



## 102ND GENERAL ASSEMBLY

### State of Illinois

2021 and 2022

SB2306

Introduced 2/26/2021, by Sen. Sue Rezin

#### SYNOPSIS AS INTRODUCED:

10100SB1792enr., Sec. 15-1-5  
10100SB1792enr., Sec. 15-5-5

If and only if Senate Bill 1792 of the 101st General Assembly becomes law, amends the Predatory Loan Prevention Act. In provisions concerning the purpose and construction of the Predatory Loan Prevention Act, provides that the purpose of the Act is to protect consumers from predatory loans consistent with federal law and the federal Truth in Lending Act (rather than the Military Lending Act). In provisions concerning an annual percentage rate cap, provides that the annual percentage rate shall be calculated as such rate is calculated using the system for calculating the annual percentage rate under the federal Truth in Lending Act, and its implementing regulations under Regulation Z of the Code of Federal Regulations (rather than a military annual percentage rate). Effective immediately or on the date Senate Bill 1792 of the 101st General Assembly takes effect, whichever is later.

LRB102 14802 BMS 20155 b

1 AN ACT concerning regulation.

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

4 Section 5. If and only if Senate Bill 1792 of the 101st  
5 General Assembly becomes law, then the Predatory Loan  
6 Prevention Act is amended by changing Sections 15-1-5 and  
7 15-5-5 as follows:

8 (10100SB1792enr., Sec. 15-1-5)

9 Sec. 15-1-5. Purpose and construction. Illinois families  
10 pay over \$500,000,000 per year in consumer installment,  
11 payday, and title loan fees. As reported by the Department in  
12 2020, nearly half of Illinois payday loan borrowers earn less  
13 than \$30,000 per year, and the average annual percentage rate  
14 of a payday loan is 297%. The purpose of this Act is to protect  
15 consumers from predatory loans consistent with federal law and  
16 the federal Truth in Lending Act, ~~Military Lending Act~~ which  
17 protects consumers ~~active duty members of the military~~. This  
18 Act shall be construed as a consumer protection law for all  
19 purposes. This Act shall be liberally construed to effectuate  
20 its purpose.

21 (Source: 10100SB1792enr.)

22 (10100SB1792enr., Sec. 15-5-5)

1           Sec. 15-5-5. Rate cap. Notwithstanding any other provision  
2 of law, for loans made or renewed on and after the effective  
3 date of this Act, a lender shall not contract for or receive  
4 charges exceeding a 36% annual percentage rate on the unpaid  
5 balance of the amount financed for a loan. For purposes of this  
6 Section, the annual percentage rate shall be calculated as  
7 such rate is calculated using the system for calculating the  
8 annual percentage rate under the federal Truth in Lending Act,  
9 15 U.S.C. 1601 et seq., and its implementing regulations under  
10 Regulation Z, 12 CFR 1026.1 et seq., ~~a military annual~~  
11 ~~percentage rate under Section 232.4 of Title 32 of the Code of~~  
12 ~~Federal Regulations~~ as in effect on the effective date of this  
13 Act. Nothing in this Act shall be construed to permit a person  
14 or entity to contract for or receive a charge exceeding that  
15 permitted by the Interest Act or other law.

16       (Source: 10100SB1792enr.)

17           Section 99. Effective date. This Act takes effect upon  
18 becoming law or on the date Senate Bill 1792 of the 101st  
19 General Assembly takes effect, whichever is later.