**Section 160.140 Sale of Security**

a) When part or all of the collateral is repossessed or sold, the fact must be noted on the account card.

b) All credits from proceeds of the sale of security must be properly identified.

c) The files of the licensee must contain:

1) When possession of the security was obtained, and whether by voluntary or involuntary action.

2) Whether the collateral was sold by public or private sale and date of sale.

3) Evidence of compliance by licensee with the requirements of Article 9 of the Uniform Commercial Code, the Motor Vehicle Retail Installment Sales Act, the Retail Installment Sales Act and related statutes where applicable in the sale and disposition by a secured party of collateral after default, including copies of all notices directed to the obligor as required therein or as required by any other law, statute or regulation, State or federal.

4) A report of condition of property at time of retaking.

5) Copy of notice of intended sale which must contain notice of default, balance owing, date, place and time of public sale or the date after which a private sale may occur. Such notice must be forwarded to the obligor by certified mail to the last known address of the obligor.

6) Signed receipts from the purchasers (or from the auctioneer if the sale is public), describing the property purchased, showing the amount paid for same, and copies of any competitive bids if the sale is private.

7) Copy of the statement of final accounting, original of which shall be sent to the obligor after the sale, which statement shall set forth the sale price of the property, itemization of the costs of sale, and any surplus or deficiency balance due on the account.

8) When the property is abandoned and the address of the obligor is uncertain or unknown, notice of sale and a statement of final accounting shall be sent to the last known address by registered or certified mail, return receipt requested.

d) In connection with the sale after default of collateral for a debt, the licensee shall only make charges for expenses incurred as are permitted by the applicable provisions of the federal and State law which charges must be reasonable, taking into consideration the nature of the security, the circumstances surrounding retaking and the sale, the fair market value of the collateral and the amount of the indebtedness. Such charges must be substantiated by paid receipts. The licensee may charge any necessary expense in connection with the retaking and sale of collateral, including all expense incurred for required repairs to restore the collateral to a saleable condition, and for mechanic's liens, storage liens, and similar liens occasioned by the obligor.

(Source: Amended at 47 Ill. Reg. 9324, effective June 20, 2023)