**Section 110.140 Sale of Security**

The following regulations shall be observed in the sale of security:

a) The account record shall give the following information:

1) When possession of the security was obtained, and whether by voluntary or involuntary action.

2) Public or private sale and date sold.

3) When part or all of the security is sold, the fact must be noted on the account record.

4) All credits from proceeds of the sale must be properly identified (whether by sale of security, etc.).

b) The files of the licensee shall contain:

1) Evidence of compliance by licensee with all applicable provisions of the Uniform Commercial Code in the sale and disposition by a secured party of collateral after default including copies of all notices directed to the obligor as required therein or as required by any other law, statute or regulation, state or federal.

2) Copy of notice of intended sale which must contain notice of default, balance owing, date, place and time of public sale or the date after which a private sale may occur. Such notice must be forwarded to the obligor by certified mail to the last known address of the obligor.

3) Signed receipts from the purchasers or auctioneer describing the collateral purchased, showing the amount paid for same, and, if a private sale, copies of any competitive bids.

4) Copy of statement of final accounting, original of which shall be sent to the obligor after the sale, which statement shall set forth the sale price of the collateral, itemization of the costs of sale, and any surplus or deficiency balance due on the account.

5) A report of condition of the collateral at the time of retaking.

c) No waiver of the provisions of the Uniform Commercial Code safeguarding the rights of the obligor shall be accepted by a licensee prior to default.

d) When the collateral is abandoned and the address of the obligor is unknown, notice of sale and statement of final accounting shall be sent to the last known address by registered or certified mail, return receipt requested.

e) In connection with the sale of collateral given as security for loans after default, the licensee shall make only such charges for expense incurred as are permitted by the applicable provision of the Uniform Commercial code which charges must be reasonable, taking into consideration the nature of the collateral, the circumstances surrounding the sale, the fair market value of the collateral and the amount of the indebtedness. Such charges must be substantiated by paid receipts.

(Source: Amended at 47 Ill. Reg. 9271, effective June 20, 2023)