



Rep. Maurice A. West, II

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LRB102 22903 BMS 34666 a

1 AMENDMENT TO HOUSE BILL 4554

2 AMENDMENT NO. \_\_\_\_\_. Amend House Bill 4554 by replacing  
3 everything after the enacting clause with the following:

4 "Section 1. Short title. This Act may be cited as the  
5 Consumer Income Share Agreement Act.

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

7 "Amount financed" means the amounts advanced by the  
8 licensee to the consumer or on behalf of the consumer or, if  
9 the licensee is a merchant financing the sale of goods or  
10 services to the consumer using an income share agreement, the  
11 amount credited by the licensee toward the purchase of such  
12 goods and services on behalf of the consumer.

13 "Annual percentage rate" or "APR" means the percentage  
14 rate calculated according to the Federal Reserve Board's  
15 methodology as set forth under Regulation Z, 12 CFR Part 1026.  
16 The "annual percentage rate" of an income share agreement is

1 the measure of the cost of the income share agreement,  
2 expressed as a yearly rate, that relates to the amount and  
3 timing of value received by the consumer to the amount and  
4 timing of payments made. The "annual percentage rate" is  
5 determined in accordance with either the actuarial method or  
6 the United States rule method.

7 "Consumer" means a natural person who enters into an  
8 income share agreement for personal, family, or household use.

9 "Department" means the Department of Financial and  
10 Professional Regulation.

11 "Director" means the Director of the Division of Financial  
12 Institutions of the Department of Financial and Professional  
13 Regulation.

14 "Disposable earnings" means that part of the earnings of  
15 an individual remaining after the deduction from total  
16 earnings of amounts required by law to be withheld.

17 "Educational ISA" means an income share agreement that:

18 (1) is not made, insured, or guaranteed under Title IV  
19 of the Higher Education Act of 1965, 20 U.S.C. 1070 et  
20 seq., or another federally subsidized educational finance  
21 program;

22 (2) is extended to a consumer expressly, in whole or  
23 in part, for postsecondary educational expenses, tuition,  
24 or other obligations of, or pays amounts to, or on behalf  
25 of, such individual for costs associated with a  
26 postsecondary training program or any other program

1 designed to increase the individual's human capital,  
2 employability, or earning potential, and is not limited to  
3 programs eligible to participate as programs under Title  
4 IV of the Higher Education Act of 1965, 20 U.S.C. 1070 et  
5 seq., as well as any personal expenses, such as books,  
6 supplies, transportation, and living costs, incurred by  
7 the individual while enrolled in such a program and any  
8 other costs or expenses included in the definition of a  
9 "qualified higher education expense" as specified in 26  
10 U.S.C. 529(e)(3)(A), including refinancing of loans or  
11 income share agreements used for the purposes described in  
12 this paragraph, and regardless of whether the income share  
13 agreement is provided by the educational institution that  
14 the consumer attends; and

15 (3) does not include loans, open-end credit, or any  
16 loan or income share agreement that is secured by real  
17 property or a dwelling.

18 "Federal poverty guidelines" means the poverty guidelines  
19 updated periodically in the Federal Register by the U.S.  
20 Department of Health and Human Services under the authority of  
21 42 U.S.C. 9902(2).

22 "Garnishment" means any legal or equitable procedure  
23 through which earnings of an individual are required to be  
24 withheld for payment of the income share agreement.

25 "Income" means the salary, wages, income, tips, capital  
26 gains, earnings, and other sources of income of a consumer as

1 set forth in an income share agreement.

2 "Income share agreement" or "ISA" means an agreement  
3 between a consumer and an ISA provider under which:

4 (1) the ISA provider advances a sum of money to the  
5 consumer or to a third party on the consumer's behalf or,  
6 if the ISA provider is a seller of goods or services to the  
7 consumer, the ISA provider credits toward the purchase of  
8 such goods or services;

9 (2) the consumer is obligated to make periodic  
10 payments, if any become due, to the ISA provider  
11 calculated, based upon, or determined by the consumer's  
12 income;

13 (3) the consumer's obligation to make payments, if any  
14 become due, to the ISA provider is conditional on the  
15 consumer's income exceeding the income threshold set forth  
16 in the income share agreement;

17 (4) there is an ISA duration; and

18 (5) each of these elements is available at the time of  
19 contracting of the income share agreement.

20 "Income threshold" means a fixed dollar amount that, if a  
21 consumer earns less than such amount during the relevant  
22 period, the consumer is not required to make a payment for such  
23 payment period.

24 "Index" means the Consumer Price Index for Urban Wage  
25 Earners and Clerical Workers: U.S. City Average, All Items,  
26 1967=100, compiled by the Bureau of Labor Statistics, United

1 States Department of Labor.

2 "ISA duration" means the maximum length of time during  
3 which income may be subject to an ISA payment, absent periods  
4 of payment relief pause at the request of the consumer. "ISA  
5 duration" does not include periods of payment relief pause.

6 "ISA maximum number of payments" means the maximum number  
7 of ISA payments during ISA payment periods in which the  
8 consumer's income is equal to or greater than the income  
9 threshold that a consumer could be required to make. "ISA  
10 maximum number of payments" does not include periods of  
11 payment relief pause.

12 "ISA payment" means the amount of a consumer's periodic  
13 payment obligation, if any, based on the terms of the income  
14 share agreement. The "ISA payment" is equal to the product of  
15 the ISA percentage multiplied by the consumer's income, except  
16 in cases of an ISA where the ISA payment amount is determined  
17 by a schedule of fixed amounts based on a consumer's income in  
18 a given payment period. An "ISA payment" is required only for  
19 income earned during an ISA payment period in which the  
20 consumer's income was equal to or greater than the income  
21 threshold.

22 "ISA payment cap" means the maximum amount of money a  
23 consumer must pay to satisfy the terms of an income share  
24 agreement.

25 "ISA percentage" or "percentage" means the percentage of  
26 income or schedule of percentages of income or fixed amounts

1 based on the consumer's income in a given ISA payment period  
2 used to calculate a consumer's ISA payment pursuant to an  
3 income share agreement.

4 "ISA provider" means a person who provides funding to a  
5 consumer pursuant to an income share agreement or, if the ISA  
6 provider is a seller of goods and services, the seller.

7 "Licensee" means a person who is licensed under this Act.

8 "Net worth" means total assets minus total liabilities.

9 "Payment relief pause" means a period of time that is  
10 requested by the consumer during which the consumer is not  
11 required to make payments despite the consumer's income  
12 exceeding the income threshold.

13 Section 10. License required to engage in business.  
14 Without a license provided under this Act, no person,  
15 partnership, association, limited liability company, or  
16 corporation may engage in the business of:

17 (1) making income share agreements; or

18 (2) taking assignments of and undertaking direct  
19 collection of payments from or enforcement of rights  
20 against consumers arising from income share agreements,  
21 except for collection of payments and enforcement of  
22 rights for 3 months without a license if the person or  
23 entity promptly applies for a license and the application  
24 has not been denied.

1           Section 15. Application for income share agreement  
2 license; fees; surety bond.

3           (a) Application for a license shall be in writing and in a  
4 form prescribed by the Director. The applicant at the time of  
5 making an application shall pay the Director the sum of \$300 as  
6 an application fee and the additional sum of \$450 as an annual  
7 license fee for a period terminating on the last day of the  
8 current calendar year; however, if the application is filed  
9 after June 30 in any year, the license fee shall be half of the  
10 annual license fee for the year.

11           (b) Before the license is granted, every applicant shall  
12 provide in a form satisfactory to the Director that the  
13 applicant has or will maintain a positive net worth in a  
14 minimum of \$30,000. Every applicant and licensee shall  
15 maintain a surety bond in the principal sum of \$25,000 issued  
16 by a bonding company authorized to do business in this State  
17 and that shall be approved by the Director. The bond shall run  
18 to the Director and shall be for the benefit of any consumer  
19 who incurs damages as a result of a violation of this Act or  
20 rules adopted pursuant to this Act by a licensee. If the  
21 Director at any time finds that a bond is of insufficient size,  
22 is insecure, is exhausted, or is otherwise doubtful, an  
23 additional bond in such amount as determined by the Director  
24 shall be filed by the licensee within 30 days after written  
25 demand therefor by the Director.

1           Section 20. Appointment of attorney-in-fact for service of  
2 process. Every licensee shall appoint, in writing, the  
3 Director and his or her successors in office or any official  
4 who shall be charged with the administration of this Act, as  
5 attorney-in-fact upon whom all lawful process against the  
6 licensee may be served within the same legal force and  
7 validity as if served on the licensee. A copy of such written  
8 appointment, duly certified, shall be filed in the office of  
9 the Director, and a copy thereof certified by him or her shall  
10 be sufficient evidence. This appointment shall remain in  
11 effect while any liability remains outstanding in this State  
12 against the licensee. When summons is served upon the Director  
13 as attorney-in-fact for such licensee, the Director shall  
14 immediately notify the licensee by registered mail, enclosing  
15 the summons and specifying the hour and day of service.

16           Section 25. Investigation; license issuance.

17           (a) Upon the filing of an application and the payment of  
18 the fees, the Director shall investigate to determine:

19           (1) that the reputation of the applicant, including  
20 the managers of a limited liability company, and the  
21 partners, owners, officers, or directors thereof warrants  
22 belief that the business will be operated honestly and  
23 fairly within the purposes of this Act; and

24           (2) that the applicant meets the positive net worth  
25 requirements of this Act.



1 Unless the Director makes findings enumerated in this  
2 subsection, he or she shall not issue a license and shall  
3 notify the applicant of the denial and return to the applicant  
4 the sum paid by the applicant as a license fee, but shall  
5 retain the \$300 application fee. The Director shall approve or  
6 deny every application for license within 60 days after the  
7 filing of an application with payment of a fee.

8 (b) Upon written request, the applicant is entitled to a  
9 hearing on the question of his or her qualifications for a  
10 license if:

11 (1) the Director notifies the applicant in writing  
12 that his or her application has been denied; or

13 (2) the Director does not issue a license within 60  
14 days after the application for the license was filed.

15 A request for a hearing may not be made more than 15 days  
16 after the Director mails a writing to the applicant notifying  
17 him or her that the application has been denied and stating in  
18 substance the Director's findings supporting denial.

19 Section 30. License. The license shall state the address,  
20 including the city and state, at which the business is to be  
21 conducted and shall state fully the name of the licensee. The  
22 license shall be conspicuously posted in the place of business  
23 of the licensee and shall not be transferable or assignable.

24 Section 35. License; place of business.

1           (a) Not more than one place of business shall be  
2 maintained under the same license, but the Director may issue  
3 more than one license to the same licensee upon compliance  
4 with all the provisions of this Act governing the original  
5 issuance of a license. A webpage operated by the licensee  
6 shall constitute a location.

7           (b) Whenever a licensee changes his or her place of  
8 business to a location other than that set forth in the  
9 license, he or she shall give written notice to the Director at  
10 least 10 days before the relocation. However, if the new  
11 location is in excess of 15 miles from the previous location,  
12 the licensee shall obtain written approval from the Director  
13 before relocation.

14           Section 40. Annual license fee; expenses.

15           (a) Before December 1 of each year, a licensee shall pay to  
16 the Director, and the Department must receive, the annual  
17 license fee required by this Act for the next succeeding  
18 calendar year. The license shall expire on January 1 of the  
19 following year unless the licensee fee has been paid before  
20 then.

21           (b) In addition to the license fee, the reasonable expense  
22 of any examination, investigation, or custody by the Director  
23 under any provisions of this Act shall be borne by the  
24 licensee.

25           (c) If a licensee fails to renew his or her license by

1 December 31, it shall automatically expire and the licensee is  
2 not entitled to a hearing; however, the Director, in his or her  
3 discretion, may reinstate an expired license upon payment of  
4 the annual renewal fee and proof of good cause for failure to  
5 renew.

6 Section 45. Suspension or revocation of license.

7 (a) The Director may issue to a licensee an order to show  
8 cause why his or her license should not be suspended for a  
9 period not in excess of 6 months or be revoked. The order shall  
10 set a place for a hearing and a time therefor that is no less  
11 than 10 days after the date of the order. After the hearing,  
12 the Director shall revoke or suspend the license, or, if there  
13 are mitigating circumstances, may accept an assurance of  
14 discontinuance and allow retention of the license, if the  
15 Director finds that:

16 (1) the licensee has repeatedly and intentionally  
17 violated this Act or any rule or order lawfully made  
18 pursuant to this Act, or has violated an assurance of  
19 discontinuance; or

20 (2) facts or conditions exist that clearly would have  
21 justified the Director in refusing to grant a license for  
22 that place or those places of business were the facts or  
23 conditions known to exist at the time the application for  
24 the license was made.

25 (b) A revocation or suspension of a license is not lawful

1 unless the Director, before instituting proceedings, gives  
2 notice to the licensee of the facts or conduct that warrant the  
3 intended action and the licensee is afforded an opportunity to  
4 show compliance with all lawful requirements for retention of  
5 the license.

6 (c) If the Director finds that probable cause for  
7 revocation of a license exists and that enforcement of this  
8 Act requires immediate suspension of the license pending  
9 investigation, the Director, after a hearing upon 10 days'  
10 written notice, may enter an order suspending the license for  
11 not more than 30 days.

12 (d) Whenever the Director revokes or suspends a license,  
13 he or she shall enter an order to that effect and forthwith  
14 notify the licensee of the revocation or suspension. Within 10  
15 days after entry of the order he or she shall deliver to the  
16 licensee a copy of the order and the findings supporting the  
17 order.

18 (e) A person holding a license to make income share  
19 agreements may relinquish the license by notifying the  
20 Director in writing of its relinquishment, but the  
21 relinquishment does not affect his or her liability for acts  
22 previously committed.

23 (f) Revocation, suspension, or relinquishment of a license  
24 does not impair or affect the obligation of any preexisting  
25 lawful contract between the licensee and any consumer.

26 (g) The Director may reinstate a license, terminate a

1 suspension, or grant a new license to a person whose license  
2 has been revoked or suspended if no fact or condition then  
3 exists that clearly would have justified the Director in  
4 refusing to grant a license.

5 Section 50. Closing of business; surrender of license.

6 (a) At least 10 days before a licensee ceases operations,  
7 closes business, or files for bankruptcy, the licensee shall  
8 do the following:

9 (1) Notify the Department of its action in writing.

10 (2) With the exception of filing for bankruptcy,  
11 surrender its license to the Director for cancellation;  
12 the surrender of the license shall not affect the  
13 licensee's civil or criminal liability for acts committed  
14 before surrender or entitle the licensee to return any  
15 part of the annual license fee.

16 (3) Notify the Director of the location where the  
17 books, accounts, contracts, and records will be maintained  
18 and the procedure to ensure prompt return of contracts,  
19 titles, and releases to the customers.

20 (4) Ensure that the accounts, books, records, and  
21 contracts shall be maintained and serviced by the licensee  
22 or another licensee under this Act or an entity exempt  
23 from licensure under this Act.

24 (b) The Department shall have the authority to conduct  
25 examinations of the books, records, and loan documents at any

1 time after surrender of the license, filing of bankruptcy, or  
2 the cessation of operations.

3 Section 55. Examinations and investigations of conduct of  
4 business.

5 (a) The Director shall examine periodically, at intervals  
6 he or she deems appropriate but not less than once per year,  
7 income share agreements, business, and records of every  
8 licensee. In addition, for the purpose of discovering  
9 violations of this Act or securing information lawfully  
10 required, the Director at any time may investigate the income  
11 share agreements, business, and records of any licensee. For  
12 these purposes the Director shall have free and reasonable  
13 access to the offices, places of business, and records of the  
14 licensee.

15 (b) If the licensee's records are located outside this  
16 State, the licensee at the Director's request shall make them  
17 available to the Director at a convenient location within this  
18 State, or pay the reasonable and necessary expenses for the  
19 Director or his or her representative to examine them where  
20 they are located. The Director may designate representatives,  
21 including comparable officials of the state in which the  
22 records are located, to inspect them on the Director's behalf.

23 (c) For purposes of this Section, the Director may  
24 administer oaths or affirmations, and upon request of a party  
25 or his or her own motion may subpoena witnesses, compel their

1 attendance, adduce evidence, and require the production of any  
2 matter that is relevant to the investigation, including the  
3 existence, description, nature, custody, condition, and  
4 location of any books, documents, or other tangible things and  
5 the identity and location of persons having knowledge of  
6 relevant facts or any other matter reasonably calculated to  
7 lead to the discovery of admissible evidence.

8 (d) Upon failure without lawful excuse to obey a subpoena  
9 or to give testimony and upon reasonable notice to all persons  
10 affected thereby, the Director may apply to the court for an  
11 order compelling compliance.

12 Section 60. Books and records.

13 (a) Every licensee shall maintain records in conformity  
14 with generally accepted accounting principles and practices in  
15 a manner that will enable the Director to determine whether  
16 the licensee is complying with this Act. The recordkeeping  
17 system of a licensee is sufficient if it makes the required  
18 information reasonably available. The records pertaining to  
19 any income share agreement need not be preserved for more than  
20 2 years after making the final entry relating to the income  
21 share agreement.

22 (b) On or before April 15 of each year, every licensee  
23 shall file with the Director a composite annual report in a  
24 form prescribed by the Director relating to all income share  
25 agreements made by the licensee. Information contained in

1 annual reports shall be confidential and may be published only  
2 in composite form.

3 Section 65. No other business allowed.

4 (a) A licensee may not carry on other business for the  
5 purpose of evasion or violation of this Act at a location where  
6 the licensee makes income share agreements.

7 (b) Upon application by the licensee, the Director may  
8 approve the conduct of other businesses not specifically  
9 permitted by this Act in the licensee's place of business,  
10 unless the Director finds that such conduct will conceal or  
11 facilitate evasion or violation of this Act. The Director's  
12 approval shall be in writing and shall describe the other  
13 businesses which may be conducted in the licensed office.

14 Section 70. Prohibitions.

15 (a) No licensee shall take any power of attorney in  
16 connection with an income share agreement.

17 (b) A consumer may not authorize any person to confess  
18 judgment on a claim arising out of an income share agreement.  
19 An authorization in violation of this Section is void.

20 Section 75. Pledge or sale of income share agreement.

21 (a) No licensee or other person shall pledge, hypothecate,  
22 or sell an income share agreement entered into under this Act  
23 by a consumer except to another licensee under this Act, a



1 bank, savings bank, savings and loan association, or credit  
2 union created under the laws of this State or the United  
3 States, or to other persons or entities authorized by the  
4 Director in writing. Sales of such notes by licensees under  
5 this Act or other persons shall be made by agreement in writing  
6 and shall authorize the Director to examine the income share  
7 agreement documents so hypothecated, pledged, or sold.

8 (b) A consumer may pay the original ISA provider until he  
9 or she receives notification of assignment of rights to  
10 payment pursuant to an income share agreement and that payment  
11 is to be made to the assignee. A notification that does not  
12 reasonably identify the rights assigned is ineffective. If  
13 requested by the consumer, the assignee shall seasonably  
14 furnish reasonable proof that the assignment has been made and  
15 unless the proof is furnished the consumer may pay the  
16 original ISA provider.

17 (c) An assignee of the rights of the ISA provider is  
18 subject to all claims and defenses of the consumer against the  
19 ISA provider arising from the income share agreement. A claim  
20 or defense of a consumer may be asserted against the assignee  
21 under this Section only if the consumer has made a good faith  
22 attempt to obtain satisfaction from the ISA provider with  
23 respect to the claim or defense and then only to the extent of  
24 the amount owing to the assignee with respect to the ISA  
25 provider or defense that arose at the time the assignee has  
26 notice of the claim or defense. Notice of the claim or defense

1 may be given before the good faith attempt specified in this  
2 subsection. Oral notice is effective unless the assignee  
3 requests written confirmation when or promptly after oral  
4 notice is given and the consumer fails to give the assignee  
5 written confirmation within the period of time, not less than  
6 14 days, stated to the consumer when written confirmation is  
7 requested. An agreement may not limit or waive the claims or  
8 defenses of a consumer under this Section.

9 Section 80. Monthly payment affordability.

10 (a) Maximum income percentage. Each income share agreement  
11 shall specify the ISA percentage applicable to the income  
12 share agreement and shall comply with the following:

13 (1) The income share agreement may not include an ISA  
14 percentage in excess of 20%, or if an ISA defines a series  
15 of fixed amounts based on the consumer's income, such  
16 amounts shall not equate to more than 20% of the  
17 consumer's income.

18 (2) A licensee may not enter into an educational ISA  
19 with a consumer if the consumer would be committing more  
20 than 20% of his or her income, inclusive of other  
21 educational ISA and education loans known at the time. The  
22 licensee must confirm a consumer's educational ISA and  
23 education loan liabilities through a verifiable  
24 third-party source. At a minimum, the licensee must  
25 confirm such liabilities using information maintained by a

1 nationwide consumer reporting agency, as defined by 15  
2 U.S.C. 1681a(f), and doing so is sufficient for meeting  
3 the requirement in this paragraph; however, nothing in  
4 this paragraph shall prohibit a licensee from using other  
5 sources to provide additional verification. For the  
6 purposes of calculating the portion of a student's future  
7 income that would be consumed by the educational ISA for  
8 which the student has applied and other educational ISAs  
9 and education loans known at the time, the ISA provider  
10 shall calculate the aggregate future burden of all such  
11 obligations, including the educational ISA for which the  
12 student is applying, at hypothetical future income levels  
13 ranging from the income threshold of the ISA for which the  
14 student has applied up to \$70,000, with such number  
15 adjusting for inflation each year, in increments of  
16 \$10,000. The terms of the educational ISA for which the  
17 student has applied cannot cause the student's aggregate  
18 future burden to exceed the limit in subsection (b) at any  
19 of the income increments stated in this paragraph. For the  
20 purpose of calculating the percentage burden of an  
21 educational ISA at a given future income level, the ISA  
22 provider shall use the income percentage that would be  
23 applicable for the ISA at such income level, or the fixed  
24 amount divided by the income level, where applicable. For  
25 the purpose of calculating the percentage burden of an  
26 educational loan at a given future income level, the ISA

1 provider shall divide the annual payment obligation by  
2 income level using the most affordable payment option that  
3 would be available to the student at such income level  
4 under such loan. For students enrolled in a Title IV  
5 program, as part of this analysis the ISA provider shall  
6 assume a federal loan balance equal to the larger of (1)  
7 the student's existing federal loan balance, and (2) the  
8 maximum amount the student is eligible to borrow under  
9 Federal Direct Stafford Loans for his or her status,  
10 dependent or independent.

11 (b) Protections during periods of low earnings. The income  
12 share agreement must state that when a consumer has income  
13 that is equal to or below the income threshold set forth in the  
14 income share agreement that the consumer's payment obligation  
15 is zero dollars. The income threshold at the time of  
16 origination must be high enough such that the consumer's gross  
17 income minus any income share agreement obligation must leave  
18 the consumer with gross income equal to at least 200% of the  
19 federal poverty guidelines for a single person.

20 (c) Required payment relief pauses. An income share  
21 agreement must offer at least 3 months of voluntary payment  
22 relief pauses, so long as a consumer's current income at the  
23 time of requesting the payment relief pause is equal to or less  
24 than 400% of the federal poverty guidelines for a single  
25 individual, for every 30 income-determined payments required  
26 under the income share agreement.

1           Section 85. Maximum effective annual percentage rate. An  
2 income share agreement must specify that the maximum amount  
3 that a consumer could be required to pay based on the  
4 consumer's income under the income share agreement will not  
5 result in a consumer ever being required to pay an effective  
6 annual percentage rate that is greater than 36%. If at any time  
7 the consumer makes payment of an amount that would cause the  
8 limit in this Section to apply, all further obligations under  
9 the income share agreement shall cease.

10           Section 90. Limits on duration of income share agreements.

11           (a) An income share agreement shall specify that the  
12 maximum number of payments may not exceed 240 monthly  
13 payments.

14           (b) An income share agreement shall specify that the ISA  
15 duration may not exceed 360 months, except in the case of a  
16 payment relief pause requested by the consumer.

17           Section 95. Risk sharing.

18           (a) A licensee may not contract for income share agreement  
19 terms that would result in a consumer having income that is  
20 less than or equal to 300% of the federal poverty guidelines  
21 for a single person for the ISA duration being required to make  
22 a stream of ISA payments that would yield an effective APR  
23 greater than 8%, or the high yield of the 10-year United States

1 Constant Maturity Treasury Notes auctioned at the final  
2 auction held before the current calendar year in which an ISA  
3 offering is made plus 7%, whichever is greater.

4 (b) A licensee may not contract for income share agreement  
5 terms that would result in a consumer having income that is  
6 less than or equal to 400% of the federal poverty guidelines  
7 for a single person for the ISA duration being required to make  
8 a stream of ISA payments that would yield an effective APR  
9 greater than 12%, or the high yield of the 10-year United  
10 States Constant Maturity Treasury Notes auctioned at the final  
11 auction held before the current calendar year in which an ISA  
12 offering is made plus 11%, whichever is greater.

13 (c) A licensee may not contract for income share agreement  
14 terms that would result in a consumer having income that is  
15 less than or equal to 500% of the federal poverty guidelines  
16 for a single person for the ISA duration being required to make  
17 a stream of ISA payments that would yield an effective APR  
18 greater than 15%, or the high yield of the 10-year United  
19 States Constant Maturity Treasury Notes auctioned at the final  
20 auction held before the current calendar year in which an ISA  
21 offering is made plus 14%, whichever is greater.

22 (d) A licensee may not contract for income share agreement  
23 terms that would result in a consumer having income that is  
24 less than or equal to 600% of the federal poverty guidelines  
25 for a single person for the ISA duration being required to make  
26 a stream of ISA payments that would yield an effective APR

1 greater than 18%, or the high yield of the 10-year United  
2 States Constant Maturity Treasury Notes auctioned at the final  
3 auction held before the current calendar year in which an ISA  
4 offering is made plus 17%, whichever is greater.

5 (e) For the purposes of determining the various tiers set  
6 forth in this Section, a licensee shall calculate the  
7 effective APR by determining the various federal poverty  
8 guidelines tiers at the time the consumer's income share  
9 agreement is originated and assuming such amounts are fixed  
10 through the ISA duration.

11 (f) For the purposes of determining ISA duration in this  
12 Section: in the case of an educational ISA, a licensee shall  
13 assume the ISA duration started after a period equal to the  
14 expected length of the program for which a consumer is  
15 enrolling; or in the case of a non-educational ISA, a licensee  
16 shall assume the ISA duration started immediately.

17 Section 100. Limits on covered income. An income share  
18 agreement must specify the definition of income to be used for  
19 the purposes of calculating a consumer's payment obligation  
20 under the income share agreement. No income share agreement  
21 shall include any of the following in its definition of  
22 income:

23 (1) The income of the consumer's children or  
24 dependents.

25 (2) Any amount paid by the consumer under Title II or

1 XVI of the Social Security Act, 42 U.S.C. 401 et seq., 42  
2 U.S.C. 1381 et seq.; or under a State program funded by  
3 Title IV of the Social Security Act, 42 U.S.C. 601 et seq.

4 (3) Individual retirement account distributions.

5 (4) Pensions and annuities.

6 (5) Social security benefits.

7 (6) Other sources of federal or State aid provided to  
8 individuals through any of the following:

9 (A) unemployment programs;

10 (B) disaster relief programs;

11 (C) Medicare or Medicaid benefits;

12 (D) benefits received through the Supplemental  
13 Nutrition Assistance Program;

14 (E) economic impact payments; or

15 (F) other income excluded from the definition of  
16 taxable income set forth by the Internal Revenue  
17 Service.

18 Section 105. Fees permitted. In addition to the ISA  
19 percentage permitted by this Act, a licensee may contract for  
20 and receive the following additional charges:

21 (1) Official fees and taxes.

22 (2) A fee, which shall not exceed the sum of \$25, for  
23 failure to provide documentation to the licensee for the  
24 confirmation and reconciliation of the consumer's income.

25 (3) A fee for processing any forms to confirm the



1 consumer's income with the United States Internal Revenue  
2 Service or a State department of revenue or taxation on a  
3 dollar-for-dollar, pass-through basis of the expenses  
4 incurred by the licensee.

5 (4) A late payment fee in an amount of \$20 or 5% of the  
6 late payment, whichever is greater, for any payment that  
7 is more than 15 days past due; no late payment fee may be  
8 charged more than once per late payment.

9 (5) An amount not exceeding \$25, plus any actual  
10 expenses incurred in connection with a check or draft that  
11 is not honored because of insufficient or uncollected  
12 funds or because no such account exists.

13 (6) Charges for other benefits conferred on the  
14 consumer, if the benefits are of value to her or him and  
15 the charges are reasonable in relation to the benefits,  
16 are of a type that is not for credit, and are authorized as  
17 permissible additional charges by rule adopted by the  
18 Department.

19 (7) Before or after default in payment of a scheduled  
20 payment of an income share agreement, the parties to the  
21 income share agreement may agree in writing to a deferral  
22 of all or part of one or more unpaid payments and the  
23 licensee may make, at the time of deferral and receive at  
24 that time or at any time thereafter, a deferral charge not  
25 exceeding an amount equal to 10% of the missed payment.

1           Section 110. Restriction on security interest. Under no  
2 circumstances shall a licensee take a security interest in any  
3 collateral in connection with an income share agreement.

4           Section 115. Discharge of obligations.

5           (a) All further obligations under an income share  
6 agreement, except those accruing before the date of  
7 determination by a relevant governmental agency, shall  
8 terminate if the consumer is deemed totally and permanently  
9 disabled by the applicable governmental agency.

10          (b) All further obligations under the income share  
11 agreement, except those accruing before the consumer's death,  
12 shall terminate upon the death of the consumer.

13          Section 120. Prohibition on co-signers. No income share  
14 agreement shall include or permit the use of a co-signer in  
15 connection with any obligation related to an income share  
16 agreement.

17          Section 125. Limitation on acceleration.

18          (a) Licensees may not attempt to accelerate or otherwise  
19 liquidate a future payment stream under an income share  
20 agreement.

21          (b) Notwithstanding subsection (a), nothing in this  
22 Section shall prevent a licensee from collecting or pursuing  
23 any other remedy available to the licensee for the collection

1 of amounts that were due from the consumer under an income  
2 share agreement but that were not paid or properly remitted to  
3 the licensee. These amounts may include projected future  
4 payments as provided in the income share agreement if the  
5 consumer does not provide contractually obligated  
6 documentation of income.

7 (c) Notwithstanding subsection (a), an income share  
8 agreement may contain a provision that allows a consumer to  
9 terminate his or her income share agreement before the events  
10 terminating further obligations under the income share  
11 agreement. The early termination mechanisms, such as total  
12 caps on payments due to the licensee or other rights to  
13 partially or fully terminate further obligations under the  
14 income share agreement, must be optional to the consumer and  
15 within the consumer's control. In such circumstances, such  
16 mechanisms will not be deemed a form of acceleration, early  
17 termination penalty, or prepayment penalty.

18 Section 130. No assignment of wages.

19 (a) A licensee may not take an assignment of earnings of  
20 the consumer for payment or as security for payment of a debt  
21 arising out of an income share agreement. An assignment of  
22 earnings in violation of this Section is unenforceable by the  
23 assignee of the earnings and revocable by the consumer. This  
24 Section does not prohibit a consumer from authorizing  
25 deductions from his or her earnings in favor of a licensee if

1 the authorization is revocable, the consumer is given a  
2 complete copy of the writing evidencing the authorization at  
3 the time the consumer signs it, and the writing contains on its  
4 face a conspicuous notice of the consumer's right to revoke  
5 the authorization.

6 (b) A sale of unpaid earnings made in consideration of the  
7 payment of money to or for the account of the seller of the  
8 earnings is deemed to be a loan to the seller secured by an  
9 assignment of earnings.

10 Section 135. Limitations on garnishment.

11 (a) Before entry of judgment in an action against a  
12 consumer for a payment arising from an income share agreement,  
13 a licensee may not attach unpaid earnings of the consumer by  
14 garnishment or like proceedings.

15 (b) The maximum part of the aggregate disposable earnings  
16 of an individual for any workweek which is subjected to  
17 garnishment to enforce payment of a judgment arising from an  
18 income share agreement may not exceed the lesser of:

19 (1) 25% of the individual's disposable earnings for  
20 that week; or

21 (2) the amount by which the individual's disposable  
22 earnings for that week exceed 40 times the federal minimum  
23 hourly wage prescribed by Section 6(a)(1) of the Fair  
24 Labor Standards Act of 1938, 29 U.S.C. 206(a)(1), in  
25 effect at the time the earnings are payable.

1           In case of earnings for a pay period other than a week, the  
2 Department shall prescribe by rule a multiple of the federal  
3 minimum hourly wage equivalent to the amount set forth in  
4 paragraph (2).

5           (c) No court may make, execute, or enforce an order or  
6 process in violation of this Section.

7           (d) At any time after entry of a judgment in favor of a  
8 licensee in an action against a consumer for a payment arising  
9 from an income share agreement, the consumer may file with the  
10 court a verified application for an order exempting from  
11 garnishment pursuant to that judgment, for an appropriate  
12 period of time, a greater portion or all of the consumer's  
13 aggregate disposable earnings for a workweek or other  
14 applicable pay period than is provided for in subsection (b).  
15 The consumer shall in the application designate the portion of  
16 earnings not exempt from garnishment under this Section and  
17 other law, designate the period of time for which the  
18 additional exemption is sought, describe the judgment with  
19 respect to which the application is made, and state that the  
20 designated portion as well as his or her earnings that are  
21 exempt by law are necessary for the maintenance of the  
22 consumer or a family supported wholly or partly by the  
23 earnings. Upon filing a sufficient application under this  
24 subsection, the court may issue any temporary order necessary  
25 under the circumstances to stay enforcement of the judgment by  
26 garnishment, shall set a hearing on the application not less

1 than 5 nor more than 10 days after the date of filing of the  
2 application, and shall cause notice of the application and the  
3 hearing date to be served on the judgment creditor or the  
4 creditor's attorney of record. At the hearing, if it appears  
5 to the court that all or any portion of the earnings sought to  
6 be additionally exempt are necessary for the maintenance of  
7 the consumer or a family supported wholly or partly by the  
8 earnings of the consumer for all or any part of the time  
9 requested in the application, the court shall issue an order  
10 granting the application to that extent; otherwise it shall  
11 deny the application. The order is subject to modification or  
12 vacation upon further application of any party to it upon a  
13 showing of changed circumstances after a hearing upon notice  
14 to all interested parties.

15 (e) An employer may not discharge an employee because a  
16 licensee has subjected or attempted to subject unpaid earnings  
17 of the employee to garnishment or like proceedings directed to  
18 the employer for the purpose of paying a judgment arising from  
19 an income share agreement.

20 Section 140. Use of multiple agreements. A licensee may  
21 not use multiple agreements with respect to a single income  
22 share agreement with intent to violate any limitations of this  
23 Act.

24 Section 145. Required disclosures.

1 (a) A licensee shall disclose the following information to  
2 each consumer, clearly and conspicuously, in a form that the  
3 consumer can keep at the time the transaction is consummated:

4 (1) The date of the contract.

5 (2) The dollar amount of the amount financed.

6 (3) The ISA percentage, expressed as a percentage, and  
7 an explanation of whether the ISA percentage is fixed or  
8 will vary; and any limitation on the ISA percentage  
9 adjustments or lack of limitations if the ISA percentage  
10 will change after consummation of the income share  
11 agreement. The ISA percentage shall be rounded to the  
12 nearest one-hundredth of 1% if the ISA percentage is not a  
13 whole number.

14 (4) The maximum number of payments expressed as a  
15 whole number.

16 (5) The maximum duration expressed as a whole number  
17 of the period of time.

18 (6) The income threshold expressed as a dollar amount  
19 and a statement that payments will only be required during  
20 periods when the consumer's income is equal to or exceeds  
21 the income threshold.

22 (7) An itemization of the amount financed; if the ISA  
23 provider is a seller of goods or services, then the amount  
24 of any down payment and any additional fees or costs shall  
25 be itemized.

26 (8) The definition of income to be used for the

1 purposes of calculating the consumer's obligations under  
2 the income share agreement.

3 (9) A description of the terms under which the  
4 obligations of the consumer under the income share  
5 agreement will be extinguished before the full ISA  
6 duration.

7 (10) A payment schedule that shows the date on which  
8 the first payment will be due and reflecting each date  
9 thereafter during the ISA duration that a payment may be  
10 due.

11 (11) An itemization of any permissible fees associated  
12 with the ISA.

13 (12) A description of the methods used by the ISA  
14 provider to engage in a process of reconciliation and  
15 verification to determine if the consumer's payments are  
16 more than, equal to, or less than the payments owed by the  
17 consumer under his or her income share agreement; this  
18 description shall include the following:

19 (i) a description of the frequency or triggers  
20 for the commencement of the income verification  
21 process;

22 (ii) a description of the requirements and  
23 timing of the process in which the consumer must  
24 participate in order for the ISA provider to  
25 verify the consumer's income; and

26 (iii) a description of any records or forms,



1 including tax records, that the consumer may be  
2 required to execute or submit.

3 (13) The name and address of the ISA provider.

4 (14) A table displaying the dollar amounts of each  
5 payment, the number of payments, the effective annual  
6 percentage rate, and the sum total of all payments that a  
7 consumer would be required to pay under the income share  
8 agreement at a range of annual income levels based on the  
9 ISA duration. The comparison table shall include a  
10 statement that "This Comparison Table is for illustrative  
11 purposes only and may not reflect the amounts that you are  
12 likely to pay under this income share agreement. This  
13 table assumes you have the same income over the entire  
14 term of your income share agreement. It does not take into  
15 account changes in income. Your income will likely change  
16 over time. This table does not represent the income or  
17 range of incomes that you are likely to earn in the  
18 future.". In computing the APR, the ISA provider shall use  
19 the amount financed and may assume that the income share  
20 agreement will be disbursed in the amount and with the  
21 disbursement schedule that it reasonably expects to follow  
22 for such income share agreement and that payments would  
23 commence on the date set forth in the income share  
24 agreement. The income used in this disclosure shall  
25 include, at minimum, the obligations at the following  
26 incomes:

- 1 (i) no income;
- 2 (ii) income equal to the annual equivalent of  
3 the income threshold;
- 4 (iii) various income scenarios with at least  
5 calculations at annual incomes of \$40,000,  
6 \$60,000, \$80,000, \$100,000, \$125,000, \$150,000,  
7 \$175,000, and \$200,000; and
- 8 (iv) if known by the ISA provider, the  
9 consumer's current income.

10 (15) A statement that the income share agreement is  
11 not a fixed payment installment loan and that the amount  
12 the consumer will be required to pay under the income  
13 share agreement:

- 14 (i) may be more or less than the amount  
15 financed by the ISA provider; and
- 16 (ii) will vary in proportion with the  
17 consumer's income.

18 (b) The disclosures required by this Section shall be  
19 grouped together and segregated from all other information.

20 (c) The disclosures required by this Section may be  
21 provided to a consumer in electronic form, subject to  
22 compliance with the consumer's consent and other applicable  
23 provisions of the Electronic Signatures in Global and National  
24 Commerce Act, 15 U.S.C. 7001 et seq., and applicable State  
25 law.

26 (d) If model documents are established pursuant to any

1 federal law covering income share agreements, compliance with  
2 those forms shall be considered compliance with this Act with  
3 respect to the disclosure requirements contained in this Act.

4 Section 150. Early completion. An income share agreement  
5 shall specify the terms and conditions by which the consumer  
6 may extinguish his or her obligations under the income share  
7 agreement before the end of the income share agreement's  
8 duration. An income share agreement may include any method to  
9 determine the early completion payment; however, a consumer  
10 may always cancel an income share agreement by making  
11 aggregate payments, excluding payments to fees, equal to the  
12 ISA payment cap. The consumer is entitled to this early  
13 completion regardless of whether the consumer makes this early  
14 completion payment by making regularly scheduled payments or  
15 by making a single lump sum payment in the amount of the early  
16 completion payment.

17 Section 155. Assumption of increase in future income.

18 (a) If a consumer fails to provide income documentation as  
19 reasonably required by an income share agreement, a licensee  
20 may assign an amount of income to the consumer and compute the  
21 consumer's monthly payment amount by any of the following  
22 methods, to the extent disclosed in the income share  
23 agreement:

24 (1) assigning an income amount obtained from a

1 reasonably reliable third party or a credit reporting  
2 agency;

3 (2) if the consumer previously provided income  
4 documentation or has had an income assigned in the prior  
5 12-month period that has increased by an amount not to  
6 exceed 10%, but such increase may not be applied more than  
7 once per 12-month period;

8 (3) contacting the consumer's employer, or any person  
9 or entity reasonably believed to represent the consumer's  
10 employer, to obtain, verify, or update the consumer's  
11 income information;

12 (4) contacting the Department of Revenue or the  
13 Internal Revenue Service to obtain the most recent  
14 information available about the student's income; or

15 (5) for licensees providing educational income share  
16 agreements, assigning a reasonable qualified income based  
17 on the incomes of:

18 (A) the nearest reasonably relevant quantile of  
19 income for individuals working in the profession for  
20 which the consumer's educational program was intended  
21 to prepare the participant, as determined by  
22 information published by the Bureau of Labor  
23 Statistics or other reasonably reliable publicly  
24 available data sources; or

25 (B) the nearest reasonably relevant quantile of  
26 income of consumers who attended the same or a

1 reasonably comparable covered educational program or  
2 course of study, as determined by information  
3 published by the Bureau of Labor Statistics or other  
4 reasonably reliable publicly available data sources.

5 (b) If a licensee assigns an income to a consumer's income  
6 share agreement, it shall:

7 (1) notify the consumer in the monthly billing  
8 statement, and in each billing statement thereafter while  
9 the assigned income remains applicable to the consumer's  
10 income share agreement, that income has been assigned and  
11 of the consumer's rights under this Section;

12 (2) if the consumer does provide income information as  
13 reasonably required by the income share agreement within  
14 one year of the date on which the licensee notified the  
15 consumer that assigned income will be applied to the  
16 income share agreement, then, within 15 days after the  
17 licensee's receipt of such information, the licensee shall  
18 update each prior instance in which assigned income was  
19 applied using the income information provided by the  
20 consumer; and

21 (3) if the consumer provides income information more  
22 than one year after the licensee first assigned income to  
23 the consumer's income share agreement, then the licensee  
24 may, but is not obligated to, update each prior instance  
25 in which assigned income was applied using the income  
26 information provided by the consumer.

1           (c) A licensee that assigns income to an income share  
2 agreement shall retain all applicable records relating to the  
3 method and data sources used to make such estimation for 3  
4 years after the end of that income share agreement.

5           Section 160. Receipts; statements of account; evidence of  
6 payment.

7           (a) The licensee shall deliver or mail to the consumer,  
8 without request, a written receipt for each payment made  
9 pursuant to an income share agreement. A periodic statement  
10 showing a payment received by mail complies with this  
11 subsection.

12           (b) Upon written request of a consumer, the licensee shall  
13 provide a written statement of the dates and amounts of  
14 payments made within the 12 months preceding the month in  
15 which the request is received. The statement shall be provided  
16 without charge once during each year of the term of the  
17 obligation. If additional statements are requested, the  
18 licensee may charge an amount not to exceed \$5.00 for each  
19 additional statement.

20           (c) After a consumer has fulfilled all obligations with  
21 respect to an income share agreement, the licensee, upon  
22 request of the consumer, shall deliver or mail to the consumer  
23 written evidence acknowledging termination of all obligations  
24 with respect to the income share agreement.

1           Section 165. Advertising. A licensee may not advertise,  
2           print, display, publish, distribute, broadcast, or cause to be  
3           advertised, printed, displayed, published, distributed, or  
4           broadcast in any manner any statement or representation that  
5           is false, deceptive, or misleading.

6           Section 170. Penalties.

7           (a) A person who engages in business as a licensee without  
8           the license required by this Act commits a Class 4 felony.

9           (b) The consumer, before the expiration of 2 years after  
10          the date of his or her last scheduled payment, may recover such  
11          reasonable attorney's fees and court costs as a court may  
12          assess. A bona fide error by a licensee in calculating  
13          charges, fees, or rebates is not a violation if the licensee  
14          corrects the error within a reasonable time after discovery.

15          (c) No provision of this Section imposing any liability  
16          shall apply to any act done or omitted in conformity with any  
17          rule or written interpretation of a rule by the Division of  
18          Financial Institutions of the Department of Financial and  
19          Professional Regulation, notwithstanding that after such act  
20          or omission has occurred, such rule or interpretation is  
21          amended, rescinded, or determined by judicial or other  
22          authority to be invalid for any reason. All interpretations  
23          must be written and signed by the Department's chief counsel  
24          and approved by the Director.

25          (d) Notwithstanding any other provision of this Section,

1 if any person who does not have a license issued under this Act  
2 makes an income share agreement to an Illinois consumer, then  
3 the loan shall be null and void and the person who made the  
4 income share agreement shall have no right to collect,  
5 receive, or retain any amounts related to the income share  
6 agreement.

7 Section 175. Cease and desist.

8 (a) The Director may issue a cease and desist order to any  
9 licensee or another person doing business without a required  
10 license, when in the opinion of the Director, the licensee or  
11 the other person is violating or is about to violate any  
12 provision of this Act or any rule or requirement imposed in  
13 writing by the Department as a condition of granting any  
14 authorization permitted by this Act.

15 (b) The Director may issue a cease and desist order before  
16 a hearing.

17 (c) The Director shall serve notice of his or her action,  
18 designated as a cease and desist order made pursuant to this  
19 Section, including a statement of the reasons for the action,  
20 either personally or by certified mail, return receipt  
21 requested. Service by certified mail shall be deemed completed  
22 when the notice is deposited in the U.S. mail.

23 (d) Within 15 days after service of the cease and desist  
24 order, the licensee or the other person may request, in  
25 writing, a hearing.



1           (e) The Director shall schedule a hearing within 30 days  
2 after the request for a hearing unless otherwise agreed to by  
3 the parties.

4           (f) The cost for the administrative hearing shall be set  
5 by rule.

6           (g) If it is determined that the Director had the  
7 authority to issue the cease and desist order, he or she may  
8 issue such orders as may be reasonably necessary to correct,  
9 eliminate, or remedy such conduct.

10          (h) The powers vested in the Director by this Section are  
11 additional to all other powers and remedies vested in the  
12 Director by law, and nothing in this Section shall be  
13 construed as requiring that the Director employ the power  
14 conferred in this Section instead of or as a condition  
15 precedent to the exercise of any other power or remedy vested  
16 in the Director.

17          (i) The Department shall have the authority to adopt rules  
18 for the administration of this Section.

19          Section 180. Civil action. A claim of violation of this  
20 Act may be asserted in a civil action.

21          Section 185. Application of Act.

22          (a) This Act does not apply to any person, partnership,  
23 association, limited liability company, or corporation doing  
24 business under and as permitted by any law of this State or the

1 United States relating to banks, savings and loan  
2 associations, savings banks, or credit unions. This Act does  
3 not apply to any income share agreements or the like made with  
4 business or commercial entities.

5 (b) During the first 90 days after the effective date of  
6 this Act, any person who has applied for a license under this  
7 Act or filed written notice of intention to apply for a license  
8 with the Director and whose application has not been denied,  
9 shall be subject to all provisions of this Act and may make  
10 income share agreements as if he or she were a licensee under  
11 this Act.

12 (c) This Act shall not apply to any contractor transaction  
13 made before the effective date of this Act.

14 Section 190. Rules. The Department may adopt and enforce  
15 such reasonable rules, directions, orders, decisions, and  
16 findings as the execution and enforcement of the provisions of  
17 this Act require and that are not inconsistent with this Act.  
18 In addition, the Department may adopt rules in connection with  
19 the activities of licensees that are necessary and appropriate  
20 for the protection of consumers in this State. All rules and  
21 directions of a general character shall be sent electronically  
22 to all licensees.

23 Section 195. Judicial review. All final administrative  
24 decisions of the Department under this Act shall be subject to

1 judicial review pursuant to the provisions of the  
2 Administrative Review Law and any rules adopted pursuant to  
3 the Administrative Review Law.

4 Section 200. Injunction; civil penalties; costs. If it  
5 appears to the Director that a person or any entity has  
6 committed or is about to commit a violation of this Act, a rule  
7 adopted under this Act, or an order of the Director, the  
8 Director may apply to the circuit court for an order enjoining  
9 the person or entity from violating or continuing to violate  
10 this Act, the rule, or order and for injunctive or other relief  
11 that the nature of the case may require and may, in addition,  
12 request the court to assess a civil penalty up to \$1,000 along  
13 with costs and attorney's fees.

14 Section 205. Adjustment of dollar amounts.

15 (a) From time to time the dollar amounts in this Act  
16 designated as subject to change shall change, as provided in  
17 this Section, according to and to the extent of changes in the  
18 index.

19 (b) The index for December of the year preceding the year  
20 in which this Act becomes effective is the reference base  
21 index.

22 (c) The designated dollar amounts shall change on July 1  
23 of each even-numbered year if the percentage of change,  
24 calculated to the nearest whole percentage point, between the

1 index and the end of the preceding year and the reference base  
2 index is 10% or more, but:

3 (1) the portion of the percentage change in the index  
4 in excess of a multiple of 10% shall be disregarded and the  
5 dollar amounts shall change only in multiples of 10% of  
6 the amounts provided in this Act on the date of enactment;  
7 and

8 (2) the dollar amounts shall not change if the amounts  
9 required by this Section are those currently in effect  
10 pursuant to this Act as a result of earlier application of  
11 this Section.

12 (d) If the index is revised, the percentage of change  
13 pursuant to this Section shall be calculated on the basis of  
14 the revised index. If a revision of the index changes the  
15 reference base index, a revised reference base index shall be  
16 determined by multiplying the reference base index then  
17 applicable by the rebasing factor furnished by the Bureau of  
18 Labor Statistics. If the index is superseded, the index  
19 referred to in this Section is the one represented by the  
20 Bureau of Labor Statistics as reflecting most accurately  
21 changes in the purchasing power of the dollar for consumers.

22 (e) The Department shall adopt a rule setting forth, on or  
23 before April 30 of each year in which dollar amounts are to  
24 change, the changes in dollar amounts required by this  
25 Section. As soon as practical after the changes occur, the  
26 Department shall adopt a rule setting forth the changes in the

1 index required by subsection (d), including, if applicable,  
2 the numerical equivalent of the reference base index under a  
3 revised reference base index and the designation or title of  
4 any index superseding the index.

5 (f) A person does not violate this Act with respect to a  
6 transaction otherwise complying with this Act if he or she  
7 relies on dollar amounts either determined according to  
8 subsection (c) or appearing in the last rule of the Department  
9 announcing the then-current dollar amounts.

10 Section 210. Construction against implicit authority. This  
11 Act is a general act intended as a unified coverage of its  
12 subject matter; no part of this Act shall be construed to be  
13 impliedly repealed by subsequent legislation if that  
14 construction can reasonably be avoided.

15 Section 215. Application of other Acts. Income share  
16 agreements and licensees are subject to the Know Before You  
17 Owe Private Education Loan Act and the Predatory Loan  
18 Prevention Act and shall comply with their requirements and  
19 any rules adopted by the Department of Financial and  
20 Professional Regulation pursuant to those Acts.

21 Section 220. Severability. The provisions of this Act are  
22 severable under Section 1.31 of the Statute on Statutes.

1           Section 999. Effective date. This Act takes effect upon  
2    becoming law.".