

AN ACT concerning civil law.

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

Section 5. The Installment Sales Contract Act is amended by changing Section 5 as follows:

(765 ILCS 67/5)

Sec. 5. Definitions. As used in this Act, unless the context otherwise requires:

"Amortization schedule" means a written schedule which sets forth the date of each periodic payment, the amount of each periodic payment that will be applied to the principal balance and the resulting principal balance, and the amount of each periodic payment that will be applied to any interest charged, if applicable, pursuant to the contract.

"Balloon payment" means a payment, other than the initial down payment, in which more than the ordinary periodic payment is charged during the contract.

"Business day" means any calendar day except Saturday, Sunday, or a State or federal holiday.

"Buyer" means the person who is seeking to obtain title to a property by an installment sales contract or is obligated to make payments to the seller pursuant to the contract.

"Date of sale" means the date that both the seller and

buyer have signed the written contract.

" Dwelling structure " means any private home or residence or any building or structure intended for residential use with not less than one nor more than 4 residential dwelling units.

" Installment sales contract " or " contract " means any contract or agreement, including a contract for deed, bond for deed, or any other sale or legal device whereby a seller agrees to sell and the buyer agrees to buy a residential real estate, in which the consideration for the sale is payable in installments for a period of at least one year after the date of sale, and the seller continues to have an interest or security for the purchase price or otherwise in the property.

" Installment sales contract " does not include a financing arrangement that for religious or cultural reasons does not allow the imposition or collection of interest and that is offered by a person, partnership, association, limited liability company, or corporation doing business under and as permitted by any law of this State or the United States relating to banks, savings and loan associations, savings banks, ~~or~~ credit unions, or third-party religious or cultural lenders.

" Residential real estate " means real estate with a dwelling structure, excluding property that is sold as a part of a tract of land consisting of 4 acres or more zoned for agricultural purposes.

" Seller " means an individual or legal entity that possesses

a legal or beneficial interest in real estate and that enters into an installment sales contract more than 3 times during a 12-month period to sell residential real estate. Any individual or legal entity that has a legal or beneficial interest in real estate under the name of more than one legal entity shall be considered the same seller.

"Third-party religious or cultural lender" means an individual or legal entity licensed under the Residential Mortgage License Act of 1987 that is in compliance with the principles and norms of an established religious or cultural legal system and that is obtaining an interest in a residential dwelling solely as collateral security for a financing arrangement that for religious or cultural reasons does not allow the imposition or collection of interest and had no interest in the residential dwelling prior to the consummation of the financing arrangement, other than an interest in the nature of collateral security that may have been obtained as part of a prior financing arrangement made by the third-party lender.

(Source: P.A. 100-416, eff. 1-1-18; 100-626, eff. 7-20-18.)