

Information maintained by the Legislative Reference Bureau

Updating the database of the Illinois Compiled Statutes (ILCS) is an ongoing process. Recent laws may not yet be included in the ILCS database, but they are found on this site as [Public Acts](#) soon after they become law. For information concerning the relationship between statutes and Public Acts, refer to the [Guide](#).

Because the statute database is maintained primarily for legislative drafting purposes, statutory changes are sometimes included in the statute database before they take effect. If the source note at the end of a Section of the statutes includes a Public Act that has not yet taken effect, the version of the law that is currently in effect may have already been removed from the database and you should refer to that Public Act to see the changes made to the current law.

**BUSINESS TRANSACTIONS
(815 ILCS 123/) Predatory Loan Prevention Act.**

(815 ILCS 123/Art. 1 heading)

Article 1.

(Amendatory provisions; text omitted)

(Source: P.A. 101-658, eff. 3-23-21.)

(815 ILCS 123/Art. 5 heading)

Article 5.

(Amendatory provisions; text omitted)

(Source: P.A. 101-658, eff. 3-23-21.)

(815 ILCS 123/Art. 15 heading)

Article 15.

(Source: P.A. 101-658, eff. 3-23-21.)

(815 ILCS 123/Div. 1 heading)

Division 1. General Provisions

(Source: P.A. 101-658, eff. 3-23-21.)

(815 ILCS 123/15-1-1)

Sec. 15-1-1. Short title. This Act may be cited as the Predatory Loan Prevention Act. References in this Article to "this Act" mean this Article.

(Source: P.A. 101-658, eff. 3-23-21.)

(815 ILCS 123/15-1-5)

Sec. 15-1-5. Purpose and construction. Illinois families pay over \$500,000,000 per year in consumer installment, payday, and title loan fees. As reported by the Department in 2020, nearly half of Illinois payday loan borrowers earn less than \$30,000 per year, and the average annual percentage rate of a payday loan is 297%. The purpose of this Act is to protect consumers from predatory loans consistent with federal law and the Military Lending Act which protects active duty members of the military. This Act shall be construed as a consumer protection law for all purposes. This Act shall be liberally construed to effectuate its purpose.

(Source: P.A. 101-658, eff. 3-23-21.)

(815 ILCS 123/15-1-10)

Sec. 15-1-10. Definitions. As used in this Act:

"Consumer" means any natural person, including consumers acting jointly.

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

"Lender" means any person or entity, including any affiliate or subsidiary of a lender, that offers or makes a loan, buys a whole or partial interest in a loan, arranges a loan for a third party, or acts as an agent for a third party in making a loan, regardless of whether approval, acceptance, or ratification by the third party is necessary to create a legal obligation for the third party, and includes any other person or entity if the Department determines that the person or entity is engaged in a transaction that is in substance a disguised loan or a subterfuge for the purpose of avoiding this Act.

"Person" means any natural person.

"Secretary" means the Secretary of Financial and Professional Regulation or a person authorized by the Secretary.

"Loan" means money or credit provided to a consumer in exchange for the consumer's agreement to a certain set of terms, including, but not limited to, any finance charges, interest, or other conditions. "Loan" includes closed-end and open-end credit, retail installment sales contracts, motor vehicle retail installment sales contracts, and any transaction conducted via any medium whatsoever, including, but not limited to, paper, facsimile, Internet, or telephone. "Loan" does not include a commercial loan.

(Source: P.A. 101-658, eff. 3-23-21.)

(815 ILCS 123/15-1-15)

Sec. 15-1-15. Applicability.

(a) Except as otherwise provided in this Section, this Act applies to any person or entity that offers or makes a loan to a consumer in Illinois.

(b) The provisions of this Act apply to any person or entity that seeks to evade its applicability by any device, subterfuge, or pretense whatsoever.

(c) Banks, savings banks, savings and loan associations, credit unions, and insurance companies organized, chartered, or holding a certificate of authority to do business under the laws of this State or any other state or under the laws of the United States are exempt from the provisions of this Act.

(Source: P.A. 101-658, eff. 3-23-21.)

(815 ILCS 123/Div. 5 heading)

Division 5. Predatory Loan Prevention

(Source: P.A. 101-658, eff. 3-23-21.)

(815 ILCS 123/15-5-5)

Sec. 15-5-5. Rate cap. Notwithstanding any other provision of law, for loans made or renewed on and after the effective date of this Act, a lender shall not contract for or receive charges exceeding a 36% annual percentage rate on the unpaid balance of the amount financed for a loan. For purposes of this Section, the annual percentage rate shall be calculated as such rate is calculated using the system for calculating a military annual percentage rate under Section 232.4 of Title 32 of the Code of Federal Regulations as in effect on the effective date of this Act. Nothing in this Act shall be construed to permit a person or entity to contract for or receive a charge exceeding

that permitted by the Interest Act or other law.
(Source: P.A. 101-658, eff. 3-23-21.)

(815 ILCS 123/15-5-10)

Sec. 15-5-10. Violation. Any loan made in violation of this Act is null and void and no person or entity shall have any right to collect, attempt to collect, receive, or retain any principal, fee, interest, or charges related to the loan.
(Source: P.A. 101-658, eff. 3-23-21.)

(815 ILCS 123/15-5-15)

Sec. 15-5-15. No evasion.

(a) No person or entity may engage in any device, subterfuge, or pretense to evade the requirements of this Act, including, but not limited to, making loans disguised as a personal property sale and leaseback transaction; disguising loan proceeds as a cash rebate for the pretextual installment sale of goods or services; or making, offering, assisting, or arranging a debtor to obtain a loan with a greater rate or interest, consideration, or charge than is permitted by this Act through any method including mail, telephone, internet, or any electronic means regardless of whether the person or entity has a physical location in the State.

(b) If a loan exceeds the rate permitted by Section 15-5-5, a person or entity is a lender subject to the requirements of this Act notwithstanding the fact that the person or entity purports to act as an agent, service provider, or in another capacity for another entity that is exempt from this Act, if, among other things:

(1) the person or entity holds, acquires, or maintains, directly or indirectly, the predominant economic interest in the loan; or

(2) the person or entity markets, brokers, arranges, or facilitates the loan and holds the right, requirement, or first right of refusal to purchase loans, receivables, or interests in the loans; or

(3) the totality of the circumstances indicate that the person or entity is the lender and the transaction is structured to evade the requirements of this Act. Circumstances that weigh in favor of a person or entity being a lender include, without limitation, where the person or entity:

(i) indemnifies, insures, or protects an exempt person or entity for any costs or risks related to the loan;

(ii) predominantly designs, controls, or operates the loan program; or

(iii) purports to act as an agent, service provider, or in another capacity for an exempt entity while acting directly as a lender in other states.

(Source: P.A. 101-658, eff. 3-23-21.)

(815 ILCS 123/15-5-20)

Sec. 15-5-20. Rules. The Secretary may adopt rules consistent with this Act and rescind or amend rules that are inconsistent. The adoption, amendment, or rescission of rules shall be in conformity with the Illinois Administrative Procedure Act.

(Source: P.A. 101-658, eff. 3-23-21.)

(815 ILCS 123/Div. 10 heading)

Division 10. Administrative Provisions
(Source: P.A. 101-658, eff. 3-23-21.)

(815 ILCS 123/15-10-5)

Sec. 15-10-5. Enforcement and remedies.

(a) The remedies provided in this Act are cumulative and apply to persons or entities subject to this Act.

(b) Any violation of this Act, including the commission of an act prohibited under Article 5, constitutes a violation of the Consumer Fraud and Deceptive Business Practices Act.

(c) Subject to the Illinois Administrative Procedure Act, the Secretary may hold hearings, make findings of fact, conclusions of law, issue cease and desist orders, have the power to issue fines of up to \$10,000 per violation, and refer the matter to the appropriate law enforcement agency for prosecution under this Act. All proceedings shall be open to the public.

(d) The Secretary may issue a cease and desist order to any person or entity, when in the opinion of the Secretary the person or entity is violating or is about to violate any provision of this Act. The cease and desist order permitted by this subsection (d) may be issued prior to a hearing.

The Secretary shall serve notice of the action, including, but not limited to, a statement of the reasons for the action, either personally or by certified mail. Service by certified mail shall be deemed completed when the notice is deposited in the U.S. Mail.

Within 10 days of service of the cease and desist order, the person or entity may request a hearing in writing.

If it is determined that the Secretary had the authority to issue the cease and desist order, the Secretary may issue such orders as may be reasonably necessary to correct, eliminate, or remedy the conduct.

The powers vested in the Secretary by this subsection (d) are additional to any and all other powers and remedies vested in the Secretary by law, and nothing in this subsection (d) shall be construed as requiring that the Secretary shall employ the power conferred in this subsection instead of or as a condition precedent to the exercise of any other power or remedy vested in the Secretary.

(e) After 10 days' notice by certified mail to the person or entity stating the contemplated action and in general the grounds therefor, the Secretary may fine the person or entity an amount not exceeding \$10,000 per violation if the person or entity has failed to comply with any provision of this Act or any order, decision, finding, rule, regulation, or direction of the Secretary lawfully made in accordance with the authority of this Act. Service by certified mail shall be deemed completed when the notice is deposited in the U.S. Mail.

(f) A violation of this Act by a person or entity licensed under another Act including, but not limited to, the Consumer Installment Loan Act, the Payday Loan Reform Act, and the Sales Finance Agency Act shall subject the person or entity to discipline in accordance with the Act or Acts under which the person or entity is licensed.

(Source: P.A. 101-658, eff. 3-23-21.)

(815 ILCS 123/15-10-10)

Sec. 15-10-10. Preemption of administrative rules. Any administrative rule regarding loans that is adopted by the Department prior to the effective date of this Act and that is inconsistent with the provisions of this Act is hereby preempted to the extent of the inconsistency.

(Source: P.A. 101-658, eff. 3-23-21.)

(815 ILCS 123/15-10-15)

Sec. 15-10-15. Reporting of violations. The Department shall report to the Attorney General all material violations of this Act of which it becomes aware.

(Source: P.A. 101-658, eff. 3-23-21.)

(815 ILCS 123/15-10-20)

Sec. 15-10-20. Judicial review. All final administrative decisions of the Department under this Act are subject to judicial review under the Administrative Review Law and any rules adopted under the Administrative Review Law.

(Source: P.A. 101-658, eff. 3-23-21.)

(815 ILCS 123/15-10-25)

Sec. 15-10-25. No waivers. There shall be no waiver of any provision of this Act.

(Source: P.A. 101-658, eff. 3-23-21.)

(815 ILCS 123/15-10-30)

Sec. 15-10-30. Superiority of Act. To the extent this Act conflicts with any other State laws, this Act is superior and supersedes those laws, except that nothing in this Act applies to any lender that is a bank, savings bank, savings and loan association, or credit union chartered under laws of the United States.

(Source: P.A. 101-658, eff. 3-23-21.)

(815 ILCS 123/15-10-35)

Sec. 15-10-35. Severability. The provisions of this Act are severable under Section 1.31 of the Statute on Statutes.

(Source: P.A. 101-658, eff. 3-23-21.)

(815 ILCS 123/Div. 90 heading)

Division 90. Amendatory Provisions

(Source: P.A. 101-658, eff. 3-23-21.)

(815 ILCS 123/15-90-5)

Sec. 15-90-5. (Amendatory provisions; text omitted).

(Source: P.A. 101-658, eff. 3-23-21; text omitted.)

(815 ILCS 123/15-90-10)

Sec. 15-90-10. (Amendatory provisions; text omitted).

(Source: P.A. 101-658, eff. 3-23-21; text omitted.)

(815 ILCS 123/15-90-15)

Sec. 15-90-15. The Consumer Installment Loan Act is amended by repealing Sections 17.1, 17.2, 17.3, and 17.4.

(Source: P.A. 101-658, eff. 3-23-21.)

(815 ILCS 123/15-90-20)

Sec. 15-90-20. (Amendatory provisions; text omitted).

(Source: P.A. 101-658, eff. 3-23-21; text omitted.)

(815 ILCS 123/15-90-25)

Sec. 15-90-25. (Amendatory provisions; text omitted).

(Source: P.A. 101-658, eff. 3-23-21; text omitted.)

(815 ILCS 123/15-90-30)

Sec. 15-90-30. (Amendatory provisions; text omitted).
(Source: P.A. 101-658, eff. 3-23-21; text omitted.)

(815 ILCS 123/15-90-35)

Sec. 15-90-35. (Amendatory provisions; text omitted).
(Source: P.A. 101-658, eff. 3-23-21; text omitted.)

(815 ILCS 123/15-90-40)

Sec. 15-90-40. (Amendatory provisions; text omitted).
(Source: P.A. 101-658, eff. 3-23-21; text omitted.)

(815 ILCS 123/Art. 20 heading)

Article 20.

(Amendatory provisions; text omitted)
(Source: P.A. 101-658, eff. 3-23-21.)

(815 ILCS 123/Art. 99 heading)

Article 99.

(Source: P.A. 101-658, eff. 3-23-21.)

(815 ILCS 123/99-99)

Sec. 99-99. Effective date. This Act takes effect upon becoming law.

(Source: P.A. 101-658, eff. 3-23-21.)