

1 AN ACT concerning consumer protection.

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

4 Section 5. The Consumer Fraud and Deceptive Business
5 Practices Act is amended by changing Section 2B as follows:

6 (815 ILCS 505/2B) (from Ch. 121 1/2, par. 262B)

7 Sec. 2B. Where a sale of merchandise involving \$25 or
8 more is made or contracted to be made whether under a single
9 contract or under multiple contracts, to a consumer by a
10 seller who is physically present at the consumer's residence,
11 that consumer may avoid the contract or transaction by
12 notifying the seller within 3 full business days, or 5 full
13 business days if the consumer is an individual 65 years of
14 age or older, following that day on which the contract was
15 signed or the sale was made and by returning to the person,
16 in its original condition, any merchandise delivered to the
17 consumer under the contract or sale. At the time the
18 transaction is made or the contract signed, the person shall
19 furnish the consumer with a fully completed receipt or
20 contract pertaining to the transaction, in substantially the
21 same language as that principally used in the oral
22 presentation to the consumer, containing a "Notice of
23 Cancellation" informing the consumer that he may cancel the
24 transaction at any time within 3 days, or 5 days if the
25 consumer is an individual 65 years of age or older, and
26 showing the date of the transaction with the name and address
27 of the person, and in immediate proximity to the space
28 reserved in the contract for the consumer's signature or on
29 the front page of the receipt if a contract is not used, a
30 statement which shall be in bold face type, in at least
31 10-point type and in substantially the following form:

1 "YOU, THE CONSUMER, MAY CANCEL THIS TRANSACTION AT ANY
 2 TIME PRIOR TO MIDNIGHT OF THE THIRD BUSINESS DAY, OR OF THE
 3 FIFTH BUSINESS DAY IF YOU ARE 65 YEARS OF AGE OR OLDER, AFTER
 4 THE DATE OF THIS TRANSACTION. SEE THE ATTACHED NOTICE OF
 5 CANCELLATION FORM FOR AN EXPLANATION OF THIS RIGHT."

6 Attached to the receipt or contract shall be a completed
 7 form in duplicate, captioned "NOTICE OF CANCELLATION" which
 8 shall be easily detachable and which shall contain in 10
 9 point bold face type the following information and statements
 10 in the same language as that used in the contract:

11 NOTICE OF CANCELLATION

12 (enter date of transaction)

13

14 (Date)

15 YOU MAY CANCEL THIS TRANSACTION, WITHOUT ANY PENALTY OR
 16 OBLIGATION, WITHIN 3 BUSINESS DAYS, OR 5 BUSINESS DAYS IF YOU
 17 ARE 65 YEARS OF AGE OR OLDER, FROM THE ABOVE DATE.

18 IF YOU CANCEL, ANY PROPERTY TRADED IN, ANY PAYMENTS MADE
 19 BY YOU, AND ANY NEGOTIABLE INSTRUMENT EXECUTED BY YOU UNDER
 20 THE CONTRACT OR TRANSACTION WILL BE RETURNED WITHIN 10
 21 BUSINESS DAYS FOLLOWING RECEIPT BY THE SELLER OF YOUR
 22 CANCELLATION NOTICE, AND ANY SECURITY INTEREST ARISING OUT OF
 23 THE TRANSACTION WILL BE CANCELLED.

24 IF YOU CANCEL, YOU MUST MAKE AVAILABLE TO THE SELLER AT
 25 YOUR RESIDENCE IN SUBSTANTIALLY AS GOOD A CONDITION AS WHEN
 26 RECEIVED, ANY GOODS DELIVERED TO YOU UNDER THIS CONTRACT OR
 27 TRANSACTION, OR YOU MAY IF YOU WISH, COMPLY WITH THE
 28 INSTRUCTIONS OF THE SELLER REGARDING THE RETURN SHIPMENT OF
 29 THE GOODS AT THE SELLER'S EXPENSE AND RISK.

30 IF YOU MAKE THE GOODS AVAILABLE TO THE SELLER AND THE
 31 SELLER DOES NOT PICK THEM UP WITHIN 20 DAYS OF THE DATE OF
 32 YOUR NOTICE OF CANCELLATION, YOU MAY RETAIN OR DISPOSE OF THE
 33 GOODS WITHOUT ANY FURTHER OBLIGATION. IF YOU FAIL TO MAKE
 34 THE GOODS AVAILABLE TO THE SELLER, OR IF YOU AGREE TO RETURN

1 THE GOODS TO THE SELLER AND FAIL TO DO SO, THEN YOU REMAIN
2 LIABLE FOR PERFORMANCE OF ALL OBLIGATIONS UNDER THE CONTRACT.

3 TO CANCEL THIS TRANSACTION, MAIL OR DELIVER A SIGNED AND
4 DATED COPY OF THIS CANCELLATION NOTICE OR ANY OTHER WRITTEN
5 NOTICE, OR SEND A TELEGRAM, TO (Name of seller), AT (address
6 of seller's place of business) NOT LATER THAN MIDNIGHT OF
7 (date).

8 I HEREBY CANCEL THIS TRANSACTION.

9 (Date)

10

11 (Buyer's signature)

12 Such written "Notice of Cancellation" may be sent by the
13 consumer to the person to cancel the contract. The 3 day or 5
14 day period provided for in this Section does not commence
15 until the consumer is furnished a "Notice of Cancellation",
16 and the address at which such notice to the seller can be
17 given. If those conditions are met, the seller must return to
18 the consumer the full amount of any payment made or
19 consideration given under the contract or for the
20 merchandise. It is an unlawful practice within the meaning of
21 this Act for any person to

22 (a) Fail, before furnishing copies of the "Notice of
23 Cancellation" to the consumer, to complete the copies by
24 entering the name of the person, the address of the person's
25 place of business, the date of the transaction, and the date,
26 not earlier than the third business day following the date of
27 the transaction, by which the consumer may give notice of
28 cancellation;

29 (b) Include in any contract or receipt under this
30 Section any confession of judgment or any waiver of any of
31 the rights to which the consumer is entitled under this
32 Section including specifically his right to cancel the
33 transaction in accordance with the provisions of this
34 Section;

1 (c) Fail to inform each consumer orally, at the time he
2 signs the contract or purchases or leases the goods or
3 services, of his right to cancel;

4 (d) Misrepresent in any manner the consumer's right to
5 cancel;

6 (e) Use any undue influence, coercion or any other
7 wilful act or representation to interfere with the consumer's
8 exercise of his rights under this Section;

9 (f) Fail or refuse to honor any valid notice of
10 cancellation by a consumer and within 10 business days after
11 the receipt of such notice, to

12 (i) refund all payments made under the contract or
13 sale,

14 (ii) return any goods or property traded in, in
15 substantially as good a condition as when received by the
16 person, or

17 (iii) cancel and return any negotiable instrument
18 executed by the consumer in connection with the contract
19 or transaction and take any action necessary or
20 appropriate to terminate promptly any security interest
21 created in the transaction;

22 (g) Negotiate, transfer, sell, or assign any note or
23 other evidence of indebtedness to a finance company or other
24 third party prior to midnight of the fifth business day
25 following the day the contract was signed or the goods or
26 services were purchased or leased; or

27 (h) Fail, within 10 business days of receipt of the
28 consumer's notice of cancellation, to notify him whether the
29 seller intends to repossess or to abandon any shipped or
30 delivered goods.

31 For the purposes of this Section, the word "sale"
32 includes a sale, lease or rental.

33 This Section does not apply to any transaction

34 (a) made pursuant to prior negotiations in the course of

1 a visit by the consumer to a retail business establishment
2 having a fixed permanent location where the goods are
3 exhibited, or the services are offered, for sale or lease on
4 a continuing basis;

5 (b) in which the consumer is accorded the right of
6 rescission by the provisions of the Consumer Credit
7 Protection Act (15 U.S.C. 1635) or regulations issued
8 pursuant thereto;

9 (c) in which the consumer has initiated the contact and
10 the goods or services are needed to meet a bona fide
11 immediate personal emergency of the consumer, and the
12 consumer furnishes the person with a separate dated and
13 signed personal statement in the consumer's handwriting
14 describing the situation requiring immediate remedy and
15 expressly acknowledging and waiving the right to cancel the
16 sale within 3 business days, or 5 business days in the case
17 of a person 65 years of age or older;

18 (d) conducted and consummated entirely by mail or
19 telephone without any other contact between the consumer and
20 the person or its representative prior to delivery of the
21 goods or performance of the services;

22 (e) in which the consumer has initiated the contact and
23 specifically requested the person to visit his home for the
24 purpose of repairing or performing maintenance upon the
25 consumer's personal property, on the condition that if, in
26 the course of such a visit, the person sells the consumer the
27 right to receive additional services or goods other than
28 replacement parts necessarily used in performing the
29 maintenance or in making the repairs, the sale of those
30 additional goods or services does not fall within this
31 exclusion;

32 (f) pertaining to the sale or rental of real
33 property, to the sale of insurance or to the sale of
34 securities or commodities by a broker-dealer registered

1 with the Securities and Exchange Commission; or
2 (g) between a consumer and a loan broker licensed under
3 the Residential Mortgage License Act of 1987 when (i) the
4 transaction involves obtaining a mortgage loan on real estate
5 and (ii) the first contact respecting the transaction is
6 initiated by the consumer or by another person at the request
7 of the consumer.

8 (Source: P.A. 90-764, eff. 1-1-99.)

9 Section 99. Effective date. This Act takes effect upon
10 becoming law.