

1 AN ACT concerning business.

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

4 Section 5. The Payday Loan Reform Act is amended by  
5 changing Sections 2-10 and 2-15 as follows:

6 (815 ILCS 122/2-10)

7 Sec. 2-10. Permitted fees.

8 (a) If there are insufficient funds to pay a check,  
9 Automatic Clearing House (ACH) debit, or any other item  
10 described in the definition of payday loan under Section 1-10  
11 on the day of presentment and only after the lender has  
12 incurred an expense, a lender may charge a fee not to exceed  
13 \$25. Only one such fee may be collected by the lender with  
14 respect to a particular check, ACH debit, or item even if it  
15 has been deposited and returned more than once. A lender shall  
16 present the check, ACH debit, or other item described in the  
17 definition of payday loan under Section 1-10 for payment not  
18 more than twice. A fee charged under this subsection (a) is a  
19 lender's exclusive charge for late payment.

20 (a-5) A lender may charge a borrower a fee not to exceed \$1  
21 for the verification required under Section 2-15 of this Act in  
22 connection with a payday loan and, until July 1, 2020, in  
23 connection with an installment payday loan. Beginning July 1,

1 2020, a lender may charge a borrower a fee not to exceed \$3 for  
2 the verification required under Section 2-15 of this Act in  
3 connection with an installment payday loan. In no event may a  
4 fee be greater than the amount charged by the certified  
5 consumer reporting service. Only one such fee may be collected  
6 by the lender with respect to a particular loan.

7 (b) Except for the finance charges described in Section 2-5  
8 and as specifically allowed by this Section, a lender may not  
9 impose on a consumer any additional finance charges, interest,  
10 fees, or charges of any sort for any purpose.

11 (Source: P.A. 96-936, eff. 3-21-11.)

12 (815 ILCS 122/2-15)

13 Sec. 2-15. Verification.

14 (a) Before entering into a loan agreement with a consumer,  
15 a lender must use a commercially reasonable method of  
16 verification to verify that the proposed loan agreement is  
17 permissible under this Act.

18 (b) Within 6 months after the effective date of this Act,  
19 the Department shall certify that one or more consumer  
20 reporting service databases are commercially reasonable  
21 methods of verification. Upon certifying that a consumer  
22 reporting service database is a commercially reasonable method  
23 of verification, the Department shall:

24 (1) provide reasonable notice to all licensees  
25 identifying the commercially reasonable methods of

1 verification that are available; and

2 (2) immediately upon certification, require each  
3 licensee to use a commercially reasonable method of  
4 verification as a means of complying with subsection (a) of  
5 this Section.

6 (c) Except as otherwise provided in this Section, all  
7 personally identifiable information regarding any consumer  
8 obtained by way of the certified database and maintained by the  
9 Department is strictly confidential and shall be exempt from  
10 disclosure under Section 7(1)(b)(i) of the Freedom of  
11 Information Act.

12 (d) Notwithstanding any other provision of law to the  
13 contrary, a consumer seeking a payday loan may make a direct  
14 inquiry to the consumer reporting service to request a more  
15 detailed explanation of the basis for a consumer reporting  
16 service's determination that the consumer is ineligible for a  
17 new payday loan.

18 (e) In certifying a commercially reasonable method of  
19 verification, the Department shall ensure that the certified  
20 database:

21 (1) provides real-time access through an Internet  
22 connection or, if real-time access through an Internet  
23 connection becomes unavailable to lenders due to a consumer  
24 reporting service's technical problems incurred by the  
25 consumer reporting service, through alternative  
26 verification mechanisms, including, but not limited to,

1 verification by telephone;

2 (2) is accessible to the Department and to licensees in  
3 order to ensure compliance with this Act and in order to  
4 provide any other information that the Department deems  
5 necessary;

6 (3) requires licensees to input whatever information  
7 is required by the Department;

8 (4) maintains a real-time copy of the required  
9 reporting information that is available to the Department  
10 at all times and is the property of the Department;

11 (5) provides licensees only with a statement that a  
12 consumer is eligible or ineligible for a new payday loan  
13 and a description of the reason for the determination; and

14 (6) contains safeguards to ensure that all information  
15 contained in the database regarding consumers is kept  
16 strictly confidential.

17 (f) The licensee shall update the certified database by  
18 inputting all information required under item (3) of subsection  
19 (e):

20 (1) on the same day that a payday loan is made;

21 (2) on the same day that a consumer elects a repayment  
22 plan, as provided in Section 2-40; and

23 (3) on the same day that a consumer's payday loan is  
24 paid in full, including the refinancing of an installment  
25 payday loan as permitted under subsection (c) of Section  
26 2-5.

1           (g) A licensee may rely on the information contained in the  
2 certified database as accurate and is not subject to any  
3 administrative penalty or liability as a result of relying on  
4 inaccurate information contained in the database.

5           (h) The certified consumer reporting service shall  
6 indemnify the licensee against all claims and actions arising  
7 from illegal or willful or wanton acts on the part of the  
8 certified consumer reporting service.

9           (i) The certified consumer reporting service may charge a  
10 verification fee not to exceed \$1 upon a loan being made or  
11 entered into in the database. Beginning July 1, 2020, the  
12 certified consumer reporting service may charge a verification  
13 fee not to exceed \$3 for an installment payday loan being made  
14 or entered into the data base. The certified consumer reporting  
15 service shall not charge any additional fees or charges.

16           (Source: P.A. 96-936, eff. 3-21-11.)