



101ST GENERAL ASSEMBLY

State of Illinois

2019 and 2020

HB5524

by Rep. Emanuel Chris Welch

SYNOPSIS AS INTRODUCED:

See Index

Amends the Consumer Installment Loan Act. Provides that an income share agreement provider shall clearly and conspicuously disclose specified information in an income-based financing transaction no later than 3 business days before the consummation of the transaction. Requires an income share agreement provider to disclose a borrower's effective annual percentage rate under specified scenarios. Requires an income share agreement provider to provide a borrower with a monthly statement within 15 days before a payment due date, and to provide a borrower with an annual statement. Provides that the contractual payment percentage of an agreement may not exceed 5% of a borrower's qualified income, and no income share agreement term may exceed 60 months. Provides that an income share agreement provider shall not contract for a payment cap that exceeds 1.10 times the amount of the advance or extend an advance that exceeds \$5,000. Provides that no payment may be collected under the terms of an income share agreement when a borrower is enrolled in a covered educational program, or during the 6-month grace period after a borrower leaves such a program. Provides that an income share agreement provider shall not engage in unfair or deceptive practices toward a borrower or misrepresent or omit any material information in connection with an income-based financing transaction. Provides that a borrower must exhaust all sources of federal student loans and state grants for which the borrower is directly eligible before entering into an educational income share agreement. Requires an income share agreement provider to provide readily accessible methods for consumers to submit a request for assistance to the provider, and to implement a process by which a borrower can escalate any request for assistance. Makes other changes. Defines terms.

LRB101 17540 BMS 66956 b

1 AN ACT concerning regulation.

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

4 Section 1. This Act may be referred to as the Income Share
5 Agreement Consumer Protection Act.

6 Section 5. The Consumer Installment Loan Act is amended by
7 adding Sections 17.6, 17.7, 17.8, 17.9, 17.10, 17.11, 17.12,
8 17.13, 17.14, 17.15, 17.16, 17.17, 17.18, 17.19, 17.20, 17.21,
9 17.22, 17.23, 17.24, 17.25, 17.26, and 17.27 as follows:

10 (205 ILCS 670/17.6 new)

11 Sec. 17.6. Income share agreements; scope and definitions.

12 (a) Sections 17.7 through 17.27 of this Act apply
13 exclusively to income share agreements as defined in subsection
14 (b).

15 (b) As used in Sections 17.7 through 17.27:

16 "Advance" means the amount of money or tuition that is
17 credited or paid to or on behalf of the borrower in exchange
18 for a contractual payment percentage.

19 "Annual percentage rate" means the percentage rate
20 calculated according to the Federal Reserve Board's
21 methodology as set forth under Regulation Z, 12 CFR Part 1026.

22 "Bona fide payment event" means a period during which a

1 borrower is earning income less than the income threshold
2 amount. A bona fide payment event constitutes a qualifying
3 payment.

4 "Borrower" means the obligor of an income share agreement.

5 "Calculated monthly payment" means the amount of money an
6 income share agreement provider determines is due from a
7 borrower's qualified income according to the terms of a
8 contractual payment percentage.

9 "Cash price" has the meaning given to that term in 12 CFR
10 1026.2(a)(9).

11 "Contractual payment percentage" means the share or
12 percentage of qualified income a borrower is required to pay
13 pursuant to the terms of an income share agreement.

14 "Covered educational program" means a federally eligible
15 educational program or vocational educational program.

16 "Educational expenses" means tuition, fees, and other
17 related expenses for a borrower to enroll in or attend a
18 covered educational program.

19 "Eligible education debt" means federal education loans,
20 private education loans, and income share agreements.

21 "Educational income share agreement" means an income share
22 agreement offered in whole or in part to finance educational
23 expenses.

24 "Federally eligible educational program" means a college,
25 university, trade school, or other post-secondary educational
26 institution eligible to participate in a student aid program

1 run by the United States Department of Education.

2 "Grace period" means the period after the income share
3 agreement is entered and before the start of the repayment
4 period.

5 "Income share agreement" means an agreement under which a
6 borrower commits to pay a percentage of his or her future
7 income in exchange for money, payments, or credits applied to
8 or on behalf of a borrower. An income share agreement
9 constitutes a loan and debt within the meaning of this Act.

10 "Income-based financing transaction" means a transaction
11 repaid by a borrower pursuant to the terms of an income share
12 agreement.

13 "Income share agreement provider" means:

14 (1) a person that directly or indirectly provides
15 money, payments, or credits to or on behalf of a borrower
16 pursuant to the terms of an income share agreement;

17 (2) a person that participates in the creation or
18 administration of an income share agreement, including by:

19 (A) providing, originating, or underwriting
20 services or assistance;

21 (B) calculating, collecting, or processing
22 payments;

23 (C) collecting income from any source;

24 (D) arranging one or more income-based financing
25 transactions; or

26 (E) performing any other administrative service

1 pursuant to the terms of an income share agreement; or
2 (3) an assignee or recipient of the proceeds of an
3 income share agreement.

4 "Income documentation" means evidence of a borrower's
5 income used to determine qualified income.

6 "Income threshold" means 250% of the federal poverty
7 guidelines for the family size of the borrower, as updated
8 periodically in the Federal Register by the U.S. Department of
9 Health and Human Services under the authority of 42 U.S.C.
10 9902(2).

11 "Maximum payment term" means the maximum time in months it
12 takes for an income share agreement to be repaid and completely
13 satisfied.

14 "Maximum required payments" means the total number of
15 qualifying payments a borrower must make to fully satisfy an
16 income share agreement.

17 "Payment cap" means the maximum amount of money a borrower
18 must pay to satisfy the terms of an income share agreement.

19 "Qualified income" means that part of the borrower's
20 compensation (including, but not limited to, salary, bonuses,
21 commissions, and vacation pay) from an employer remaining after
22 the deduction of health insurance premiums and any amounts
23 required by law to be withheld. As used in this definition,
24 "amounts required by law to be withheld" include amounts for
25 deductions such as Social Security taxes and withholding taxes,
26 but do not include any amounts withheld pursuant to a court

1 order.

2 "Qualifying payment" means a calculated monthly payment
3 that counts toward the payment cap or maximum payment term.

4 "Repayment period" means the time after which the income
5 share agreement provider calculates or collects a borrower's
6 qualifying payment.

7 "Request for assistance" means any inquiry, complaint,
8 account dispute, or request for documentation an income share
9 agreement provider receives from a borrower.

10 "Vocational educational program" means any post-secondary
11 training program or other program that is designed or marketed
12 to increase the individual's human capital, employability, or
13 earning potential, and is not eligible to participate in a
14 student aid program run by the United States Department of
15 Education.

16 (205 ILCS 670/17.7 new)

17 Sec. 17.7. Income share agreements; disclosure of terms.

18 (a) In an income-based financing transaction under this
19 Act, the income share agreement provider must clearly and
20 conspicuously disclose the following:

21 (1) the income share agreement provider making the
22 disclosures;

23 (2) the amount advanced;

24 (3) the contractual payment percentage;

25 (4) the maximum required payments;

- 1 (5) the maximum term;
- 2 (6) the threshold amount;
- 3 (7) the payment cap;
- 4 (8) a statement that the borrower's estimated annual
5 percentage rates are illustrations of what may occur and
6 not guarantees of what will occur;
- 7 (9) a description and breakdown of the fees charged at
8 the time of origination;
- 9 (10) the annual percentage rate disclosed in a manner
10 as set forth under Section 17.8;
- 11 (11) the definition of qualifying income;
- 12 (12) the date repayment will begin;
- 13 (13) a statement that the borrower's monthly payment
14 may vary in proportion to his or her future income;
- 15 (14) the procedure for verifying a borrower's
16 qualifying income;
- 17 (15) the conditions under which a borrower may
18 experience an increase in payment, including a detailed
19 description of the methodology by which such payment will
20 be calculated;
- 21 (16) the applicable grace period;
- 22 (17) the applicable terms of deferments;
- 23 (18) a schedule of fees a borrower is subject to after
24 the commencement of the transaction;
- 25 (19) information about applicable credit reporting
26 practices;

1 (20) the prepayment methodology set forth under
2 Section 17.17;

3 (21) the terms under which the borrower may be
4 considered in default;

5 (22) the borrower's rights with respect to:

6 (A) filing a dispute;

7 (B) delinquency or default;

8 (C) overpayment or underpayment;

9 (D) disability;

10 (E) borrower death;

11 (F) service as a member of the armed services,
12 including the National Guard and Reserves; and

13 (G) closed school discharge.

14 (23) a statement that the income share agreement
15 represents the obligation of the borrower to pay a specific
16 percentage of his or her income and does not give the
17 income share agreement provider any rights regarding the
18 borrower's educational or employment pursuits; and

19 (24) an address and telephone number where a borrower
20 can submit a request for assistance.

21 (b) In an income-based financing transaction consisting of
22 an educational income share agreement, the income share
23 agreement provider shall disclose the following terms in
24 addition to those set forth under subsection (a):

25 (1) a statement, when applicable, that a borrower must
26 exhaust all sources of federal student loans and state

1 grants for which the borrower is directly eligible before
2 entering into an income share agreement;

3 (2) the consequences of failing to complete an
4 educational program; and

5 (3) the cash price of tuition.

6 (c) The income share agreement provider shall ensure the
7 consumer receives the disclosures required under this Section
8 no later than 3 business days before the consummation of the
9 transaction.

10 (d) If one of the disclosures provided under subsection (a)
11 becomes inaccurate due to an increase in annual percentage rate
12 or other cost to the consumer before the consummation of the
13 transaction, the income share agreement provider shall ensure
14 that the consumer receives corrected disclosures containing
15 all changed terms in accordance with the requirements of
16 Sections 17.7 through 17.27.

17 (e) If any disclosures required under this Section are not
18 provided to the consumer in person, the consumer is considered
19 to have received the disclosures 3 business days after they are
20 delivered or placed in the United States mail. As used in this
21 subsection, "business day" means all calendar days except
22 Sundays and legal public holidays.

23 (205 ILCS 670/17.8 new)

24 Sec. 17.8. Income share agreements; income-based
25 financing; estimated annual percentage rate.

1 (a) An income share agreement provider shall disclose a
2 borrower's effective annual percentage rate by using the
3 Federal Reserve Board's annual percentage rate calculation as
4 set forth in Regulation Z, 12 CFR Part 1026, based on the
5 following scenarios:

6 (1) the borrower's income stays constant throughout
7 the term of the income share agreement;

8 (2) the borrower's income is 50% less than expected at
9 the outset of the agreement and continues through the term
10 at this reduced income rate; and

11 (3) the borrower's income is 50% more than expected at
12 the outset of the agreement and continues through the term
13 at this increased income rate.

14 (b) The figure calculated under this Section shall:

15 (1) assume 12 qualifying payments are received at the
16 contractual payment percentage; and

17 (2) include any grace period.

18 (c) The estimated income projection as stated in paragraph
19 (1) of subsection (a) shall be calculated using the best
20 information reasonably available to the income share agreement
21 provider.

22 (d) An income share agreement provider shall retain data
23 and documentation sufficient to demonstrate the manner and
24 methodology used to estimate a borrower's annual percentage
25 rate under this Section.

1 (205 ILCS 670/17.9 new)

2 Sec. 17.9. Income share agreements; periodic monthly
3 statement. An income share agreement provider shall provide a
4 borrower with a monthly statement within 15 days before a
5 payment due date that clearly and conspicuously discloses:

6 (1) the amount of the calculated monthly payment;

7 (2) the amount of a qualifying monthly payment;

8 (3) the due date of the monthly payment;

9 (4) the number of qualifying payments received;

10 (5) the dollar total of qualifying payments;

11 (6) the number of payments remaining toward the maximum
12 qualifying payments;

13 (7) the dollar amount remaining toward the
14 satisfaction of the payment cap;

15 (8) a description of the information relied on to
16 determine the borrower's calculated monthly payment;

17 (9) a statement regarding a borrower's rights with
18 respect to filing a dispute and contact information for a
19 borrower to submit a request for assistance or dispute to
20 the income share agreement provider; and

21 (10) the income share agreement provider's policies
22 and procedures related to submitting income documentation,
23 including, at minimum:

24 (A) acceptable types and categories of
25 documentation;

26 (B) time within which documentation must be

1 received by the income share agreement provider;

2 (C) location and methods for a borrower to submit
3 documentation to the income share agreement provider;

4 (D) the manner in which an income share agreement
5 provider will review a borrower's documentation;

6 (E) the method for a borrower to dispute a
7 determination related to the submission of
8 documentation;

9 (F) third-party vendors the income share agreement
10 providers rely on to determine a borrower's income;

11 (G) any applicable rights to cure a default; and

12 (H) the consequences under the income share
13 agreement for failure to submit income documentation.

14 (205 ILCS 670/17.10 new)

15 Sec. 17.10. Income share agreements; annual statement.

16 (a) An income share agreement provider shall provide a
17 borrower with an annual statement.

18 (b) The annual statement shall disclose, at minimum:

19 (1) the number of qualifying payments a borrower has
20 made;

21 (2) the number of payments remaining of the maximum
22 required payments;

23 (3) the total dollar amount of payments the borrower
24 has made;

25 (4) the number of months the borrower has experienced a

1 bona fide payment event; and
2 (5) contact information for a borrower to submit a
3 request for assistance or dispute to the income share
4 agreement provider.

5 (205 ILCS 670/17.11 new)

6 Sec. 17.11. Income share agreements; determination of
7 qualified income; borrower protections.

8 (a) An income share agreement provider shall adopt policies
9 and procedures concerning the determination of a borrower's
10 qualified income.

11 (b) An income share agreement provider shall provide
12 readily accessible methods for the borrower to submit a request
13 for assistance to the income share agreement provider on a
14 matter related to the borrower's payment.

15 (205 ILCS 670/17.12 new)

16 Sec. 17.12. Income share agreements; charges permitted.

17 (a) The contractual payment percentage may not exceed 5% of
18 a borrower's qualified income.

19 (b) At no time may the percentage of such individual's
20 income that the individual has agreed to pay under an
21 educational income share agreement and any other eligible
22 educational debt exceed 10%.

23 (205 ILCS 670/17.13 new)

1 Sec. 17.13. Income share agreements; limitation on the
2 length of agreements. No income share agreement term may exceed
3 60 months, including months in which no payment is due because
4 of a bona fide payment event.

5 (205 ILCS 670/17.14 new)

6 Sec. 17.14. Income share agreements; payment multiplier.
7 No income share agreement provider shall contract for a payment
8 cap that exceeds 1.10 times the amount of the advance.

9 (205 ILCS 670/17.15 new)

10 Sec. 17.15. Income share agreements; advance limit. No
11 income share agreement provider shall extend an advance that
12 exceeds \$5,000.

13 (205 ILCS 670/17.16 new)

14 Sec. 17.16. Income share agreements; grace period.

15 (a) No payment may be collected pursuant to the terms of an
16 income share agreement:

17 (1) when a borrower is enrolled in a covered
18 educational program; or

19 (2) during the 6-month grace period that begins on the
20 date the borrower graduates or withdraws from or falls
21 below half-time enrollment status in a covered educational
22 program.

23 (b) No educational income share agreement may contain a

1 grace period that is less than 6 months.

2 (c) A borrower may voluntarily elect to make qualifying
3 payments to an income share agreement provider during a grace
4 period.

5 (205 ILCS 670/17.17 new)

6 Sec. 17.17. Income share agreements; prepayment. A
7 borrower may satisfy an income share agreement before the
8 maximum term subject to the following conditions:

9 (1) If a borrower has made qualifying payments in an
10 amount less than the advance, then the borrower may satisfy
11 the income share agreement by paying the difference between
12 the advance and the dollar amount of payments and fees the
13 borrower has made to the income share agreement provider
14 pursuant to the terms of the income share agreement.

15 (2) If a borrower has made qualifying payments in an
16 amount that exceeds the advance, then the borrower may
17 satisfy the income share agreement by paying the difference
18 between the payment cap and the dollar amount of payments
19 and fees the borrower has made to the income share
20 agreement provider pursuant to the terms of the income
21 share agreement.

22 (205 ILCS 670/17.18 new)

23 Sec. 17.18. Income share agreements; prohibitions.

24 (a) An income share agreement provider shall not engage in

1 unfair or deceptive practices toward a borrower or misrepresent
2 or omit material information in connection with an income-based
3 financing transaction, including, but not limited to:
4 misrepresenting the amount, nature, or terms of a fee or
5 payment due or claimed to be due on an income share agreement;
6 the terms and conditions of the income share agreement; the
7 terms of a repayment plan; or the borrower's obligations under
8 the income share agreement.

9 (b) An income share agreement provider may not misapply or
10 miscredit payments made by a borrower pursuant to the terms of
11 an income share agreement.

12 (c) An income share agreement shall oversee third parties,
13 including subservicers, debt collectors, independent
14 contractors, subsidiaries, affiliates, or other agents, to
15 ensure that those companies comply with this Act when working
16 on behalf of the income share agreement provider.

17 (d) No payment shall be due or otherwise collected from a
18 borrower pursuant to the terms of an income share agreement if
19 a borrower has a bona fide payment event.

20 (e) No income share agreement provider may make any written
21 or verbal statement regarding a borrower's estimated income
22 that is false or misleading.

23 (f) A borrower must exhaust all sources of federal student
24 loans and state grants for which the borrower is directly
25 eligible before entering into an educational income share
26 agreement if the borrower is eligible for such funding. The

1 income share agreement provider shall verify whether a borrower
2 has exhausted applicable funding.

3 (g) If an income share agreement provider declares a
4 borrower in default, including due to missing or delayed income
5 documentation, such provider may not take additional
6 collection action or otherwise impose a penalty unless the
7 borrower is given the opportunity to cure the default.

8 (h) No income share agreement may contain provisions
9 related to:

10 (1) confessions of judgment;

11 (2) assignment of wages; or

12 (3) prejudgment attachment.

13 (i) No income share agreement shall provide for any rights
14 regarding the borrower's educational or employment pursuits.

15 (j) An income share agreement provider shall comply with
16 the requirements of the Fair Credit Reporting Act.

17 (205 ILCS 670/17.19 new)

18 Sec. 17.19. Income share agreements payment processing.

19 (a) An income share agreement provider shall credit
20 borrower payments promptly and accurately.

21 (b) An income share agreement provider shall provide
22 borrowers with prompt notice if the income share agreement
23 provider changes the address to which the borrower needs to
24 send payments.

1 (205 ILCS 670/17.20 new)

2 Sec. 17.20. Income share agreements fees.

3 (a) Unless otherwise provided by federal law, an income
4 share agreement provider may only charge late fees that are
5 reasonable and proportional to the cost it incurs related to a
6 late payment.

7 (b) Unless otherwise provided by federal law, an income
8 share agreement provider may not charge a borrower or cosigner
9 any fee to modify, defer, forbear, renew, extend, or amend the
10 borrower's income share agreement.

11 (205 ILCS 670/17.21 new)

12 Sec. 17.21. Income share agreements; discrimination
13 prohibited. It is unlawful for any income share agreement
14 provider to discriminate against a borrower with respect to an
15 aspect of an income share agreement or income-based financing
16 transaction:

17 (1) on the basis of race, color, religion, national
18 origin, immigration status, sex, gender identity, sexual
19 orientation, marital status, or age (provided the
20 applicant has the capacity to contract);

21 (2) because all or part of the applicant's income
22 derives from a public assistance program; or

23 (3) because the applicant has in good faith exercised a
24 right under this Act.

1 (205 ILCS 670/17.22 new)

2 Sec. 17.22. Income share agreements; conflicts of
3 interest. An educational income-based agreement provider may
4 not, directly or indirectly:

5 (1) offer or provide a gift to a covered educational
6 program in exchange for an advantage or consideration
7 provided to such income share agreement provider related to
8 its income-based financing transactions; or

9 (2) engage in revenue sharing with a covered
10 educational program.

11 (205 ILCS 670/17.23 new)

12 Sec. 17.23. Income share agreements; bankruptcy. The
13 provisions of this Act with respect to the treatment of income
14 share agreements under Illinois law may not be construed to
15 qualify such agreements as qualified education loans under 26
16 U.S.C. 221(d)(1) or debt that is excepted from discharge under
17 11 U.S.C. 523.

18 (205 ILCS 670/17.24 new)

19 Sec. 17.24. Income share agreements; cancellation and
20 discharge. An income share agreement shall be void if:

21 (1) a borrower receives a determination from the Social
22 Security Administration that he or she is totally and
23 permanently disabled;

24 (2) a borrower is determined by the Secretary of

1 Veterans Affairs to be unemployable due to a
2 service-related disability;

3 (3) a borrower dies; or

4 (4) a borrower's covered educational program closes
5 prior to the borrower completing the program.

6 (205 ILCS 670/17.25 new)

7 Sec. 17.25. Requests for assistance; account dispute
8 resolution; appeals.

9 (a) An income share agreement provider shall implement
10 reasonable policies and procedures for accepting, processing,
11 investigating, and responding to requests for assistance in a
12 timely and effective manner, including, but not limited to, the
13 following requirements:

14 (1) An income share agreement provider shall provide
15 readily accessible methods for consumers to submit a
16 request for assistance to the income share agreement
17 provider, including such methods as phone, email, and
18 United States mail.

19 (2) An income share agreement provider shall post on
20 its website and disclose on its billing statements:

21 (A) the toll-free telephone number, email address,
22 and mailing address for consumers to submit a request
23 for assistance to the income share agreement provider;
24 and

25 (B) the procedures for a borrower to send a written

1 communication to the income share agreement provider
2 regarding any request for assistance.

3 (3) For any request for assistance that includes a
4 request for documentation or information where a response
5 cannot be immediately provided, an income share agreement
6 provider shall provide the requested documentation or
7 information to the borrower within 14 calendar days after
8 the request; if an income share agreement provider
9 determines in good faith that it is unable to provide the
10 documentation or information within 14 calendar days,
11 promptly after making that determination the income share
12 agreement provider shall notify the borrower of the
13 expected response period, which must be reasonable for the
14 request for assistance.

15 (b) An income share agreement provider shall implement a
16 process by which a borrower can escalate any request for
17 assistance. Such process shall allow a borrower who has made a
18 request for assistance on the phone and who receives a response
19 during the call to obtain immediate review of the response by
20 an employee of the income share agreement provider at a higher
21 supervisory level.

22 (c) The following requirements shall apply when a borrower
23 submits a written or oral request for assistance that contains
24 an account dispute to an income share agreement provider:

25 (1) Within 14 calendar days after its receipt of the
26 written communication or oral request for further

1 escalation, an income share agreement provider shall
2 attempt to make contact with the borrower, including
3 providing the borrower with name and contact information of
4 the representative handling the account dispute, by phone
5 or in writing, and shall document such attempt in the
6 borrower's account.

7 (2) An income share agreement provider shall complete
8 the following actions within 30 calendar days after its
9 receipt of the written communication or oral request for
10 further escalation, subject to paragraph (3) of this
11 subsection:

12 (A) conduct a thorough investigation of the
13 account dispute;

14 (B) make all appropriate corrections to the
15 account of the borrower, including crediting any late
16 fees assessed and derogatory credit furnishing as the
17 result of any error, and if any corrections are made,
18 sending the borrower a written notification that
19 includes the following information:

20 (i) an explanation of the correction or
21 corrections to the borrower's account that have
22 been made; and

23 (ii) the toll-free telephone number, email
24 address, and mailing address of the income share
25 agreement provider's personnel knowledgeable about
26 the investigation and resolution of the account

1 dispute.

2 (3) If an income share agreement provider determines in
3 good faith that it cannot complete a thorough investigation
4 of the account dispute within 30 calendar days after
5 receiving the written communication or oral request for
6 further escalation regarding the account dispute, then
7 promptly after making that determination the income share
8 agreement provider shall notify the borrower of the
9 expected resolution time period, which must be reasonable
10 for the account dispute. An income share agreement provider
11 must complete the actions listed in this subsection within
12 this time period.

13 (4) If an income share agreement provider determines as
14 a result of its investigation that the requested changes to
15 a borrower's dispute will not be made, the income share
16 agreement provider shall provide the borrower with a
17 written notification that includes the following
18 information:

19 (A) a description of its determination and an
20 explanation of the reasons for that determination;

21 (B) the toll-free telephone number, email address,
22 and mailing address of the income share agreement
23 provider's personnel knowledgeable about the
24 investigation and resolution of the account dispute;

25 (C) instructions about how the borrower can appeal
26 the income share agreement provider's determination in

1 accordance with paragraph (5) of this subsection; and

2 (D) information regarding the method by which a
3 borrower may request copies of documents an income
4 share agreement provider relied on to make a
5 determination that no changes to a borrower's account
6 will be made.

7 (5) After the borrower receives a determination
8 regarding an account dispute in accordance with paragraph
9 (4) of this subsection, the income share agreement provider
10 shall allow a process by which the borrower can appeal, in
11 writing, the determination. The appeals process shall
12 include:

13 (A) a written acknowledgment notifying the
14 borrower that the income share agreement provider has
15 commenced the appeals process; such acknowledgment
16 must be sent within 14 calendar days after receiving a
17 written request for appeal from the borrower;

18 (B) an independent reassessment of the income
19 share agreement provider's determination regarding the
20 account dispute, performed by another employee of the
21 income share agreement provider at an equal or higher
22 supervisory level than the employee or employees
23 involved in the initial account dispute determination;

24 (C) investigation and resolution of appeals within
25 30 calendar days after an income share agreement
26 provider's commencement of the appeals process; and

1 (D) written notification sent to the borrower
2 documenting the outcome of the appeal, including any
3 reason for denial.

4 (d) While a borrower has a pending account dispute,
5 including an applicable appeal, an income share agreement
6 provider shall take reasonable steps to:

7 (1) prevent negative credit reporting with respect to
8 the borrower's account while the dispute is under review;
9 and

10 (2) suspend all collection activities on the account
11 while the account dispute is being researched or resolved
12 if the account dispute is related to the delinquency.

13 (205 ILCS 670/17.26 new)

14 Sec. 17.26. Income share agreements; miscellaneous
15 provisions.

16 (a) An agreement, contract, or transaction that is
17 willfully structured to evade the definition of an income share
18 agreement is deemed an income share agreement for purposes of
19 this Act.

20 (b) If there is a conflict between Sections 17.6 through
21 17.27 and any other Sections of this Act, Sections 17.6 through
22 17.27 shall control.

23 (205 ILCS 670/17.27 new)

24 Sec. 17.27. Enforcement of the Consumer Fraud and Deceptive

1 Business Practices Act. The Attorney General may enforce a
2 violation of Sections 17.7 through 17.27 of this Act as an
3 unlawful practice under the Consumer Fraud and Deceptive
4 Business Practices Act.

1 INDEX

2 Statutes amended in order of appearance

- 3 205 ILCS 670/17.6 new
- 4 205 ILCS 670/17.7 new
- 5 205 ILCS 670/17.8 new
- 6 205 ILCS 670/17.9 new
- 7 205 ILCS 670/17.10 new
- 8 205 ILCS 670/17.11 new
- 9 205 ILCS 670/17.12 new
- 10 205 ILCS 670/17.13 new
- 11 205 ILCS 670/17.14 new
- 12 205 ILCS 670/17.15 new
- 13 205 ILCS 670/17.16 new
- 14 205 ILCS 670/17.17 new
- 15 205 ILCS 670/17.18 new
- 16 205 ILCS 670/17.19 new
- 17 205 ILCS 670/17.20 new
- 18 205 ILCS 670/17.21 new
- 19 205 ILCS 670/17.22 new
- 20 205 ILCS 670/17.23 new
- 21 205 ILCS 670/17.24 new
- 22 205 ILCS 670/17.25 new
- 23 205 ILCS 670/17.26 new
- 24 205 ILCS 670/17.27 new