



103RD GENERAL ASSEMBLY

State of Illinois

2023 and 2024

HB1519

Introduced 1/31/2023, by Rep. Maurice A. West, II

SYNOPSIS AS INTRODUCED:

New Act

Creates the Consumer Income Share Agreement Act. Provides that no person, partnership, association, limited liability company, or corporation may engage in the business of making income share agreements without a license provided under the Act. Sets forth provisions concerning applications for an income share agreement license, investigations, fees, suspension or revocation of licenses, closing of business, books and records, prohibitions and limitations of income share agreements, required disclosures, statements of account, advertising, penalties, and cease and desist orders. Provides that a person who engages in business as a licensee without the license required by the Act commits a Class 4 felony. Provides that the Department of Financial and Professional Regulation may adopt and enforce reasonable rules, directions, orders, decisions, and findings as the execution and enforcement of the provisions of the Act require and rules in connection with the activities of licensees that are necessary and appropriate for the protection of consumers in the State. Provides that if it appears to the Director that a person or any entity has committed or is about to commit a violation of the Act, a rule adopted under the Act, or an order of the Director, the Director may apply to the circuit court for an order enjoining the person or entity from the violation. Provides that the provisions of the Act are severable. Provides that income share agreements and licensees are subject to the Know Before You Owe Private Education Loan Act, the Student Loan Servicing Rights Act, and the Predatory Loan Prevention Act and shall comply with their requirements and any rules adopted by the Department of Financial and Professional Regulation pursuant to those Acts. Defines terms. Makes other changes. Effective immediately.

LRB103 24976 BMS 51310 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. 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
17 the measure of the cost of the income share agreement,
18 expressed as a yearly rate, that relates to the amount and
19 timing of value received by the consumer to the amount and
20 timing of payments made. The "annual percentage rate" is
21 determined in accordance with either the actuarial method or
22 the United States rule method.

23 "Consumer" means a natural person who enters into an

1 income share agreement for personal, family, or household use.

2 "Department" means the Department of Financial and
3 Professional Regulation.

4 "Director" means the Director of the Division of Financial
5 Institutions of the Department of Financial and Professional
6 Regulation.

7 "Disposable earnings" means that part of the earnings of
8 an individual remaining after the deduction from total
9 earnings of amounts required by law to be withheld.

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

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

15 (2) is extended to a consumer expressly, in whole or
16 in part, for postsecondary educational expenses, tuition,
17 or other obligations of, or pays amounts to, or on behalf
18 of, such individual for costs associated with a
19 postsecondary training program or any other program
20 designed to increase the individual's human capital,
21 employability, or earning potential, and is not limited to
22 programs eligible to participate as programs under Title
23 IV of the Higher Education Act of 1965, 20 U.S.C. 1070 et
24 seq., as well as any personal expenses, such as books,
25 supplies, transportation, and living costs, incurred by
26 the individual while enrolled in such a program and any

1 other costs or expenses included in the definition of a
2 "qualified higher education expense" as specified in 26
3 U.S.C. 529(e)(3)(A), including refinancing of loans or
4 income share agreements used for the purposes described in
5 this paragraph, and regardless of whether the income share
6 agreement is provided by the educational institution that
7 the consumer attends; and

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

11 "Federal poverty guidelines" means the poverty guidelines
12 updated periodically in the Federal Register by the U.S.
13 Department of Health and Human Services under the authority of
14 42 U.S.C. 9902(2).

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

18 "Income" means the salary, wages, income, tips, capital
19 gains, earnings, and other sources of income of a consumer as
20 set forth in an income share agreement.

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

23 (1) the ISA provider credits or advances a sum of
24 money to the consumer or to a third party on the consumer's
25 behalf or, if the ISA provider is a seller of goods or
26 services to the consumer, the ISA provider credits or

1 advances toward the purchase of such goods or services;

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

6 (3) the consumer only incurs an obligation in each
7 payment period if the individual's income in that period
8 is above an income threshold specified in the ISA
9 agreement;

10 (4) there is an ISA duration after which the
11 obligation is complete regardless of how much has been
12 paid, as long as the consumer has paid any prior amounts
13 due; and

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

16 For purposes of this definition, an income share agreement
17 shall be treated as "credit" (within the meaning of that term
18 under 15 U.S.C. 1602(f)) and as a "private education loan"
19 (within the meaning of that term under 15 U.S.C. 1650(a)(8))
20 to the extent the proceeds of the ISA are used for
21 postsecondary educational expenses in a manner consistent with
22 the definition of that term.

23 "Income threshold" means a fixed dollar amount that is the
24 minimum income per payment period that an ISA recipient is
25 required to earn before the ISA recipient is required to make a
26 payment on an income share agreement for such payment period.

1 "Index" means the Consumer Price Index for Urban Wage
2 Earners and Clerical Workers: U.S. City Average, All Items,
3 1967=100, compiled by the Bureau of Labor Statistics, United
4 States Department of Labor.

5 "ISA duration" means the maximum time during which a
6 consumer could remain obligated on the income share agreement,
7 other than periods when an income share agreement provider is
8 attempting to collect past-due amounts and absent periods of
9 payment relief pauses, forbearance, military service
10 suspension, or other suspension of obligations at the request
11 of the consumer, regardless of whether the consumer's income
12 is greater than the minimum income.

13 "ISA maximum number of payments" means the maximum number
14 of ISA payments during ISA payment periods in which the
15 consumer's income is equal to or greater than the income
16 threshold that a consumer could be required to make. "ISA
17 maximum number of payments" does not include periods of
18 payment relief pause.

19 "ISA payment" means a calculated monthly payment in excess
20 of \$0.00 that counts toward the maximum income-based payments
21 under the ISA. An "ISA payment" is required only for income
22 earned during an ISA payment period in which the consumer's
23 income was equal to or greater than the income threshold.

24 "ISA payment calculation method" means the mechanism,
25 formula, percentage, dollar figure, or other means of
26 calculating a student's payment obligation, based on the

1 student's income, under the terms of the income share
2 agreement.

3 "ISA payment cap" means the maximum amount of money a
4 consumer must pay to satisfy the terms of an income share
5 agreement, which may be expressed as a dollar value, a
6 multiple of the amount funded to the student or on the
7 student's behalf, or as a maximum effective annual percentage
8 rate. "ISA payment cap" does not include charges related to
9 default or other charges and fees that are due under the income
10 share agreement.

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

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

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

16 "Payment relief pause" means a period of time that is
17 requested by the consumer during which the consumer is not
18 required to make payments despite the consumer's income
19 exceeding the income threshold.

20 Section 10. License required to engage in business.
21 Without a license provided under this Act, no person,
22 partnership, association, limited liability company, or
23 corporation may engage in the business of:

24 (1) making income share agreements; or

25 (2) taking assignments of and undertaking direct

1 collection of payments from or enforcement of rights
2 against consumers arising from income share agreements,
3 except for collection of payments and enforcement of
4 rights for 3 months without a license if the person or
5 entity promptly applies for a license and the application
6 has not been denied.

7 Section 15. Application for income share agreement
8 license; fees; surety bond.

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

17 (b) Before the license is granted, every applicant shall
18 provide in a form satisfactory to the Director that the
19 applicant has or will maintain a positive net worth in a
20 minimum of \$30,000. Every applicant and licensee shall
21 maintain a surety bond in the principal sum of \$25,000 issued
22 by a bonding company authorized to do business in this State
23 and that shall be approved by the Director. The bond shall run
24 to the Director and shall be for the benefit of any consumer
25 who incurs damages as a result of a violation of this Act or

1 rules adopted pursuant to this Act by a licensee. If the
2 Director at any time finds that a bond is of insufficient size,
3 is insecure, is exhausted, or is otherwise doubtful, an
4 additional bond in such amount as determined by the Director
5 shall be filed by the licensee within 30 days after written
6 demand therefor by the Director.

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

22 Section 25. Investigation; license issuance.

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

1 (1) that the reputation of the applicant, including
2 the managers of a limited liability company, and the
3 partners, owners, officers, or directors thereof warrants
4 belief that the business will be operated honestly and
5 fairly within the purposes of this Act; and

6 (2) that the applicant meets the positive net worth
7 requirements of this Act.

8 Unless the Director makes findings enumerated in this
9 subsection, he or she shall not issue a license and shall
10 notify the applicant of the denial and return to the applicant
11 the sum paid by the applicant as a license fee, but shall
12 retain the \$300 application fee. The Director shall approve or
13 deny every application for license within 60 days after the
14 filing of an application with payment of a fee.

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

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

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

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

1 Section 30. License. The license shall state the address,
2 including the city and state, at which the business is to be
3 conducted and shall state fully the name of the licensee. The
4 license shall be conspicuously posted in the place of business
5 of the licensee and shall not be transferable or assignable.

6 Section 35. License; place of business.

7 (a) Not more than one place of business shall be
8 maintained under the same license, but the Director may issue
9 more than one license to the same licensee upon compliance
10 with all the provisions of this Act governing the original
11 issuance of a license. A website operated by the licensee
12 shall constitute a location.

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

20 Section 40. Annual license fee; expenses.

21 (a) Before December 1 of each year, a licensee shall pay to
22 the Director, and the Department must receive, the annual
23 license fee required by this Act for the next succeeding
24 calendar year. The license shall expire on January 1 of the

1 following year unless the licensee fee has been paid before
2 then.

3 (b) In addition to the license fee, the reasonable expense
4 of any examination, investigation, or custody by the Director
5 under any provisions of this Act shall be borne by the
6 licensee.

7 (c) If a licensee fails to renew his or her license by
8 December 31, it shall automatically expire and the licensee is
9 not entitled to a hearing; however, the Director, in his or her
10 discretion, may reinstate an expired license upon payment of
11 the annual renewal fee and proof of good cause for failure to
12 renew.

13 Section 45. Suspension or revocation of license.

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

23 (1) the licensee has repeatedly and intentionally
24 violated this Act or any rule or order lawfully made
25 pursuant to this Act, or has violated an assurance of

1 discontinuance; or

2 (2) facts or conditions exist that clearly would have
3 justified the Director in refusing to grant a license for
4 that place or those places of business were the facts or
5 conditions known to exist at the time the application for
6 the license was made.

7 (b) A revocation or suspension of a license is not lawful
8 unless the Director, before instituting proceedings, gives
9 notice to the licensee of the facts or conduct that warrant the
10 intended action and the licensee is afforded an opportunity to
11 show compliance with all lawful requirements for retention of
12 the license.

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

19 (d) Whenever the Director revokes or suspends a license,
20 he or she shall enter an order to that effect and forthwith
21 notify the licensee of the revocation or suspension. Within 10
22 days after entry of the order he or she shall deliver to the
23 licensee a copy of the order and the findings supporting the
24 order.

25 (e) A person holding a license to make income share
26 agreements may relinquish the license by notifying the

1 Director in writing of its relinquishment, but the
2 relinquishment does not affect his or her liability for acts
3 previously committed.

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

7 (g) The Director may reinstate a license, terminate a
8 suspension, or grant a new license to a person whose license
9 has been revoked or suspended if no fact or condition then
10 exists that clearly would have justified the Director in
11 refusing to grant a license.

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

13 (a) At least 10 days before a licensee ceases operations,
14 closes business, or files for bankruptcy, the licensee shall
15 do the following:

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

17 (2) With the exception of filing for bankruptcy,
18 surrender its license to the Director for cancellation;
19 the surrender of the license shall not affect the
20 licensee's civil or criminal liability for acts committed
21 before surrender or entitle the licensee to return any
22 part of the annual license fee.

23 (3) Notify the Director of the location where the
24 books, accounts, contracts, and records will be maintained
25 and the procedure to ensure prompt return of contracts,

1 titles, and releases to the customers.

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

6 (b) The Department shall have the authority to conduct
7 examinations of the books, records, and loan documents at any
8 time after surrender of the license, filing of bankruptcy, or
9 the cessation of operations.

10 Section 55. Examinations and investigations of conduct of
11 business.

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

22 (b) If the licensee's records are located outside this
23 State, the licensee at the Director's request shall make them
24 available to the Director at a convenient location within this
25 State, or pay the reasonable and necessary expenses for the

1 Director or his or her representative to examine them where
2 they are located. The Director may designate representatives,
3 including comparable officials of the state in which the
4 records are located, to inspect them on the Director's behalf.

5 (c) For purposes of this Section, the Director may
6 administer oaths or affirmations, and upon request of a party
7 or his or her own motion may subpoena witnesses, compel their
8 attendance, adduce evidence, and require the production of any
9 matter that is relevant to the investigation, including the
10 existence, description, nature, custody, condition, and
11 location of any books, documents, or other tangible things and
12 the identity and location of persons having knowledge of
13 relevant facts or any other matter reasonably calculated to
14 lead to the discovery of admissible evidence.

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

19 Section 60. Books and records.

20 (a) Every licensee shall maintain records in conformity
21 with generally accepted accounting principles and practices in
22 a manner that will enable the Director to determine whether
23 the licensee is complying with this Act. The recordkeeping
24 system of a licensee is sufficient if it makes the required
25 information reasonably available. The records pertaining to

1 any income share agreement need not be preserved for more than
2 2 years after making the final entry relating to the income
3 share agreement.

4 (b) On or before April 15 of each year, every licensee
5 shall file with the Director a composite annual report in a
6 form prescribed by the Director relating to all income share
7 agreements made by the licensee. Information contained in
8 annual reports shall be confidential and may be published only
9 in composite form.

10 Section 65. No other business allowed.

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

14 (b) Upon application by the licensee, the Director may
15 approve the conduct of other businesses not specifically
16 permitted by this Act in the licensee's place of business,
17 unless the Director finds that such conduct will conceal or
18 facilitate evasion or violation of this Act. The Director's
19 approval shall be in writing and shall describe the other
20 businesses which may be conducted in the licensed office.

21 Section 70. Prohibitions.

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

24 (b) A consumer may not authorize any person to confess

1 judgment on a claim arising out of an income share agreement.
2 An authorization in violation of this Section is void.

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

4 (a) No licensee or other person shall pledge, hypothecate,
5 or sell an income share agreement entered into under this Act
6 by a consumer except to another licensee under this Act, a
7 bank, savings bank, savings and loan association, or credit
8 union created under the laws of this State or the United
9 States, or to other persons or entities authorized by the
10 Director in writing. Sales of such notes by licensees under
11 this Act or other persons shall be made by agreement in writing
12 and shall authorize the Director to examine the income share
13 agreement documents so hypothecated, pledged, or sold.

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

23 (c) An assignee of the rights of the ISA provider is
24 subject to all claims and defenses of the consumer against the
25 ISA provider arising from the income share agreement. A claim

1 or defense of a consumer may be asserted against the assignee
2 under this Section only if the consumer has made a good faith
3 attempt to obtain satisfaction from the ISA provider with
4 respect to the claim or defense and then only to the extent of
5 the amount owing to the assignee with respect to the ISA
6 provider or defense that arose at the time the assignee has
7 notice of the claim or defense. Notice of the claim or defense
8 may be given before the good faith attempt specified in this
9 subsection. Oral notice is effective unless the assignee
10 requests written confirmation when or promptly after oral
11 notice is given and the consumer fails to give the assignee
12 written confirmation within the period of time, not less than
13 14 days, stated to the consumer when written confirmation is
14 requested. An agreement may not limit or waive the claims or
15 defenses of a consumer under this Section.

16 Section 80. Monthly payment affordability.

17 (a) Maximum ISA income obligation. Each income share
18 agreement shall specify the ISA payment calculation method
19 applicable to the income share agreement and shall comply with
20 the following:

21 (1) An ISA provider shall not enter into an ISA with a
22 consumer if the consumer would be committing more than a
23 total of 20% of the consumer's future income toward the
24 payment of the ISA.

25 (2) An income share agreement provider may not enter

1 into an educational ISA with a consumer if the consumer
2 would be committing more than 20% of his or her income,
3 inclusive of the obligations that the consumer will incur
4 through other educational ISA and education loans the
5 consumer holds at the time. The ISA provider must confirm
6 a consumer's educational ISA and education loan
7 liabilities through a verifiable third-party source. At a
8 minimum, the licensee must confirm such liabilities using
9 information maintained by a nationwide consumer reporting
10 agency, as defined by 15 U.S.C. 1681a(f), and doing so is
11 sufficient for meeting the requirement in this paragraph;
12 however, nothing in this paragraph shall prohibit a
13 licensee from using other sources to provide additional
14 verification. For the purposes of calculating the portion
15 of a student's future income that would be consumed by the
16 educational ISA for which the student has applied and
17 other educational ISAs and education loans known at the
18 time, the ISA provider shall calculate the aggregate
19 future burden of all such obligations, including the
20 educational ISA for which the student is applying, at
21 hypothetical future income levels ranging from the income
22 threshold of the ISA for which the student has applied up
23 to \$70,000, with such number adjusting for inflation each
24 year, in increments of \$10,000. The terms of the
25 educational ISA for which the student has applied cannot
26 cause the student's aggregate future burden to exceed the

1 limit in subsection (b) at any of the income increments
2 stated in this paragraph. For the purpose of calculating
3 the percentage burden of an educational ISA at a given
4 future income level, the ISA provider shall use the ISA
5 payment amount that would be applicable for the ISA at
6 such income level. For the purpose of calculating the
7 percentage burden of an educational loan at a given future
8 income level, the ISA provider shall divide the annual
9 payment obligation by income level using the most
10 affordable payment plan or option which would yield the
11 lowest monthly payments that would be available to the
12 student at such income level under such loan. For students
13 enrolled in a Title IV program, as part of this analysis
14 the ISA provider shall assume a federal loan balance equal
15 to the larger of (1) the student's existing federal loan
16 balance, and (2) the maximum amount the student is
17 eligible to borrow under Federal Direct Stafford Loans for
18 his or her status, dependent or independent.

19 (b) Protections during periods of low earnings. The income
20 share agreement must state that when a consumer has income
21 that is equal to or below the income threshold set forth in the
22 income share agreement that the consumer's payment obligation
23 is zero dollars. The income threshold at the time of
24 origination must be high enough such that the consumer's gross
25 income minus any income share agreement obligation must leave
26 the consumer with gross income equal to at least 200% of the

1 federal poverty guidelines for a single person.

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

9 Section 85. Maximum effective annual percentage rate. An
10 income share agreement must specify that the maximum amount
11 that a consumer could be required to pay based on the
12 consumer's income under the income share agreement will not
13 result in a consumer ever being required to pay an effective
14 annual percentage rate that is greater than 36%. If at any time
15 the consumer makes and the provider accepts a payment of an
16 amount that would cause the limit in this Section to apply, the
17 provider shall refund any amounts, within 20 calendar days,
18 necessary to ensure that the consumer's payments do not result
19 in an effective annual percentage rate that is greater than
20 the limit specified in this Section.

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

22 (a) The ISA maximum number of payments shall not exceed
23 240 monthly payments.

24 (b) The ISA duration shall not exceed 360 months,

1 excluding any months in which a consumer has requested and
2 received a payment relief pause.

3 Section 95. Risk sharing.

4 (a) 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 300% 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 8%, or the high yield of the 10-year United States
10 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 7%, whichever is greater.

13 (b) 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 400% 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 12%, 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 11%, whichever is greater.

22 (c) 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 500% of the federal poverty guidelines
25 for a single person for the ISA duration being required to make

1 a stream of ISA payments that would yield an effective APR
2 greater than 15%, or the high yield of the 10-year United
3 States Constant Maturity Treasury Notes auctioned at the final
4 auction held before the current calendar year in which an ISA
5 offering is made plus 14%, whichever is greater.

6 (d) A licensee may not contract for income share agreement
7 terms that would result in a consumer having income that is
8 less than or equal to 600% of the federal poverty guidelines
9 for a single person for the ISA duration being required to make
10 a stream of ISA payments that would yield an effective APR
11 greater than 18%, or the high yield of the 10-year United
12 States Constant Maturity Treasury Notes auctioned at the final
13 auction held before the current calendar year in which an ISA
14 offering is made plus 17%, whichever is greater.

15 (e) For the purposes of determining the various tiers set
16 forth in this Section, a licensee shall calculate the
17 effective APR by determining the various federal poverty
18 guidelines tiers at the time the consumer's income share
19 agreement is originated and assuming such amounts are fixed
20 through the ISA duration.

21 (f) For the purposes of determining ISA duration in this
22 Section: in the case of an educational ISA, a licensee shall
23 assume the ISA duration started after a period equal to the
24 expected length of the program for which a consumer is
25 enrolling; or in the case of a non-educational ISA, a licensee
26 shall assume the ISA duration started immediately.

1 Section 100. Limits on covered income. An income share
2 agreement must specify the definition of income to be used for
3 the purposes of calculating a consumer's payment obligation
4 under the income share agreement. No income share agreement
5 shall include any of the following in its definition of
6 income:

7 (1) The income of the consumer's children or
8 dependents.

9 (2) Any amount paid by the consumer under Title II or
10 XVI of the Social Security Act, 42 U.S.C. 401 et seq., 42
11 U.S.C. 1381 et seq.; or under a State program funded by
12 Title IV of the Social Security Act, 42 U.S.C. 601 et seq.

13 (3) Individual retirement account distributions.

14 (4) Pensions and annuities.

15 (5) Social security benefits.

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

18 (A) unemployment programs;

19 (B) disaster relief programs;

20 (C) Medicare or Medicaid benefits;

21 (D) benefits received through the Supplemental
22 Nutrition Assistance Program;

23 (E) economic impact payments; or

24 (F) other income excluded from the definition of
25 taxable income set forth by the Internal Revenue

1 Service.

2 Section 105. Fees permitted. In addition to the ISA
3 obligation permitted by this Act, a licensee may contract for
4 and receive the following additional charges:

5 (1) Official fees and taxes.

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

9 (3) A fee for processing any forms to confirm the
10 consumer's income with the United States Internal Revenue
11 Service or a State department of revenue or taxation on a
12 dollar-for-dollar, pass-through basis of the expenses
13 incurred by the licensee.

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

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

22 (6) Charges for other benefits conferred on the
23 consumer, if the benefits are of value to her or him and
24 the charges are reasonable in relation to the benefits,
25 are of a type that is not for credit, and are authorized as

1 permissible additional charges by rule adopted by the
2 Department.

3 (7) Before or after default in payment of a scheduled
4 payment of an income share agreement, the parties to the
5 income share agreement may agree in writing to a deferral
6 of all or part of one or more unpaid payments and the
7 licensee may make, at the time of deferral and receive at
8 that time or at any time thereafter, a deferral charge not
9 exceeding an amount equal to 10% of the missed payment.

10 Section 110. Restriction on security interest. Under no
11 circumstances shall a licensee take a security interest in any
12 collateral in connection with an income share agreement.

13 Section 115. Discharge of obligations.

14 (a) All further obligations under an income share
15 agreement, except those accruing before the date of
16 determination by a relevant governmental agency, shall
17 terminate if the consumer is deemed totally and permanently
18 disabled by the applicable governmental agency.

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

22 Section 120. Prohibition on co-signers. No income share
23 agreement shall include or permit the use of a co-signer in

1 connection with any obligation related to an income share
2 agreement.

3 Section 125. Limitation on acceleration.

4 (a) Licensees may not attempt to accelerate or otherwise
5 liquidate a future payment stream under an income share
6 agreement.

7 (b) Notwithstanding subsection (a), nothing in this
8 Section shall prevent a licensee from collecting or pursuing
9 any other remedy available to the licensee for the collection
10 of amounts that were due from the consumer under an income
11 share agreement that were not paid or properly remitted to the
12 licensee. Nothing in this Section shall prevent a licensee
13 from calculating a projected future income for a consumer and
14 calculating a consumer's payment obligation using that
15 projection if the consumer does not provide contractually
16 obligated documentation of income.

17 (c) Notwithstanding subsection (a), an income share
18 agreement may contain a provision that allows a consumer to
19 terminate his or her income share agreement before the events
20 terminating further obligations under the income share
21 agreement. The early termination mechanisms, such as total
22 caps on payments due to the licensee or other rights to
23 partially or fully terminate further obligations under the
24 income share agreement, must be optional to the consumer and
25 within the consumer's control. In such circumstances, such

1 mechanisms will not be deemed a form of acceleration, early
2 termination penalty, or prepayment penalty.

3 Section 130. No assignment of wages.

4 (a) A licensee may not take an assignment of earnings of
5 the consumer for payment or as security for payment of a debt
6 arising out of an income share agreement. An assignment of
7 earnings in violation of this Section is unenforceable by the
8 assignee of the earnings and revocable by the consumer. This
9 Section does not prohibit a consumer from authorizing
10 deductions from his or her earnings in favor of a licensee if
11 the authorization is revocable, the consumer is given a
12 complete copy of the writing evidencing the authorization at
13 the time the consumer signs it, and the writing contains on its
14 face a conspicuous notice of the consumer's right to revoke
15 the authorization.

16 (b) A sale of unpaid earnings made in consideration of the
17 payment of money to or for the account of the seller of the
18 earnings is deemed to be a loan to the seller secured by an
19 assignment of earnings.

20 Section 135. Limitations on garnishment.

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

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

5 (1) 25% of the individual's disposable earnings for
6 that week; or

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

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

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

18 (d) At any time after entry of a judgment in favor of a
19 licensee in an action against a consumer for a payment arising
20 from an income share agreement, the consumer may file with the
21 court a verified application for an order exempting from
22 garnishment pursuant to that judgment, for an appropriate
23 period of time, a greater portion or all of the consumer's
24 aggregate disposable earnings for a workweek or other
25 applicable pay period than is provided for in subsection (b).
26 The consumer shall in the application designate the portion of

1 earnings not exempt from garnishment under this Section and
2 other law, designate the period of time for which the
3 additional exemption is sought, describe the judgment with
4 respect to which the application is made, and state that the
5 designated portion as well as his or her earnings that are
6 exempt by law are necessary for the maintenance of the
7 consumer or a family supported wholly or partly by the
8 earnings. Upon filing a sufficient application under this
9 subsection, the court may issue any temporary order necessary
10 under the circumstances to stay enforcement of the judgment by
11 garnishment, shall set a hearing on the application not less
12 than 5 nor more than 10 days after the date of filing of the
13 application, and shall cause notice of the application and the
14 hearing date to be served on the judgment creditor or the
15 creditor's attorney of record. At the hearing, if it appears
16 to the court that all or any portion of the earnings sought to
17 be additionally exempt are necessary for the maintenance of
18 the consumer or a family supported wholly or partly by the
19 earnings of the consumer for all or any part of the time
20 requested in the application, the court shall issue an order
21 granting the application to that extent; otherwise it shall
22 deny the application. The order is subject to modification or
23 vacation upon further application of any party to it upon a
24 showing of changed circumstances after a hearing upon notice
25 to all interested parties.

26 (e) An employer may not discharge an employee because a

1 licensee has subjected or attempted to subject unpaid earnings
2 of the employee to garnishment or like proceedings directed to
3 the employer for the purpose of paying a judgment arising from
4 an income share agreement.

5 Section 140. Use of multiple agreements. A licensee may
6 not use multiple agreements with respect to a single income
7 share agreement with intent to violate any limitations of this
8 Act.

9 Section 145. Required disclosures.

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

13 (1) The date of the contract.

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

15 (3) The ISA payment calculation method. Any
16 percentages used in the ISA payment calculation method
17 shall be rounded to the nearest one-hundredth of 1% if the
18 percentage is not a whole number.

19 (4) The maximum number of payments expressed as a
20 whole number.

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

23 (6) The income threshold expressed as a dollar amount
24 and a statement that payments will only be required during

1 periods when the consumer's income is equal to or exceeds
2 the income threshold.

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

7 (8) The definition of income to be used for the
8 purposes of calculating the consumer's obligations under
9 the income share agreement.

10 (9) A description of the terms under which the
11 obligations of the consumer under the income share
12 agreement will be extinguished before the full ISA
13 duration.

14 (10) A payment schedule that shows the date on which
15 the first payment will be due and reflecting each date
16 thereafter during the ISA duration that a payment may be
17 due.

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

20 (12) A description of the methods used by the ISA
21 provider to engage in a process of reconciliation and
22 verification to determine if the consumer's payments are
23 more than, equal to, or less than the payments owed by the
24 consumer under his or her income share agreement; this
25 description shall include the following:

26 (i) a description of the frequency or triggers

1 for the commencement of the income verification
2 process;

3 (ii) a description of the requirements and
4 timing of the process in which the consumer must
5 participate in order for the ISA provider to
6 verify the consumer's income; and

7 (iii) a description of any records or forms,
8 including tax records, that the consumer may be
9 required to execute or submit.

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

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

1 agreement will be disbursed in the amount and with the
2 disbursement schedule that it reasonably expects to follow
3 for such income share agreement and that payments would
4 commence on the date set forth in the income share
5 agreement. The income used in this disclosure shall
6 include, at minimum, the obligations at the following
7 incomes:

8 (i) no income;

9 (ii) income equal to the annual equivalent of
10 the income threshold;

11 (iii) various income scenarios with at least
12 calculations at annual incomes of \$40,000,
13 \$60,000, \$80,000, \$100,000, \$125,000, \$150,000,
14 \$175,000, and \$200,000; and

15 (iv) if known by the ISA provider, the
16 consumer's current income.

17 (15) A statement that the income share agreement is
18 not a fixed payment installment loan and that the amount
19 the consumer will be required to pay under the income
20 share agreement:

21 (i) may be more or less than the amount
22 financed by the ISA provider; and

23 (ii) will vary in proportion with the
24 consumer's income.

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

1 (c) The disclosures required by this Section may be
2 provided to a consumer in electronic form, subject to
3 compliance with the consumer's consent and other applicable
4 provisions of the Electronic Signatures in Global and National
5 Commerce Act, 15 U.S.C. 7001 et seq., and applicable State
6 law.

7 (d) If model documents are established pursuant to any
8 federal law covering income share agreements, compliance with
9 those forms shall be considered compliance with this Act with
10 respect to the disclosure requirements contained in this Act.

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

24 Section 155. Assumption of increase in future income.

1 (a) If a consumer fails to provide income documentation as
2 reasonably required by an income share agreement, a licensee
3 may assign an amount of income to the consumer and compute the
4 consumer's monthly payment amount by any of the following
5 methods, to the extent disclosed in the income share
6 agreement:

7 (1) assigning an income amount obtained from a
8 reasonably reliable third party or a credit reporting
9 agency;

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

15 (3) contacting the consumer's employer, or any person
16 or entity reasonably believed to represent the consumer's
17 employer, to obtain, verify, or update the consumer's
18 income information;

19 (4) contacting the Department of Revenue or the
20 Internal Revenue Service to obtain the most recent
21 information available about the student's income; or

22 (5) for licensees providing educational income share
23 agreements, assigning a reasonable qualified income based
24 on the incomes of:

25 (A) the nearest reasonably relevant quantile of
26 income for individuals working in the profession for

1 which the consumer's educational program was intended
2 to prepare the participant, as determined by
3 information published by the Bureau of Labor
4 Statistics or other reasonably reliable publicly
5 available data sources; or

6 (B) the nearest reasonably relevant quantile of
7 income of consumers who attended the same or a
8 reasonably comparable covered educational program or
9 course of study, as determined by information
10 published by the Bureau of Labor Statistics or other
11 reasonably reliable publicly available data sources.

12 (b) If a licensee assigns an income to a consumer's income
13 share agreement, then it shall notify the consumer in the
14 monthly billing statement, and in each billing statement
15 thereafter while the assigned income remains applicable to the
16 consumer's income share agreement, that income has been
17 assigned and of the consumer's rights under this Section.

18 (c) If the consumer does provide income information as
19 reasonably required by the income share agreement within one
20 year of the date on which the licensee notified the consumer
21 that assigned income will be applied to the income share
22 agreement, then, within 15 days after the licensee's receipt
23 of such information, the licensee shall update each prior
24 instance in which assigned income was applied using the income
25 information provided by the consumer; if the consumer provides
26 income information more than one year after the licensee first

1 assigned income to the consumer's income share agreement, then
2 the licensee may, but is not obligated to, update each prior
3 instance in which assigned income was applied using the income
4 information provided by the consumer.

5 (d) A licensee that assigns income to an income share
6 agreement shall retain all applicable records relating to the
7 method and data sources used to make such estimation for 3
8 years after the end of that income share agreement.

9 Section 160. Receipts; statements of account; evidence of
10 payment.

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

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

24 (c) After a consumer has fulfilled all obligations with
25 respect to an income share agreement, the licensee, upon

1 request of the consumer, shall deliver or mail to the consumer
2 written evidence acknowledging termination of all obligations
3 with respect to the income share agreement.

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

9 Section 170. Penalties.

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

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

18 (c) No provision of this Section imposing any liability
19 shall apply to any act done or omitted in conformity with any
20 rule or written interpretation of a rule by the Division of
21 Financial Institutions of the Department of Financial and
22 Professional Regulation, notwithstanding that after such act
23 or omission has occurred, such rule or interpretation is
24 amended, rescinded, or determined by judicial or other

1 authority to be invalid for any reason. All interpretations
2 must be written and signed by the Department's chief counsel
3 and approved by the Director.

4 (d) Notwithstanding any other provision of this Section,
5 if any person who does not have a license issued under this Act
6 makes an income share agreement to an Illinois consumer, then
7 the loan shall be null and void and the person who made the
8 income share agreement shall have no right to collect,
9 receive, or retain any amounts related to the income share
10 agreement.

11 Section 175. Cease and desist.

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

19 (b) The Director may issue a cease and desist order before
20 a hearing.

21 (c) The Director shall serve notice of his or her action,
22 designated as a cease and desist order made pursuant to this
23 Section, including a statement of the reasons for the action,
24 either personally or by certified mail, return receipt
25 requested. Service by certified mail shall be deemed completed

1 when the notice is deposited into the U.S. mail.

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

5 (e) The Director shall schedule a hearing within 30 days
6 after the request for a hearing unless otherwise agreed to by
7 the parties.

8 (f) The cost for the administrative hearing shall be set
9 by rule.

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

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

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

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

1 Section 185. Application of Act.

2 (a) This Act does not apply to any person, partnership,
3 association, limited liability company, or corporation doing
4 business under and as permitted by any law of this State or the
5 United States relating to banks, savings and loan
6 associations, savings banks, or credit unions. This Act does
7 not apply to any income share agreements or the like made with
8 business or commercial entities.

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

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

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

1 to all licensees.

2 Section 195. Judicial review. All final administrative
3 decisions of the Department under this Act shall be subject to
4 judicial review pursuant to the provisions of the
5 Administrative Review Law and any rules adopted pursuant to
6 the Administrative Review Law.

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

17 Section 205. Adjustment of dollar amounts.

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

22 (b) The index for December of the year preceding the year
23 in which this Act becomes effective is the reference base

1 index.

2 (c) The designated dollar amounts shall change on July 1
3 of each even-numbered year if the percentage of change,
4 calculated to the nearest whole percentage point, between the
5 index and the end of the preceding year and the reference base
6 index is 10% or more, but:

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

12 (2) the dollar amounts shall not change if the amounts
13 required by this Section are those currently in effect
14 pursuant to this Act as a result of earlier application of
15 this Section.

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

26 (e) The Department shall adopt a rule setting forth, on or

1 before April 30 of each year in which dollar amounts are to
2 change, the changes in dollar amounts required by this
3 Section. As soon as practical after the changes occur, the
4 Department shall adopt a rule setting forth the changes in the
5 index required by subsection (d), including, if applicable,
6 the numerical equivalent of the reference base index under a
7 revised reference base index and the designation or title of
8 any index superseding the index.

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

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

19 Section 215. Application of other Acts.

20 (a) Income share agreements and licensees are subject to
21 the Know Before You Owe Private Education Loan Act, the
22 Student Loan Servicing Rights Act, and the Predatory Loan
23 Prevention Act and shall comply with their requirements and
24 any rules adopted by the Department of Financial and

1 Professional Regulation pursuant to those Acts.

2 (b) For the purpose of the certified database requirement
3 under Section 17.5 of the Consumer Installment Loan Act, an
4 ISA provider shall be required to report to such database if
5 the provider is extending ISAs to consumers where a consumer
6 could pay an effective APR that is greater than or equal to the
7 interest rate that would require an installment lender to be
8 licensed under the Consumer Installment Loan Act. The
9 Department of Financial and Professional Regulation shall
10 adopt rules to update the certified database to provide fields
11 specific to ISAs using the key terms of an ISA as defined in
12 this Act.

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

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