any other matter connected  
22 with its affairs, and it shall be the duty of any licensee  
23 or person so addressed to promptly reply in writing to  
24 those inquiries; and to require reports from any licensee  
25 at any time the Secretary may deem desirable;

26 (k) to examine the books and records of every licensee

1 or any person requiring a license or who the Secretary  
2 reasonably believes may require a license at any time  
3 interval reasonably determined appropriate by the  
4 Secretary;

5 (l) to enforce provisions of this Act and rules  
6 adopted under this Act;

7 (m) to levy fees including, but not limited to,  
8 contingent fees, assessments, examination fees, licensing  
9 fees, fines, and charges for services performed in  
10 administering this Act;

11 (n) to issue refunds to licensees within one year of  
12 any overpayment for good cause shown;

13 (o) to appoint examiners, supervisors, experts, and  
14 special assistants as needed to effectively and  
15 efficiently administer this Act;

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

18 (q) to exercise visitorial power over a licensee;

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

24 (s) to assign an examiner or examiners to monitor the  
25 affairs of a licensee with whatever frequency the  
26 Secretary determines appropriate and to charge the

1           licensee for reasonable and necessary expenses of the  
2           Secretary if in the opinion of the Secretary an emergency  
3           exists or appears likely to occur;

4           (t) to impose civil penalties of up to \$1,000 per day  
5           against a licensee for failing to respond to a regulatory  
6           request or reporting requirement; and

7           (u) to enter into agreements in connection with a  
8           multistate licensing system.

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

18          Section 14. Examination; prohibited activities.

19          (a) The Secretary shall examine the business affairs of a  
20          licensee as often as the Secretary deems necessary and proper.  
21          The Secretary may adopt rules with respect to the frequency  
22          and manner of examination. The Secretary shall appoint a  
23          suitable person to perform the examination. The Secretary and  
24          the Secretary's appointees may examine the entire books,

1 records, documents, and operations of each licensee and its  
2 subsidiary, affiliate, or agent, and may examine any of the  
3 licensee's or its subsidiaries', owners', affiliates', or  
4 agents' officers, directors, employees, and agents under oath.

5 (b) Affiliates of a licensee shall be subject to  
6 examination by the Secretary only to the extent reasonably  
7 necessary to evaluate the licensee's compliance with this Act  
8 and only with respect to records directly related to the  
9 licensee's regulated activities under this Act.

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

13 (d) All confidential supervisory information, including  
14 the examination report and the work papers of the report,  
15 shall belong to the Secretary's office and may not be  
16 disclosed to anyone other than the licensee, law enforcement  
17 officials, or other regulatory agencies that have an  
18 appropriate regulatory interest as determined by the  
19 Secretary, or to a party presenting a lawful subpoena to the  
20 Department. The Secretary may, through the Attorney General,  
21 immediately appeal to the court of jurisdiction the disclosure  
22 of the confidential supervisory information and seek a stay of  
23 the subpoena pending the outcome of the appeal. Reports  
24 required of licensees by the Secretary under this Act and  
25 results of examinations performed by the Secretary under this  
26 Act shall be the property of only the Secretary, but may be

1 shared with the licensee. Any person demanded to produce the  
2 Department's confidential supervisory information, whether by  
3 subpoena, order, or other judicial or administrative process,  
4 shall withhold production of the confidential supervisory  
5 information and notify the Secretary of the demand. The  
6 Secretary may intervene for the purpose of enforcing the  
7 limitations of this Section or seeking the withdrawal or  
8 termination of the attempt to compel production of the  
9 confidential supervisory information. The Secretary may impose  
10 any conditions and limitations on the disclosure of  
11 confidential supervisory information that are necessary to  
12 protect the confidentiality of that information. The Secretary  
13 may condition a decision to disclose confidential supervisory  
14 information on entry of a protective order by the court or  
15 administrative tribunal presiding in the particular case or on  
16 a written agreement of confidentiality. In a case in which a  
17 protective order or agreement has already been entered between  
18 parties other than the Secretary, the Secretary may  
19 nevertheless condition approval for release of confidential  
20 supervisory information upon the inclusion of additional or  
21 amended provisions in the protective order. The Secretary may  
22 authorize a party who obtained the records for use in one case  
23 to provide them to a party in another case, subject to any  
24 conditions that the Secretary may impose on either or both  
25 parties. The requester shall promptly notify other parties to  
26 a case of the release of confidential supervisory information

1 obtained and, upon entry of a protective order, shall provide  
2 copies of confidential supervisory information to the other  
3 parties.

4 Section 15. Subpoena power of the Secretary.

5 (a) The Secretary shall have the power to issue and to  
6 serve subpoenas and subpoenas duces tecum to compel the  
7 attendance of witnesses and the production of all books,  
8 accounts, records, and other documents and materials relevant  
9 to an examination or investigation. The Secretary or the  
10 Secretary's duly appointed representative shall have the power  
11 to administer oaths and affirmations to any person.

12 (b) If a person does not comply with the Secretary's  
13 subpoena or subpoena duces tecum, the Secretary may, through  
14 the Attorney General, petition the circuit court of the county  
15 in which the subpoenaed person resides or has its principal  
16 place of business for an order requiring the subpoenaed person  
17 to testify and to comply with the subpoena duces tecum.

18 (c) The court may grant injunctive relief restraining the  
19 person from engaging in activity regulated by this Act. The  
20 court may grant other relief, including, but not limited to,  
21 the restraint, by injunction or appointment of a receiver, of  
22 any transfer, pledge, assignment, or other disposition of the  
23 person's assets, concealment, destruction, or other  
24 disposition of books, accounts, records, or other documents  
25 and materials as the court deems appropriate, until the person

1 has fully complied with the subpoena or subpoena duces tecum  
2 and the Secretary has completed an investigation or  
3 examination.

4 (d) If it appears to the Secretary that the compliance  
5 with a subpoena or subpoena duces tecum issued or caused to be  
6 issued by the Secretary under this Section is essential to an  
7 investigation or examination, the Secretary, in addition to  
8 the other remedies provided for in this Act, may, through the  
9 Attorney General, apply for relief to the circuit court of the  
10 county in which the subpoenaed person resides or has its  
11 principal place of business. The court shall direct the  
12 issuance of an order against the subpoenaed person requiring  
13 sufficient bond conditioned on compliance with the subpoena or  
14 subpoena duces tecum. The court shall cause to be endorsed on  
15 the order a suitable amount of bond or payment under which the  
16 person named shall be freed, having a due regard to the nature  
17 of the case.

18 (e) In addition, the Secretary may, through the Attorney  
19 General, seek a writ of attachment or an equivalent order from  
20 the circuit court having jurisdiction over the person who has  
21 refused to obey a subpoena, who has refused to give testimony,  
22 or who has refused to produce the matters described in the  
23 subpoena duces tecum.

24 Section 16. Reports required of licensee. Every licensee  
25 shall produce to the Department written reports or answers to

1 questions in the time and manner requested by the Secretary.

2 Section 17. Suspension; revocation of licenses; fines and  
3 other discipline.

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

6 (1) revocation of license;

7 (2) suspension of a license subject to reinstatement  
8 upon satisfying all reasonable conditions the Secretary  
9 may specify;

10 (3) placement of the licensee or applicant on  
11 probation for a period of time and subject to all  
12 reasonable conditions as the Secretary may specify;

13 (4) issuance of a reprimand;

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

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

18 (7) denial of a license.

19 (b) Grounds for penalties include:

20 (1) that a person has violated or aided another to  
21 violate, any provisions of this Act, any rule adopted by  
22 the Secretary, or any other law, rule, or regulation of  
23 this State, any other state, or the United States;

24 (2) that any fact or condition exists that, if it had  
25 existed at the time of the original application for the

1 license, would have warranted the Secretary in refusing to  
2 issue the original license;

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

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

9 (5) that a person has been adjudicated guilty of a  
10 crime against the law of this State, any other state, or of  
11 the United States involving moral turpitude, abusive,  
12 deceptive, fraudulent, or dishonest dealing;

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

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

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

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

26 (10) that a licensee failed to submit to periodic

1 examination by the Secretary as required by this Act or  
2 failed to maintain, preserve, and keep available for  
3 examination all books, accounts, or other documents  
4 required by the provisions of this Act and rules adopted  
5 under this Act for a period of at least 2 years after the  
6 loan is paid in full or any time period set forth by rule;

7 (11) that a person failed to account or deliver to any  
8 person any property, such as any money, fund, deposit,  
9 check, draft, or other document or thing of value, that  
10 has come into the person's possession and that is not the  
11 person's property or that the person is not in law or  
12 equity entitled to retain, under the circumstances and at  
13 the time which has been agreed upon or is required by law  
14 or, in the absence of a fixed time, upon demand of the  
15 person for the accounting and delivery;

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

18 (13) that a person had a license, or the equivalent,  
19 to practice any profession, occupation, other industry or  
20 activity requiring licensure revoked, suspended,  
21 disciplined, or otherwise acted against, including the  
22 denial of licensure by a licensing authority of this State  
23 or another state, territory, or country for fraud,  
24 dishonest dealing, misrepresentations, incompetence,  
25 conversion, any act of moral turpitude or any other  
26 grounds that would constitute grounds for discipline under

1           this Act;

2           (14) that a person licensed under this Act failed to  
3           timely notify the Department that the person has been  
4           disciplined by a licensing authority of this State or  
5           another state;

6           (15) that a person engaged in activities regulated by  
7           the Act without a current, active license unless  
8           specifically exempted by this Act;

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

11          (17) that a person refused, obstructed, evaded, or  
12          unreasonably delayed an investigation, information  
13          request, or examination authorized under this Act, or  
14          refused, obstructed, evaded, or unreasonably delayed  
15          compliance with the Secretary's subpoena or subpoena duces  
16          tecum.

17          (c) No license shall be suspended or revoked, except as  
18          provided in this Section nor shall any licensee be fined,  
19          without notice of the licensee's right to a hearing.

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

23          (e) No revocation, suspension, or surrender of any license  
24          shall impair or affect the obligation of any preexisting  
25          lawful contract between the licensee and any person. The  
26          Secretary's approval of a licensee's application to surrender

1 its license shall not affect the licensee's civil or criminal  
2 liability for acts committed prior to surrender. Surrender of  
3 a license does not entitle the licensee to a return of any part  
4 of the fee for initial licensure or any part of the fee for  
5 annual license renewal.

6 (f) Every license issued under this Act shall remain in  
7 force and effect until the license expires, is surrendered, is  
8 revoked, or is suspended in accordance with the provisions of  
9 this Act. The Secretary may reinstate a suspended license or  
10 issue a new license to a licensee whose license has been  
11 revoked or surrendered if no fact or condition then exists  
12 which would have warranted the Secretary in refusing  
13 originally to issue that license under this Act.

14 (g) If the Secretary imposes discipline authorized by this  
15 Section, the Secretary shall execute a written order to that  
16 effect. The Secretary shall serve a copy of the order upon the  
17 person. The Secretary shall serve the person with notice of  
18 the order, including a statement of the reasons for the order,  
19 either personally, or by certified mail. Service by certified  
20 mail shall be deemed completed when the notice is deposited  
21 into the U.S. Mail.

22 (h) An order assessing a fine, an order imposing  
23 conditions upon a license, an order revoking or suspending a  
24 license, or an order denying renewal of a license shall take  
25 effect upon service of the order unless the licensee serves  
26 the Department with a written request for a hearing in the

1 manner required by the notice within 20 days after the date of  
2 service of the order. If a person requests a hearing, the order  
3 shall be stayed from its date of service until the Department  
4 enters a final administrative order.

5 (1) If the licensee requests a hearing, the Secretary  
6 shall schedule a preliminary hearing within 90 days after  
7 the request for a hearing unless otherwise agreed to by  
8 the parties.

9 (2) The preliminary hearing shall be held at the time  
10 and place designated by the Secretary. The Secretary and  
11 any administrative law judge designated by the Secretary  
12 shall have the power to administer oaths and affirmations,  
13 subpoena witnesses and compel their attendance, take  
14 evidence, and require the production of books, papers,  
15 correspondence, and other records or information that the  
16 Secretary considers relevant or material to the inquiry.

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

20 (j) A licensee and other persons subject to this Act shall  
21 be subject to the disciplinary actions specified in this Act  
22 for any violations conducted by any officer, director,  
23 shareholder, joint venture, partner, owner, including, but not  
24 limited to, ultimate equitable owner.

25 Section 18. Investigation of complaints. The Secretary may

1 investigate any complaints and inquiries made concerning this  
2 Act and any licensees or persons the Secretary believes may  
3 require a license under this Act. Each licensee or person the  
4 Secretary believes may require a license under this Act shall  
5 open the licensee or person's books, records, documents, and  
6 offices wherever situated to the Secretary as needed to  
7 facilitate the investigations.

8 Section 19. Additional investigation and examination  
9 authority. In addition to any authority allowed under this  
10 Act, the Secretary shall have the authority to conduct  
11 investigations and examinations as follows:

12 (a) For purposes of initial licensing, license  
13 renewal, license suspension, license conditioning, license  
14 probation, license revocation or termination, or general  
15 or specific inquiry or investigation to determine  
16 compliance with this Act, the Secretary shall have the  
17 authority to access, receive, and use any books, accounts,  
18 records, files, documents, information, or evidence,  
19 including, but not limited to, the following:

20 (1) criminal, civil, licensure, and administrative  
21 history information, including nonconviction data as  
22 specified in the Criminal Identification Act;

23 (2) personal history and experience information,  
24 including independent credit reports obtained from a  
25 consumer reporting agency described in Section 603(p)

1 of the federal Fair Credit Reporting Act; and

2 (3) any other documents, information, or evidence  
3 the Secretary deems relevant to the inquiry or  
4 investigation, regardless of the location, possession,  
5 control, or custody of the documents, information, or  
6 evidence.

7 (b) For the purposes of investigating violations or  
8 complaints arising under this Act or for the purposes of  
9 examination, the Secretary may review, investigate, or  
10 examine any licensee, individual, or person subject to  
11 this Act as often as necessary in order to carry out the  
12 purposes of this Act. The Secretary may direct, subpoena,  
13 or order the attendance of, and examine under oath all  
14 persons; and order any person to produce records, files,  
15 and any other documents the Secretary deems relevant to an  
16 inquiry.

17 (c) Each person subject to this Act shall make  
18 available to the Secretary upon request the books and  
19 records relating to the operations of the person subject  
20 to this Act. The Secretary shall have access to those  
21 books and records and may interview the owners, officers,  
22 principals, employees, independent contractors, agents,  
23 vendors, and customers of any licensee or person subject  
24 to this Act.

25 (d) Each person subject to this Act shall make or  
26 compile reports or prepare other information as directed

1 by the Secretary to carry out the purposes of this  
2 Section, including, but not limited to:

3 (1) accounting compilations;

4 (2) information lists and data concerning  
5 transactions in a format prescribed by the Secretary;  
6 or

7 (3) other information deemed necessary to carry  
8 out the purposes of this Section.

9 (e) In making any examination or investigation  
10 authorized by this Act, the Secretary may control access  
11 to any documents and records of the licensee or person  
12 under examination or investigation. The Secretary may take  
13 possession of the documents and records or otherwise take  
14 constructive control of the documents. During the period  
15 of control, no person shall remove or alter any of the  
16 documents or records, except in accordance with a court  
17 order or with the consent of the Secretary. Unless the  
18 Secretary has reasonable grounds to believe the documents  
19 or records of the licensee have been or are at risk of  
20 being altered or destroyed for purposes of concealing a  
21 violation of this Act, the licensee or owner of the  
22 documents and records shall have access to the documents  
23 or records as necessary to conduct its ordinary business  
24 affairs.

25 (f) In order to carry out the purposes of this  
26 Section, the Secretary may:

1           (1) retain attorneys, accountants, or other  
2 professionals and specialists as examiners, auditors,  
3 or investigators to conduct or assist in the conduct  
4 of examinations or investigations;

5           (2) enter into agreements or relationships with  
6 other government officials or regulatory associations  
7 to protect consumers, improve efficiencies, and reduce  
8 regulatory burden by sharing resources, standardized  
9 or uniform methods or procedures, and documents,  
10 records, information, or evidence obtained under this  
11 Section;

12           (3) use, hire, contract, or employ publicly or  
13 privately available analytical systems, methods, or  
14 software to examine or investigate the licensee,  
15 individual, or person subject to this Act;

16           (4) accept and rely on examination or  
17 investigation reports made by other government  
18 officials, within or outside this State; or

19           (5) accept audit reports made by an independent  
20 certified public accountant for the person subject to  
21 this Act and incorporate the audit report in the  
22 report of the examination, report of investigation, or  
23 other writing of the Secretary.

24           (g) The authority of this Section shall remain in  
25 effect, whether a person subject to this Act acts or  
26 claims to act under any licensing or registration law of

1 this State or claims to act without authority.

2 (h) No licensee or person subject to investigation or  
3 examination under this Section may knowingly withhold,  
4 alter, abstract, remove, mutilate, destroy, hide, or  
5 conceal any books, records, computer records, or other  
6 information or take actions designed to delay or  
7 complicate review of records.

8 Section 20. Confidentiality. To promote more effective  
9 regulation, protect consumers, and reduce regulatory burden  
10 through inter-regulator sharing of confidential supervisory  
11 information:

12 (a) The privacy or confidentiality of any information  
13 or material provided to the multistate licensing system,  
14 including all privileges arising under federal or State  
15 court rules and law, shall continue to apply to the  
16 information or material after the information or material  
17 has been disclosed to the multistate licensing system.  
18 Information and material may be shared with the multistate  
19 licensing system, federal and state regulatory officials  
20 with relevant oversight authority, and law enforcement  
21 without the loss of privilege or the loss of  
22 confidentiality protections.

23 (b) The Secretary may enter into agreements or sharing  
24 arrangements with other governmental agencies, the  
25 Conference of State Bank Supervisors, and other

1 associations representing governmental agencies.

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

5 (1) disclosure under any State law governing the  
6 disclosure to the public of information held by an  
7 officer or an agency of this State; or

8 (2) subpoena, discovery, or admission into  
9 evidence, in any private civil action or  
10 administrative process except as authorized by the  
11 Secretary.

12 (d) Any other law relating to the disclosure of  
13 confidential supervisory information that is inconsistent  
14 with this Act shall be superseded by the requirements of  
15 this Section to the extent the other law provides less  
16 confidentiality or a weaker privilege for information that  
17 is privileged or confidential under this Act.

18 (e) Confidential or privileged information received  
19 from the multistate licensing system, another licensing  
20 body, federal and state regulatory officials, or law  
21 enforcement shall be protected to the same extent as the  
22 Secretary's confidential and privileged information is  
23 protected under this Act. The Secretary may also protect  
24 from disclosure confidential or privileged information  
25 that would be exempt from disclosure to the extent it is  
26 held directly by the multistate licensing system, another

1           licensing body, federal and state regulatory officials, or  
2           law enforcement.

3           Section 21. Rules.

4           (a) In addition to the powers set forth in this Act and  
5           other laws, the Secretary may adopt rules consistent with the  
6           purposes of this Act, including, but not limited to, rules to:

7                   (1) protect consumers in this State in connection with  
8                   the activities of persons subject to this Act;

9                   (2) define improper, deceptive, unfair, abusive, or  
10                   fraudulent business practices in connection with providing  
11                   products and services under this Act;

12                   (3) define terms used in this Act to interpret and  
13                   implement this Act;

14                   (4) promote competition and price transparency; and

15                   (5) enforce the provisions of this Act.

16           (b) The Secretary may make specific rulings, demands, and  
17           findings deemed necessary for the proper conduct of the  
18           buy-now-pay-later loan industry.

19           Section 22. Appeal and review.

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

- 1 (1) appointment of a hearing officer;
- 2 (2) appropriate procedural rules, specific deadlines
- 3 for filings, and standards of evidence and of proof; and
- 4 (3) provisions for apportioning costs among parties to
- 5 the appeal.

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

13 Section 23. Licensure fees.

14 (a) The nonrefundable fee for initial licensure shall be  
15 \$5,000, unless modified by the Secretary in accordance with  
16 subsection (b) of Section 11.

17 (b) The nonrefundable fee for annual license renewal shall  
18 be \$5,000, unless modified by the Secretary in accordance with  
19 subsection (b) of Section 11.

20 (c) The Department shall impose a contingent fee  
21 sufficient to cover its operating expenses in administering  
22 this Act not otherwise covered by all other revenue collected  
23 under this Act. Each licensee shall pay to the Division its pro  
24 rata share, based on number or volume of transactions or  
25 revenue or any other metric established by the Department by

1 rule, of the cost for administration of the Act that exceeds  
2 other fees listed in this Section, as estimated by the  
3 Division, for the current year and any deficit actually  
4 incurred in the administration of the Act in prior years.

5 Section 24. Cease and desist order.

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

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

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

1           (d) If it is determined that the Secretary had the  
2 authority to issue the cease and desist order, the Secretary  
3 may issue orders as may be reasonably necessary to correct,  
4 eliminate, deter, or remedy the conduct described in the order  
5 and resulting harms.

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

13           Section 25. Injunction. The Secretary may maintain an  
14 action in the name of the people of the State of Illinois  
15 through the Attorney General and may apply for an injunction  
16 in the circuit court to enjoin a person from violating this Act  
17 or rules adopted under this Act.

18           Section 26. Underwriting. A lender shall, before providing  
19 or causing to be provided a loan to a consumer, perform, or  
20 cause to be performed, reasonable risk-based underwriting  
21 which shall include, at a minimum, an assessment of the  
22 outstanding loans taken out by the consumer from the lender. A  
23 lender shall also, before providing or causing to be provided  
24 a loan to a consumer, take into consideration the financial

1 ability of the borrower to repay the loan in the time and  
2 manner provided in the loan contract. A lender shall maintain  
3 or cause to be maintained policies and procedures for  
4 underwriting loans, and shall disclose factors considered in  
5 the underwriting process, in a clear and conspicuous manner to  
6 the consumer. Nothing in this Act shall be construed to  
7 require a lender to disclose proprietary underwriting models,  
8 anti-fraud criteria, or trade secrets to the public. No lender  
9 shall collect, evaluate, report, or maintain in the file on a  
10 borrower the credit worthiness, credit standing, or credit  
11 capacity of members of the borrower's social network for  
12 purposes of determining the credit worthiness of the borrower;  
13 the average credit worthiness, credit standing, or credit  
14 capacity of members of the borrower's social network; or any  
15 group score that is not the borrower's own credit worthiness,  
16 credit standing, or credit capacity. The Department may adopt  
17 rules with respect to underwriting.

18 Section 27. Consumer protections.

19 (a) A lender shall provide the following disclosures to a  
20 consumer, in a clear and conspicuous manner, at the time of  
21 extending a specific offer of a loan:

22 (1) how to file a complaint with the Department;

23 (2) the terms of buy-now-pay-later loans, including,  
24 without limitation, the cost, such as interest and fees,  
25 the repayment schedule, the means by which a person may

1           dispute billing practices, whether the transaction will or  
2           will not be reported to a credit reporting agency, and  
3           other material conditions, in a clear and conspicuous  
4           manner and in a manner that complies with applicable  
5           federal regulations, including, but not limited to,  
6           Regulation Z of Title I of the Consumer Credit Protection  
7           Act;

8           (3) factors considered in the underwriting process;  
9           and

10          (4) Any other disclosures required by the Secretary by  
11          rule.

12          (b) A lender shall comply with the Gramm-Leach-Bliley Act  
13          Privacy Rule, Section 624 of the Fair Credit Reporting Act (15  
14          U.S.C. 1681s-3), and their implementing regulations.

15          (c) A lender shall resolve disputes in a manner that is  
16          fair and transparent to consumers. A lender shall create a  
17          readily available and prominently disclosed method for  
18          consumers to bring a dispute to the lender. A lender shall  
19          maintain policies and procedures for handling consumer  
20          disputes. A lender shall apply to loans the dispute rights and  
21          unauthorized charges requirements that apply to credit cards  
22          under the federal Truth in Lending Act, regardless of whether  
23          the law applies to loans or whether the lender offers a credit  
24          card within the scope of the law.

25          (d) A lender shall provide refunds or credits for goods or  
26          services purchased in connection with a loan, if the consumer

1 requests and is entitled to a refund, in a manner that is fair,  
2 transparent, and not unduly burdensome to consumers. A lender  
3 shall maintain policies and procedures to provide the refunds  
4 or credits. The policies and procedures shall be fair,  
5 transparent, and not unduly burdensome to the consumer. A  
6 lender shall disclose to consumers, in a clear and conspicuous  
7 manner, the process by which they can obtain refunds or  
8 credits for goods or services they have purchased in  
9 connection with a loan.

10 (e) A lender shall not require consumers to authorize  
11 automatic payment from the consumer's accounts. If a consumer  
12 voluntarily elects to use automatic payments in relation to  
13 the loan, the lender shall not charge the consumer any amount  
14 to cancel automatic payments should the consumer request to do  
15 so.

16 (f) A lender shall not require payment by a consumer by  
17 credit card.

18 (g) A lender shall not attempt to debit a consumer's  
19 account if it is notified that there are insufficient funds to  
20 pay in the account or if it has reason to believe there are  
21 insufficient funds to pay in the account without seeking  
22 additional, express approval from the consumer. A lender shall  
23 present an ACH debit for payment not more than twice.

24 (h) The lender's license shall be kept conspicuously  
25 posted on the mobile application, website, or other consumer  
26 interface of the lender, as well as listed in the terms and

1 conditions of any loan offered or entered into by the lender.

2 (i) A consumer shall be permitted to pay off the loan at  
3 any time. A lender may not impose, directly or indirectly, any  
4 additional fee or finance charge other than interest accrued  
5 since the consumer's last payment or the start of the loan if  
6 the consumer elects to pay off or refinance the loan before  
7 full repayment.

8 (j) A lender may not accept tips, expedited payment fees,  
9 or any other fee identified by the Department by rule from  
10 consumers. Additionally, the Department may limit any fee,  
11 charge, or payment which may be charged to a consumer by a  
12 lender.

13 (k) A lender shall maintain policies and procedures for  
14 underwriting buy-now-pay-later loans and follow the policies  
15 and procedures when underwriting loans under this Act.

16 (l) All requirements set forth in this Section or in any  
17 rules adopted by the Department relating to servicing of a  
18 loan shall apply to a subsequent purchaser or assignee of a  
19 loan, an agent of the lender, or any other person servicing a  
20 loan.

21 Section 27.5. Compliance with federal law. All disclosures  
22 required by this Act shall be made in a manner that complies  
23 with the federal Truth in Lending Act, amendments thereto, and  
24 any regulations issued or which may be issued thereunder.

1           Section 28. Rate cap. A loan entered into under this Act is  
2 subject to the rate cap set forth in Section 15-5-5 of the  
3 Predatory Loan Prevention Act.

4           Section 29. Nullification of loans. Any loan made by a  
5 person not licensed or otherwise exempt under this Act is null  
6 and void and no person or entity shall have any right to  
7 collect, attempt to collect, receive, or retain any principal,  
8 fee, interest, or charges related to the loan.

9           Section 30. Annual report. The Secretary may require an  
10 annual report from all licensees in a form and manner  
11 prescribed by the Secretary. The Department may publish  
12 reports containing a compilation of aggregate data concerning  
13 the buy-now-pay-later loan industry.

14           Section 31. Surety bond.

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

19           (b) The applicant or licensee shall post a bond in a  
20 minimum amount of \$50,000. If the Secretary finds at any time  
21 that a bond is of insufficient size, is insecure, exhausted,  
22 or otherwise doubtful, an additional bond in the amount as  
23 determined by the Secretary shall be filed by the licensee

1 within 30 days after written demand by the Secretary.

2 (c) The bond must be in a form satisfactory to the  
3 Secretary and shall run to the State of Illinois for the  
4 benefit of any claimant against the applicant or licensee with  
5 respect to any activity regulated by this Act, including  
6 unpaid fees, fines, or penalties owed to the Department. A  
7 claimant damaged by a breach of the conditions of a bond shall  
8 have a right of action upon the bond for damages suffered and  
9 may bring suit directly on the bond, or the Secretary may bring  
10 suit on behalf of the claimant.

11 Section 32. Relation to other laws. Nothing in this Act  
12 shall be construed to limit the obligation of a licensee to  
13 comply with any other applicable laws or rules, including, but  
14 not limited to, the Predatory Loan Prevention Act. Any  
15 protections, rights, and remedies provided in this Act to a  
16 consumer with respect to an agreement with a lender shall be  
17 intended to supplement and not be exclusive of any  
18 protections, rights, and remedies otherwise available under  
19 any other law.

20 Section 33. Limitation on liability. No provision of this  
21 Act imposes any liability on a lender as a result of the actual  
22 annual percentage rate charged by a lender differing from the  
23 estimated annual percentage rate disclosed in conformity with  
24 any regulation, order, or written interpretive opinion of the

1 Secretary or any opinion of the Attorney General, whether or  
2 not the regulation, order, or written interpretive opinion is  
3 later amended, rescinded, or repealed or determined by  
4 judicial or other authority to be invalid for any reason.

5 Section 34. Liberal construction and purpose. This Act  
6 shall be liberally construed to protect consumers.

7 Section 35. Compliance. No person shall be required to  
8 comply with this Act until January 1, 2028, or a later date  
9 established by the Department by rule.

10 Section 37. Violations.

11 (a) Nothing in this Act shall be construed to restrict the  
12 exercise of powers or the performance of the duties of the  
13 Attorney General that the Attorney General is authorized to  
14 exercise or perform by law.

15 (b) A violation of this Act constitutes an unlawful  
16 practice under the Consumer Fraud and Deceptive Business  
17 Practices Act. All remedies, penalties, and authority granted  
18 to the Attorney General by the Consumer Fraud and Deceptive  
19 Business Practices Act shall be available to the Attorney  
20 General for the enforcement of this Act.

21 Section 38. Other licenses. A person holding (i) a license  
22 under the Consumer Installment Loan Act, (ii) a license under

1 the Collection Agency Act, (iii) a license under the Sales  
2 Finance Agency Act, or (iv) a license identified by the  
3 Department by rule is not required to be licensed under this  
4 Act, but is otherwise required to comply with this Act,  
5 including, but not limited to, the payment of fees relating to  
6 the activity subject to this Act. The person shall notify the  
7 Department that it is conducting activity subject to this Act  
8 at the time of the renewal of the person's license.

9 Section 39. Safe harbor. A person that (i) was providing  
10 buy-now-pay-later loans in this State before January 1, 2028  
11 and (ii) submits an application for a license on or before  
12 January 1, 2028 shall be deemed a provisional licensee  
13 authorized to continue operating under this Act until the  
14 Department acts on the application. In addition to any other  
15 grounds for denying an application under this Act, the  
16 Department may deny such an application if it finds that the  
17 applicant's reputation does not warrant the belief that the  
18 business will be operated honestly and fairly within the  
19 purposes of this Act and that the applicant does not meet the  
20 positive net worth requirement. The Department may, by rule,  
21 extend the compliance date for any provision of this Act.

22 Section 40. Relation to other laws. Any loan made under  
23 and in compliance with this Act is not required to comply with  
24 the Consumer Installment Loan Act or the Payday Loan Reform

1 Act.

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

4 (815 ILCS 505/2MMMM new)

5 Sec. 2MMMM. Violations of the Buy-Now-Pay-Later Loan  
6 Consumer Protection Act. A person who violates the  
7 Buy-Now-Pay-Later Loan Consumer Protection Act commits an  
8 unlawful practice within the meaning of this Act.

9 Section 997. Severability. If any provision of this Act or  
10 the application of the provision is held invalid, the  
11 invalidity shall not affect other provisions or applications  
12 of the Act which can be given effect without the invalidated  
13 provision or application.

14 Section 999. Effective date. This Act takes effect upon  
15 becoming law.