



Rep. Lou Lang

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LRB100 18031 JLS 38613 a

1 AMENDMENT TO HOUSE BILL 4873

2 AMENDMENT NO. _____. Amend House Bill 4873, AS AMENDED, by
3 replacing everything after the enacting clause with the
4 following:

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

7 (815 ILCS 122/2-10)

8 Sec. 2-10. Permitted fees.

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

1 present the check, ACH debit, or other item described in the
2 definition of payday loan under Section 1-10 for payment not
3 more than twice. A fee charged under this subsection (a) is a
4 lender's exclusive charge for late payment.

5 (a-5) A lender may charge a borrower a fee not to exceed \$1
6 for the verification required under Section 2-15 of this Act in
7 connection with a payday loan and, until July 1, 2020, in
8 connection with an installment payday loan. Beginning July 1,
9 2020, a lender may charge a borrower a fee not to exceed \$3 for
10 the verification required under Section 2-15 of this Act in
11 connection with an installment payday loan. In no event may a
12 fee be greater than the amount charged by the certified
13 consumer reporting service. Only one such fee may be collected
14 by the lender with respect to a particular loan.

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

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

20 (815 ILCS 122/2-15)

21 Sec. 2-15. Verification.

22 (a) Before entering into a loan agreement with a consumer,
23 a lender must use a commercially reasonable method of
24 verification to verify that the proposed loan agreement is
25 permissible under this Act.

1 (b) Within 6 months after the effective date of this Act,
2 the Department shall certify that one or more consumer
3 reporting service databases are commercially reasonable
4 methods of verification. Upon certifying that a consumer
5 reporting service database is a commercially reasonable method
6 of verification, the Department shall:

7 (1) provide reasonable notice to all licensees
8 identifying the commercially reasonable methods of
9 verification that are available; and

10 (2) immediately upon certification, require each
11 licensee to use a commercially reasonable method of
12 verification as a means of complying with subsection (a) of
13 this Section.

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

20 (d) Notwithstanding any other provision of law to the
21 contrary, a consumer seeking a payday loan may make a direct
22 inquiry to the consumer reporting service to request a more
23 detailed explanation of the basis for a consumer reporting
24 service's determination that the consumer is ineligible for a
25 new payday loan.

26 (e) In certifying a commercially reasonable method of

1 verification, the Department shall ensure that the certified
2 database:

3 (1) provides real-time access through an Internet
4 connection or, if real-time access through an Internet
5 connection becomes unavailable to lenders due to a consumer
6 reporting service's technical problems incurred by the
7 consumer reporting service, through alternative
8 verification mechanisms, including, but not limited to,
9 verification by telephone;

10 (2) is accessible to the Department and to licensees in
11 order to ensure compliance with this Act and in order to
12 provide any other information that the Department deems
13 necessary;

14 (3) requires licensees to input whatever information
15 is required by the Department;

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

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

22 (6) contains safeguards to ensure that all information
23 contained in the database regarding consumers is kept
24 strictly confidential.

25 (f) The licensee shall update the certified database by
26 inputting all information required under item (3) of subsection

1 (e) :

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

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

5 (3) on the same day that a consumer's payday loan is
6 paid in full, including the refinancing of an installment
7 payday loan as permitted under subsection (c) of Section
8 2-5.

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

13 (h) The certified consumer reporting service shall
14 indemnify the licensee against all claims and actions arising
15 from illegal or willful or wanton acts on the part of the
16 certified consumer reporting service.

17 (i) The certified consumer reporting service may charge a
18 verification fee not to exceed \$1 upon a loan being made or
19 entered into in the database. Beginning July 1, 2020, the
20 certified consumer reporting service may charge a verification
21 fee not to exceed \$3 for an installment payday loan being made
22 or entered into the data base. The certified consumer reporting
23 service shall not charge any additional fees or charges.

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