



Sen. Elgie R. Sims, Jr.

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1 AMENDMENT TO HOUSE BILL 779

2 AMENDMENT NO. \_\_\_\_\_. Amend House Bill 779 by replacing  
3 everything after the enacting clause with the following:

4 "Article 1. General Provisions

5 Section 1-1. Short title. This Act may be cited as the  
6 Pawnbroker Regulation Act of 2023.

7 Section 1-5. Definitions.

8 As used in this Act:

9 "Applicant" means a person applying for a license pursuant  
10 to this Act.

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

13 "Licensee" means a person licensed pursuant to this Act.

14 "Pawn" means the advance of money on the deposit or pledge  
15 of physically delivered personal property, other than property

1 the ownership of which is subject to a legal dispute or other  
2 exempt property or instruments.

3 "Pawnbroker" means every individual or business entity  
4 that:

5 (1) advances money on the pledge of tangible personal  
6 property, other than securities, printed evidence of  
7 indebtedness, or printed evidence of ownership of the  
8 personal property; or

9 (2) deals in the purchase of personal property on the  
10 condition of selling the property back again at a  
11 stipulated price.

12 "Pawn customer" means a person who pawns or pledges and  
13 physically delivers personal property in exchange for money.

14 "Secretary" means the Secretary of Financial and  
15 Professional Regulation, or his or her designee, including the  
16 Director of the Division of Banking of the Department of  
17 Financial and Professional Regulation.

18 Article 5. Licensure

19 Section 5-1. Scope; number of pawnbroker licenses.

20 (a) It is unlawful for any person to operate as a  
21 pawnbroker in Illinois except as authorized by this Act and  
22 without first having obtained a license in accordance with  
23 this Act.

24 (b) The business of a pawnbroker does not include advances

1 of money secured by a deposit or pledge of title to personal  
2 property or motor vehicles.

3 (c) There shall not be more than 250 active pawnbroker  
4 licenses at any one time within the State of Illinois. There  
5 shall not be more than 150 active pawnbroker licenses issued  
6 for the counties of Cook, DuPage, Kane, Lake, McHenry, and  
7 Will at any one time.

8 Section 5-5. Licensee name.

9 (a) No person, partnership, association, corporation,  
10 limited liability company, or other entity engaged in the  
11 business regulated by this Act shall operate the business  
12 under a name other than the real names of the entity and  
13 individuals conducting the business. The business may in  
14 addition operate under an assumed corporate name pursuant to  
15 the Business Corporation Act of 1983, an assumed limited  
16 liability company name pursuant to the Limited Liability  
17 Company Act, or an assumed business name pursuant to the  
18 Assumed Business Name Act.

19 (b) It is unlawful for an individual or business entity to  
20 conduct business in this State using the word "pawn",  
21 "pawnshop", or "pawnbroker" in connection with the business or  
22 to transact business in this State in a manner that has a  
23 substantial likelihood of misleading the public by implying  
24 that the business is a pawnshop, without first obtaining a  
25 license from the Secretary.

1 Section 5-10. Application process; investigation; fees.

2 (a) The Secretary shall issue a license upon completion of  
3 all of the following:

4 (1) The filing of an application for license with the  
5 Secretary or the Nationwide Multistate Licensing System  
6 and Registry as approved by the Secretary.

7 (2) The filing with the Secretary of a listing of  
8 judgments entered against, and bankruptcy petitions by,  
9 the license applicant for the preceding 10 years.

10 (3) The payment, in certified funds, of the following  
11 investigation and application fees:

12 (A) the fees for licensure shall be a \$2,000  
13 application fee and an additional \$800 fee for  
14 investigation. These fees are nonrefundable; and

15 (B) the fee for an application renewal shall be  
16 \$2,000. The fee is nonrefundable.

17 (4) An investigation of the application, which  
18 investigation must allow the Secretary to issue positive  
19 findings stating that the financial responsibility,  
20 experience, character, and general fitness of the license  
21 applicant and of the members thereof if the license  
22 applicant is a partnership or association, of the officers  
23 and directors thereof if the license applicant is a  
24 corporation, and of the managers and members that retain  
25 any authority or responsibility under the operating

1 agreement if the license applicant is a limited liability  
2 company, are such as to command the confidence of the  
3 community and to warrant belief that the business will be  
4 operated honestly, fairly, and efficiently within the  
5 purpose of this Act; if the Secretary does not so find, he  
6 or she shall not issue the license, and he or she shall  
7 notify the license applicant of the denial.

8 The Secretary may impose conditions on a license if the  
9 Secretary determines that those conditions are necessary or  
10 appropriate. These conditions shall be imposed in writing and  
11 shall continue in effect for the period prescribed by the  
12 Secretary.

13 (b) All licenses shall be issued to the license applicant.  
14 Upon issuance of the license, a pawnbroker licensee shall be  
15 authorized to engage in the business regulated by this Act.  
16 The license shall remain in full force and effect until it  
17 expires without renewal, is surrendered by the licensee, or  
18 revoked or suspended.

19 Section 5-15. Application form.

20 (a) Application for a pawnbroker license must be made in  
21 accordance with Section 5-20 and, if applicable, in accordance  
22 with requirements of the Nationwide Multistate Licensing  
23 System and Registry. The application shall be in writing,  
24 under oath or affirmation, and on a form obtained from and  
25 prescribed by the Secretary, or may be submitted

1 electronically, with attestation, to the Nationwide Multistate  
2 Licensing System and Registry.

3 (b) The application shall contain the name, complete  
4 business, and residential address or addresses of the license  
5 applicant. If the license applicant is a partnership,  
6 association, corporation, or other form of business  
7 organization, the application shall contain the names and  
8 complete business and residential addresses of each member,  
9 director, and principal officer thereof. The application shall  
10 also include a description of the activities of the license  
11 applicant in such detail and for such periods as the Secretary  
12 may require, including all of the following:

13 (1) an affirmation of financial solvency noting such  
14 capitalization requirements as may be required by the  
15 Secretary and access to such credit as may be required by  
16 the Secretary;

17 (2) an affirmation that the license applicant or its  
18 members, directors, or principals, as may be appropriate,  
19 are at least 18 years of age;

20 (3) information as to the character, fitness,  
21 financial and business responsibility, background,  
22 experience, and criminal record of any:

23 (A) person, entity, or ultimate equitable owner  
24 that owns or controls, directly or indirectly, 10% or  
25 more of any class of stock of the license applicant;

26 (B) person, entity, or ultimate equitable owner

1           that is not a depository institution, as defined in  
2           Section 1007.50 of the Savings Bank Act, that lends,  
3           provides, or infuses, directly or indirectly, in any  
4           way, funds to or into a license applicant in an amount  
5           equal to or more than 10% of the license applicant's  
6           net worth;

7           (C) person, entity, or ultimate equitable owner  
8           that controls, directly or indirectly, the election of  
9           25% or more of the members of the board of directors of  
10          a license applicant; or

11          (D) person, entity, or ultimate equitable owner  
12          that the Secretary finds influences management of the  
13          license applicant; the provisions of this subsection  
14          shall not apply to a public official serving on the  
15          board of directors of a State guaranty agency;

16          (4) upon written request by the licensee and  
17          notwithstanding the provisions of paragraphs (1) and (2)  
18          of this subsection, the Secretary may permit the licensee  
19          to omit all or part of the information required by those  
20          paragraphs if, instead of the omitted information, the  
21          licensee submits an affidavit stating that the information  
22          submitted on the licensee's previous renewal application  
23          is still true and accurate; then the Secretary may adopt  
24          rules prescribing the form and content of the affidavit  
25          that are necessary to accomplish the purposes of this  
26          Section; and

1           (5) such other information as required by rules of the  
2           Secretary.

3           Section 5-20. Pawnbroker license application and issuance.

4           (a) Applicants for a license shall apply in a form  
5           prescribed by the Secretary. Each form shall contain content  
6           as set forth by rule, regulation, instruction, or procedure of  
7           the Department or Secretary and may be changed or updated as  
8           necessary by the Department or Secretary in order to carry out  
9           the purposes of this Act.

10          (b) In order to fulfill the purposes of this Act, the  
11          Secretary is authorized to establish relationships or  
12          contracts with the Nationwide Multistate Licensing System and  
13          Registry or other entities designated by the Nationwide  
14          Multistate Licensing System and Registry to collect and  
15          maintain records and process transaction fees or other fees  
16          related to licensees or other persons subject to this Act.

17          (c) In connection with an application for licensing, the  
18          applicant may be required, at a minimum, to furnish to the  
19          Nationwide Multistate Licensing System and Registry  
20          information concerning the applicant's identity, including:

21               (1) fingerprints for submission to the Federal Bureau  
22               of Investigation or any governmental agency or entity  
23               authorized to receive such information for a State,  
24               national, and international criminal history background  
25               check; and



1           (2) personal history and experience in a form  
2           prescribed by the Nationwide Multistate Licensing System  
3           and Registry, including the submission of authorization  
4           for the Nationwide Multistate Licensing System and  
5           Registry and the Secretary to obtain:

6           (A) an independent credit report obtained from a  
7           consumer reporting agency described in Section 603(p)  
8           of the Fair Credit Reporting Act, 15 U.S.C. 1681a(p);  
9           and

10          (B) information related to any administrative,  
11          civil, or criminal findings by any governmental  
12          jurisdiction.

13          (d) For the purposes of this Section, and in order to  
14          reduce the points of contact that the Federal Bureau of  
15          Investigation may have to maintain for purposes of subsection  
16          (c), the Secretary may use the Nationwide Multistate Licensing  
17          System and Registry as a channeling agent for requesting  
18          information from and distributing information to the federal  
19          Department of Justice or any governmental agency.

20          (e) For the purposes of this Section, and in order to  
21          reduce the points of contact that the Secretary may have to  
22          maintain for purposes of paragraph (2) of subsection (c), the  
23          Secretary may use the Nationwide Multistate Licensing System  
24          and Registry as a channeling agent for requesting and  
25          distributing information to and from any source as directed by  
26          the Secretary.

1 Section 5-25. Prohibited acts and practices for licensees.

2 (a) It is a violation of this Act for a licensee subject to  
3 this Act to:

4 (1) fail to file with the Secretary or Nationwide  
5 Multistate Licensing System and Registry, as applicable,  
6 when due, any report or reports that it is required to file  
7 under any of the provisions of this Act;

8 (2) commit a crime against the law of this State, any  
9 other state, or of the United States involving moral  
10 turpitude or fraudulent or dishonest dealing, and that no  
11 final judgment has been entered against it in a civil  
12 action upon grounds of fraud, misrepresentation, or deceit  
13 that has not been previously reported to the Secretary;

14 (3) engage in any conduct that would be cause for  
15 denial of a license;

16 (4) become insolvent;

17 (5) submit an application for a license under this Act  
18 that contains a material misstatement;

19 (6) demonstrate by course of conduct, negligence, or  
20 incompetence in performing any act for which it is  
21 required to hold a license under this Act;

22 (7) fail to advise the Secretary in writing or the  
23 Nationwide Multistate Licensing System and Registry, as  
24 applicable, of any changes to the information submitted on  
25 the most recent application for license or averments of

1 record within 30 days after the change; the written notice  
2 must be signed in the same form as the application for the  
3 license being amended;

4 (8) fail to comply with the provisions of this Act and  
5 with any lawful order, rule, or regulation made or issued  
6 under the provisions of this Act;

7 (9) fail to submit to periodic examination by the  
8 Secretary as required by this Act; and

9 (10) fail to advise the Secretary in writing of  
10 judgments entered against and bankruptcy petitions by the  
11 license applicant within 5 days after the occurrence.

12 (b) A licensee who fails to comply with this Section or  
13 otherwise violates any of the provisions of this Section shall  
14 be subject to the penalties in Section 30-30.

15 Section 5-30. Refusal to issue license. The Secretary  
16 shall refuse to issue or renew a license if:

17 (1) it is determined that the applicant is not in  
18 compliance with any provisions of this Act;

19 (2) there is substantial continuity between the  
20 applicant and any violator of this Act; or

21 (3) the Secretary cannot make the findings specified  
22 in subsection (a) of Section 5-10.

23 Section 5-35. License issuance and renewal; fees.

24 (a) Licenses shall be renewed every year using the common

1 renewal date of the Nationwide Multistate Licensing System and  
2 Registry, as adopted by the Secretary. Properly completed  
3 renewal application forms and filing fees may be received by  
4 the Secretary 60 days before the license expiration date, but,  
5 to be deemed timely, the completed renewal application forms  
6 and filing fees must be received by the Secretary no later than  
7 30 days before the license expiration date.

8 (b) It shall be the responsibility of each licensee to  
9 accomplish renewal of its license. Failure by a licensee to  
10 submit a properly completed renewal application form and fees  
11 in a timely fashion, absent a written extension from the  
12 Secretary, shall result in the license becoming inactive.

13 (c) No activity regulated by this Act shall be conducted  
14 by the licensee when a license becomes inactive. An inactive  
15 license may be reactivated by the Secretary upon payment of  
16 the renewal fee and payment of a reactivation fee equal to the  
17 renewal fee.

18 (d) A licensee ceasing an activity regulated by this Act  
19 and desiring to no longer be licensed shall so inform the  
20 Secretary in writing and, at the same time, convey any license  
21 issued and all other symbols or indicia of licensure. The  
22 licensee shall include a plan for the withdrawal from  
23 regulated business, including a timetable for the disposition  
24 of the business, and comply with the surrender guidelines or  
25 requirements of the Secretary. Upon receipt of such written  
26 notice, the Secretary shall post the cancellation or issue a

1 certified statement canceling the license.

2 (e) The expenses of administering this Act, including  
3 investigations and examinations provided for in this Act,  
4 shall be borne by and assessed against entities regulated by  
5 this Act. Subject to the limitations set forth in Section  
6 5-10, the Department shall establish fees by rule in at least  
7 the following categories:

8 (1) investigation of licensees and license  
9 applicant fees;

10 (2) examination fees;

11 (3) contingent fees; and

12 (4) such other categories as may be required to  
13 administer this Act.

14 Article 10. Supervision

15 Section 10-5. Functions; powers; duties.

16 The functions, powers, and duties of the Secretary shall  
17 include the following:

18 (1) to issue or refuse to issue any license as  
19 provided by this Act;

20 (2) to revoke or suspend for cause any license issued  
21 under this Act;

22 (3) to keep records of all licenses issued under this  
23 Act;

24 (4) to receive, consider, investigate, and act upon

1 complaints made by any person in connection with any  
2 pawnbroker licensee in this State;

3 (5) to prescribe the forms of and receive:

4 (A) applications for licenses; and

5 (B) all reports and all books and records required  
6 to be made by any licensee under this Act;

7 (6) to adopt rules necessary and proper for the  
8 administration of this Act;

9 (7) to subpoena documents and witnesses and compel  
10 their attendance and production, to administer oaths and  
11 affirmations, and to require the production of any books,  
12 papers, or other materials relevant to any inquiry  
13 authorized by this Act;

14 (8) to issue orders against any person, including, but  
15 not limited to, any officer, director, employee,  
16 prospective employee, or agent of the licensee, if the  
17 Secretary has reasonable cause to believe that an unsafe,  
18 unsound, or unlawful practice has occurred, is occurring,  
19 or is about to occur; if any person has violated, is  
20 violating, or is about to violate any law, rule, or  
21 written agreement with the Secretary; or for the purpose  
22 of administering the provisions of this Act and any rule  
23 adopted in accordance with this Act;

24 (9) to address any inquiries to any licensee, or the  
25 officers thereof, in relation to its activities and  
26 conditions, or any other matter connected with its

1       affairs, and it shall be the duty of any licensee or person  
2       so addressed to promptly reply in writing to those  
3       inquiries; the Secretary may also require reports from any  
4       licensee at any time the Secretary may deem desirable;

5           (10) to examine the books and records of every  
6       licensee under this Act;

7           (11) to enforce provisions of this Act;

8           (12) to levy fees, fines, and charges for services  
9       performed in administering this Act; the aggregate of all  
10      fees collected by the Secretary on and after the effective  
11      date of this Act shall be paid promptly after receipt,  
12      accompanied by a detailed statement thereof, into the  
13      Pawnbroker Regulation Fund under Section 10-10; the  
14      amounts deposited into that Fund shall be used for the  
15      ordinary and contingent expenses of the Department;  
16      nothing in this Act shall prevent the continuation of the  
17      practice of paying expenses involving salaries,  
18      retirement, social security, and State-paid insurance of  
19      State officers by appropriation from the General Revenue  
20      Fund;

21          (13) to appoint examiners, supervisors, experts, and  
22      special assistants as needed to effectively and  
23      efficiently administer this Act;

24          (14) to conduct hearings for the purpose of:

25              (A) appeals of orders of the Secretary;

26              (B) suspensions or revocations of licenses, or

1           fining of licensees;

2           (C) investigating complaints against licensees;

3           and

4           (D) carrying out the purposes of this Act;

5           (15) to exercise exclusive visitorial power over a  
6           licensee unless otherwise authorized by this Act or as  
7           vested in the courts;

8           (16) to assign on an emergency basis an examiner or  
9           examiners to monitor the affairs of a licensee with  
10          whatever frequency the Secretary determines appropriate  
11          and to charge the licensee for reasonable and necessary  
12          expenses of the Secretary, if in the opinion of the  
13          Secretary an emergency exists or appears likely to occur;

14          (17) to impose civil penalties of up to \$50 per day  
15          against a licensee for failing to respond to a regulatory  
16          request or reporting requirement;

17          (18) to enter into agreements in connection with the  
18          Nationwide Multistate Licensing System and Registry; and

19          (19) to perform any other lawful acts necessary or  
20          desirable to carry out the purposes and provisions of this  
21          Act.

22          Section 10-10. Pawnbroker Regulation Fund. The Pawnbroker  
23          Regulation Fund, which was established by Public Act 90-477,  
24          shall continue to be a special fund in the State treasury. All  
25          moneys received by the Secretary under this Act in conjunction



1 with the provisions relating to pawnbrokers shall be deposited  
2 into the Pawnbroker Regulation Fund and used for the  
3 administration of this Act. Moneys in the Pawnbroker  
4 Regulation Fund may be transferred to the Professions Indirect  
5 Cost Fund, as authorized under Section 2105-300 of the  
6 Department of Professional Regulation Law of the Civil  
7 Administrative Code of Illinois.

8 Section 10-15. Examination; prohibited activities.

9 (a) The business affairs of a licensee under this Act  
10 shall be examined for compliance with this Act as often as the  
11 Secretary deems necessary and proper. The Department may adopt  
12 rules with respect to the frequency and manner of examination.  
13 The Secretary shall appoint a suitable person to perform such  
14 examination. The Secretary and his or her appointees may  
15 examine the entire books, records, documents, and operations  
16 of each licensee and its subsidiary, affiliate, or agent, and  
17 may examine any of the licensee's or its subsidiary's,  
18 affiliate's, or agent's officers, directors, employees, and  
19 agents under oath or affirmation.

20 (b) The Secretary shall prepare a sufficiently detailed  
21 report of each licensee's examination, shall issue a copy of  
22 the report to each licensee's principals, officers, or  
23 directors, and shall take appropriate steps to ensure  
24 correction of violations of this Act.

25 (c) Affiliates of a licensee shall be subject to

1 examination by the Secretary on the same terms as the  
2 licensee, but only if reports from or examination of a  
3 licensee provides for documented evidence of unlawful activity  
4 between a licensee and affiliate benefiting, affecting, or  
5 deriving from the activities regulated by this Act.

6 (d) The expenses of any examination of the licensee and  
7 affiliates shall be borne by the licensee and assessed by the  
8 Secretary as may be established by rule.

9 (e) Upon completion of the examination, the Secretary  
10 shall issue a report to the licensee. All confidential  
11 supervisory information, including the examination report and  
12 the work papers of the report, shall belong to the Secretary's  
13 office and may not be disclosed to anyone other than the  
14 licensee, law enforcement officials or other regulatory  
15 agencies that have an appropriate regulatory interest as  
16 determined by the Secretary, or to a party presenting a lawful  
17 subpoena to the Department. The Secretary may, through the  
18 Attorney General, immediately appeal to the court of  
19 jurisdiction the disclosure of such confidential supervisory  
20 information and seek a stay of the subpoena pending the  
21 outcome of the appeal. Reports required of licensees by the  
22 Secretary under this Act and results of examinations performed  
23 by the Secretary under this Act shall be the property of only  
24 the Secretary, but may be shared with the licensee. Access  
25 under this Act to the books and records of each licensee shall  
26 be limited to the Secretary and his or her agents as provided

1 in this Act and to the licensee and its authorized agents and  
2 designees. No other person shall have access to the books and  
3 records of a licensee under this Act. Any person upon whom a  
4 demand for production of confidential supervisory information  
5 is made, whether by subpoena, order, or other judicial or  
6 administrative process, must withhold production of the  
7 confidential supervisory information and must notify the  
8 Secretary of the demand, at which time the Secretary is  
9 authorized to intervene for the purpose of enforcing the  
10 limitations of this Section or seeking the withdrawal or  
11 termination of the attempt to compel production of the  
12 confidential supervisory information. The Secretary may impose  
13 any conditions and limitations on the disclosure of  
14 confidential supervisory information that are necessary to  
15 protect the confidentiality of that information. Except as  
16 authorized by the Secretary, no person obtaining access to  
17 confidential supervisory information may make a copy of the  
18 confidential supervisory information. The Secretary may  
19 condition a decision to disclose confidential supervisory  
20 information on entry of a protective order by the court or  
21 administrative tribunal presiding in the particular case or on  
22 a written agreement of confidentiality. In a case in which a  
23 protective order or agreement has already been entered between  
24 parties other than the Secretary, the Secretary may  
25 nevertheless condition approval for release of confidential  
26 supervisory information upon the inclusion of additional or

1 amended provisions in the protective order. The Secretary may  
2 authorize a party who obtained the records for use in one case  
3 to provide them to another party in another case, subject to  
4 any conditions that the Secretary may impose on either or both  
5 parties. The requester shall promptly notify other parties to  
6 a case of the release of confidential supervisory information  
7 obtained and, upon entry of a protective order, shall provide  
8 copies of confidential supervisory information to the other  
9 parties.

10 (f) The Secretary and employees of the Department shall be  
11 subject to the restrictions provided in Section 2.5 of the  
12 Division of Banking Act, including, without limitation, the  
13 restrictions on:

14 (1) owning shares of stock or holding any other equity  
15 interest in an entity regulated under this Act or in any  
16 corporation or company that owns or controls an entity  
17 regulated under this Act;

18 (2) being an officer, director, employee, or agent of  
19 an entity regulated under this Act; and

20 (3) obtaining a pawn or accepting a gratuity from an  
21 entity regulated under this Act.

22 Section 10-20. Subpoena power of the Secretary.

23 (a) The Secretary shall have the power to issue and to  
24 serve subpoenas and subpoenas duces tecum to compel the  
25 attendance of witnesses and the production of all books,

1 accounts, records, and other documents and materials relevant  
2 to an examination or investigation. The Secretary, or his or  
3 her duly authorized representative, shall have power to  
4 administer oaths and affirmations to any person.

5 (b) In the event of noncompliance with a subpoena or  
6 subpoena duces tecum issued or caused to be issued by the  
7 Secretary, the Secretary may, through the Attorney General,  
8 petition the circuit court of the county in which the person  
9 subpoenaed resides or has its principal place of business for  
10 an order requiring the subpoenaed person to appear and testify  
11 and to produce such books, accounts, records, and other  
12 documents as are specified in the subpoena duces tecum. The  
13 court may grant injunctive relief restraining the person from  
14 advertising, promoting, soliciting, entering into, offering to  
15 enter into, continuing, or completing any pawn transaction.  
16 The court may grant other relief, including, but not limited  
17 to, the restraint, by injunction or appointment of a receiver,  
18 of any transfer, pledge, assignment, or other disposition of  
19 the person's assets or any concealment, alteration,  
20 destruction, or other disposition of books, accounts, records,  
21 or other documents and materials as the court deems  
22 appropriate, until the person has fully complied with the  
23 subpoena or subpoena duces tecum and the Secretary has  
24 completed an investigation or examination.

25 (c) If it appears to the Secretary that the compliance  
26 with a subpoena or subpoena duces tecum issued or caused to be

1 issued by the Secretary pursuant to this Section is essential  
2 to an investigation or examination, the Secretary, in addition  
3 to the other remedies provided for in this Act, may, through  
4 the Attorney General, apply for relief to the circuit court of  
5 the county in which the subpoenaed person resides or has its  
6 principal place of business. The court shall thereupon direct  
7 the issuance of an order against the subpoenaed person  
8 requiring sufficient bond conditioned on compliance with the  
9 subpoena or subpoena duces tecum. The court shall cause to be  
10 endorsed on the order a suitable amount of bond or payment  
11 pursuant to which the person named in the order shall be freed,  
12 having a due regard to the nature of the case.

13 (d) In addition, the Secretary may, through the Attorney  
14 General, seek a writ of attachment or an equivalent order from  
15 the circuit court having jurisdiction over the person who has  
16 refused to obey a subpoena, who has refused to give testimony,  
17 or who has refused to produce the matters described in the  
18 subpoena duces tecum.

19 Section 10-25. Inspection of records and reports required  
20 of licensee.

21 (a) Inspection of records.

22 (1) The book or computer records, as well as every  
23 article or other thing of value so pawned or pledged,  
24 shall at all times be open to the inspection of the  
25 Secretary, the sheriff of the county, his deputies, or any

1 members of the police force of any city in the county in  
2 which such pawnbroker does business. In addition, the  
3 Secretary shall be authorized to inspect the books or  
4 records of any business he or she has reasonable cause to  
5 believe is conducting pawn transactions and should be  
6 licensed under this Act.

7 (2) The book or computer records, pawn tickets, or any  
8 other records required by the Secretary under this Act or  
9 any rule adopted in accordance with this Act shall be  
10 maintained for a period of 3 years after the date on which  
11 the record or ticket was prepared. These records and  
12 tickets shall be open to inspection of the Secretary at  
13 all times during the 3-year period.

14 (b) Daily report.

15 (1) Except as provided in paragraph (2) of this  
16 subsection, it shall be the duty of every pawnbroker to  
17 make out and deliver to the sheriff of the county in which  
18 such pawnbroker does business, on each day before noon, a  
19 legible and exact copy from the standard record book, as  
20 required in subsection (a) of Section 15-25, that lists  
21 all personal property and any other valuable thing  
22 received on deposit or purchased during the preceding day,  
23 including the exact time when received or purchased, and a  
24 description of the person or person by whom left in  
25 pledge, or from whom the same were purchased; however, in  
26 cities or towns having 25,000 or more inhabitants, a copy

1 of the report shall at the same time also be delivered to  
2 the superintendent of police or the chief police officer  
3 of such city or town. The report may be made by computer  
4 printout or input memory device if the format has been  
5 approved by the local law enforcement agency.

6 (2) In counties with more than 3,000,000 inhabitants,  
7 a pawnbroker must provide the daily report to the sheriff  
8 only if the pawnshop is located in an unincorporated area  
9 of the county. Pawnbrokers located in cities or towns in  
10 such counties must deliver such reports to the  
11 superintendent of police or the chief police officer of  
12 the city or town.

13 (c) Report to the Secretary. The Secretary, as often as  
14 the Secretary shall deem necessary or proper, may require a  
15 pawnshop to submit a full and detailed report of its  
16 operations including, but not limited to, the number of pawns  
17 made, the amount advanced on pawn transactions, the number and  
18 amount of pawns surrendered to law enforcement, and any  
19 information required for purposes of reporting pursuant to  
20 Section 10-60. The Secretary shall prescribe the form of the  
21 report and establish the date by which the report must be  
22 filed.

23 Section 10-30. Suspension; revocation of licenses; fines.

24 (a) Upon written notice to a licensee, the Secretary may  
25 suspend or revoke any license issued pursuant to this Act if,



1 in the notice, he or she makes a finding of one or more of the  
2 following:

3 (1) that through separate acts or an act or a course of  
4 conduct, the licensee has violated any provisions of this  
5 Act, any rule adopted by the Department, or any other law,  
6 rule, or regulation of this State or the United States;

7 (2) that any fact or condition exists that, if it had  
8 existed at the time of the original application for the  
9 license, would have warranted the Secretary in refusing  
10 originally to issue the license; or

11 (3) that if a licensee is not an individual, any  
12 ultimate equitable owner, officer, director, or member of  
13 the licensed partnership, association, corporation, or  
14 other entity has acted or failed to act in a way that would  
15 be cause for suspending or revoking a license to that  
16 party as an individual.

17 (b) No license shall be suspended or revoked, except as  
18 provided in this Section, nor shall any licensee be fined  
19 without notice of his or her right to a hearing as provided in  
20 Section 10-75.

21 (c) The Secretary, on good cause shown that an emergency  
22 exists, may suspend any license for a period not exceeding 180  
23 days, pending investigation.

24 (d) The provisions of subsection (d) of Section 5-35 shall  
25 not affect a licensee's civil or criminal liability for acts  
26 committed before surrender of a license.

1 (e) No revocation, suspension, or surrender of any license  
2 shall impair or affect the obligation of any preexisting  
3 lawful contract between the licensee and any person.

4 (f) Every license issued under this Act shall remain in  
5 force and effect until the license expires without renewal, is  
6 surrendered, is revoked, or is suspended in accordance with  
7 the provisions of this Act, but the Secretary shall have  
8 authority to reinstate a suspended license or to issue a new  
9 license to a licensee whose license has been revoked if no fact  
10 or condition then exists which would have warranted the  
11 Secretary in refusing originally to issue that license under  
12 this Act.

13 (g) Whenever the Secretary revokes or suspends a license  
14 issued pursuant to this Act or fines a licensee under this Act,  
15 he or she shall execute a written order to that effect. The  
16 Secretary shall post notice of the order on an agency website  
17 maintained by the Secretary or on the Nationwide Multistate  
18 Licensing System and Registry and shall serve a copy of the  
19 order upon the licensee. Any such order may be reviewed in the  
20 manner provided by Section 10-75.

21 (h) If the Secretary finds any person in violation of the  
22 grounds set forth in subsection (i), he or she may enter an  
23 order imposing one or more of the following penalties:

24 (1) revocation of license;

25 (2) suspension of a license subject to reinstatement  
26 upon satisfying all reasonable conditions the Secretary

1 may specify;

2 (3) placement of the licensee or applicant on  
3 probation for a period of time and subject to all  
4 reasonable conditions as the Secretary may specify;

5 (4) issuance of a reprimand;

6 (5) imposition of a fine not to exceed \$25,000 for  
7 each count of separate offense; except that a fine may be  
8 imposed not to exceed \$75,000 for each separate count of  
9 offense of paragraph (2) of subsection (i); or

10 (6) denial of a license.

11 (i) The following acts shall constitute grounds for which  
12 the disciplinary actions specified in subsection (h) may be  
13 taken:

14 (1) being convicted or found guilty, regardless of  
15 pendency of an appeal, of a crime in any jurisdiction that  
16 involves fraud, dishonest dealing, or any other act of  
17 moral turpitude;

18 (2) fraud, misrepresentation, deceit, or negligence in  
19 any pawn transaction;

20 (3) a material or intentional misstatement of fact on  
21 an initial or renewal application;

22 (4) insolvency or filing under any provision of the  
23 federal Bankruptcy Code as a debtor;

24 (5) failure to account or deliver to any person any  
25 property, such as any money, fund, deposit, check, draft,  
26 or other document or thing of value, that has come into his

1 or her hands and that is not his or her property or that he  
2 or she is not in law or equity entitled to retain, under  
3 the circumstances and at the time which has been agreed  
4 upon or is required by law or, in the absence of a fixed  
5 time, upon demand of the person entitled to such  
6 accounting and delivery;

7 (6) failure to disburse funds in accordance with  
8 agreements;

9 (7) having a license, or the equivalent, to practice  
10 any profession or occupation revoked, suspended, or  
11 otherwise acted against, including the denial of licensure  
12 by a licensing authority of this State or another state,  
13 territory, or country for fraud, dishonest dealing, or any  
14 other act of moral turpitude;

15 (8) failure to comply with an order of the Secretary  
16 or rule made or issued under the provisions of this Act;

17 (9) engaging in activities regulated by this Act  
18 without a current, active license unless specifically  
19 exempted by this Act;

20 (10) failure to pay in a timely manner any fee,  
21 charge, or fine under this Act;

22 (11) failure to maintain, preserve, and keep available  
23 for examination all books, accounts, or other documents  
24 required by the provisions of this Act and the rules of the  
25 Secretary;

26 (12) refusing, obstructing, evading, or unreasonably

1       delaying an investigation, information request, or  
2       examination authorized under this Act, or refusing,  
3       obstructing, evading, or unreasonably delaying compliance  
4       with the Secretary's subpoena or subpoena duces tecum; and

5           (13) failure to comply with or a violation of any  
6       provision of this Act.

7       (j) A licensee shall be subject to the disciplinary  
8       actions specified in this Act for violations of subsection (i)  
9       by any officer, director, shareholder, joint venture, partner,  
10      ultimate equitable owner, or employee of the licensee.

11      (k) A licensee shall be subject to suspension or  
12      revocation for unauthorized employee actions only if there is  
13      a pattern of repeated violations by employees or the licensee  
14      has knowledge of the violations or there is substantial harm  
15      to a consumer.

16      (l) Procedures for surrender of a license include the  
17      following:

18           (1) The Secretary may, after 10 days' notice by  
19           certified mail to the licensee at the address set forth on  
20           the license, stating the contemplated action and in  
21           general the grounds for the contemplated action and the  
22           date, time, and place of a hearing thereon, and after  
23           providing the licensee with a reasonable opportunity to be  
24           heard at the hearing before the action, fine such licensee  
25           an amount not exceeding \$25,000 per violation, or revoke  
26           or suspend any license issued under this Act if he or she

1 finds that:

2 (A) the licensee has failed to comply with any  
3 provision of this Act or any order, decision, finding,  
4 rule, regulation, or direction of the Department or  
5 Secretary lawfully made pursuant to the authority of  
6 this Act; or

7 (B) any fact or condition exists that, if it had  
8 existed at the time of the original application for  
9 the license, clearly would have warranted the  
10 Secretary in refusing to issue the license.

11 (2) Any licensee may submit an application to  
12 surrender a license, but, upon the Secretary approving the  
13 surrender, it shall not affect the licensee's civil or  
14 criminal liability for acts committed before surrender or  
15 entitle the licensee to a return of any part of the license  
16 fee.

17 Section 10-35. Investigation of complaints. The Secretary  
18 shall maintain staff and facilities adequate to receive,  
19 record, and investigate complaints and inquiries made by any  
20 person concerning this Act and any licensees under this Act.  
21 Each licensee shall open its books, records, documents, and  
22 offices wherever situated to the Secretary or his or her  
23 appointees as needed to facilitate such investigations.

24 Section 10-40. Additional investigation and examination

1 authority. In addition to any authority allowed under this  
2 Act, the Secretary shall have the authority to conduct  
3 investigations and examinations as follows:

4 (1) For purposes of initial licensing, license  
5 renewal, license discipline, license conditioning, license  
6 revocation or termination, or general or specific inquiry  
7 or investigation to determine compliance with this Act,  
8 the Secretary shall have the authority to access, receive,  
9 and use any books, accounts, records, files, documents,  
10 information, or evidence, including, but not limited to,  
11 the following:

12 (A) criminal, civil, and administrative history  
13 information, including nonconviction data as specified  
14 in the Criminal Code of 2012;

15 (B) personal history and experience information,  
16 including independent credit reports obtained from a  
17 consumer reporting agency described in Section 603(p)  
18 of the federal Fair Credit Reporting Act; and

19 (C) any other documents, information, or evidence  
20 the Secretary deems relevant to the inquiry or  
21 investigation, regardless of the location, possession,  
22 control, or custody of the documents, information, or  
23 evidence.

24 (2) For the purposes of investigating violations or  
25 complaints arising under this Act or for the purposes of  
26 examination, the Secretary may review, investigate, or

1 examine any licensee, individual, or person subject to  
2 this Act as often as necessary in order to carry out the  
3 purposes of this Act. The Secretary may direct, subpoena,  
4 or order the attendance of and examine under oath or  
5 affirmation all persons whose testimony may be required  
6 about the pawn transactions or the business or subject  
7 matter of any such examination or investigation, and may  
8 direct, subpoena, or order the person to produce books,  
9 accounts, records, files, and any other documents the  
10 Secretary deems relevant to the inquiry.

11 (3) Each licensee, individual, or person subject to  
12 this Act shall make available to the Secretary upon  
13 request the books and records relating to the operations  
14 of the licensee, individual, or person subject to this  
15 Act. The Secretary shall have access to those books and  
16 records and interview the officers, principals, employees,  
17 independent contractors, agents, and customers of the  
18 licensee, individual, or person subject to this Act  
19 concerning their business.

20 (4) Each licensee, individual, or person subject to  
21 this Act shall make or compile reports or prepare other  
22 information as directed by the Secretary in order to carry  
23 out the purposes of this Section, including, but not  
24 limited to:

25 (A) accounting compilations;

26 (B) information lists and data concerning pawn



1 transactions in a format prescribed by the Secretary;  
2 or

3 (C) other information deemed necessary to carry  
4 out the purposes of this Section.

5 (5) In making any examination or investigation  
6 authorized by this Act, the Secretary may control access  
7 to any documents and records of the licensee or person  
8 under examination or investigation. The Secretary may take  
9 possession of the documents and records or place a person  
10 in exclusive charge of the documents and records in the  
11 place where they are usually kept. During the period of  
12 control, no person shall remove or attempt to remove any  
13 of the documents or records, except pursuant to a court  
14 order or with the consent of the Secretary. Unless the  
15 Secretary has reasonable grounds to believe the documents  
16 or records of the licensee have been, or are at risk of  
17 being altered or destroyed for purposes of concealing a  
18 violation of this Act, the licensee or owner of the  
19 documents and records shall have access to the documents  
20 or records as necessary to conduct its ordinary business  
21 affairs.

22 (6) In order to carry out the purposes of this  
23 Section, the Secretary may:

24 (A) retain attorneys, accountants, or other  
25 professionals and specialists as examiners, auditors,  
26 or investigators to conduct or assist in the conduct

1 of examinations or investigations;

2 (B) enter into agreements or relationships with  
3 other government officials or regulatory associations  
4 in order to improve efficiencies and reduce regulatory  
5 burden by sharing resources, standardized or uniform  
6 methods or procedures, and documents, records,  
7 information, or evidence obtained under this Section;

8 (C) use, hire, contract, or employ public or  
9 privately available analytical systems, methods, or  
10 software to examine or investigate the licensee,  
11 individual, or person subject to this Act;

12 (D) accept and rely on examination or  
13 investigation reports made by other government  
14 officials, within or outside this State; or

15 (E) accept audit reports made by an independent  
16 certified public accountant for the licensee,  
17 individual, or person subject to this Act in the  
18 course of that part of the examination covering the  
19 same general subject matter as the audit and may  
20 incorporate the audit report in the report of the  
21 examination, report of investigation, or other writing  
22 of the Secretary.

23 (7) The authority of this Section shall remain in  
24 effect, whether such a licensee, individual, or person  
25 subject to this Act acts or claims to act under any  
26 licensing or registration law of this State or claims to

1 act without the authority.

2 (8) No licensee, individual, or person subject to  
3 investigation or examination under this Section may  
4 knowingly withhold, abstract, remove, mutilate, destroy,  
5 or secrete any books, records, computer records, or other  
6 information.

7 Section 10-45. Confidential information. In hearings  
8 conducted under this Act, information presented into evidence  
9 that was acquired by the licensee when serving any individual  
10 in connection with a pawn transaction, including all financial  
11 information of the individual, shall be deemed strictly  
12 confidential and shall be made available only as part of the  
13 record of a hearing under this Act or otherwise (i) when the  
14 record is required, in its entirety, for purposes of judicial  
15 review or (ii) upon the express written consent of the  
16 individual served, or in the case of his or her death or  
17 disability, the consent of his or her personal representative.

18 Section 10-50. Confidentiality.

19 (a) In order to promote more effective regulation and  
20 reduce regulatory burden through supervisory information  
21 sharing, except as otherwise provided in 12 U.S.C. Section  
22 5111, the requirements under any federal law or State law  
23 regarding the privacy or confidentiality of any information or  
24 material provided to the Nationwide Mortgage Licensing System

1 and Registry, and any privilege arising under federal or State  
2 law, including the rules of any federal or State court, with  
3 respect to such information or material, shall continue to  
4 apply to information or material after the information or  
5 material has been disclosed to the Nationwide Mortgage  
6 Licensing System and Registry. The information and material  
7 may be shared with all State and federal regulatory officials  
8 with pawnbroker industry oversight authority without the loss  
9 of privilege or the loss of confidentiality protections  
10 provided by federal law or State law.

11 (b) In order to promote more effective regulation and  
12 reduce regulatory burden through supervisory information  
13 sharing, the Secretary is authorized to enter agreements or  
14 sharing into arrangements with other governmental agencies,  
15 the Conference of State Bank Supervisors or other associations  
16 representing governmental agencies as established by rule,  
17 regulation, or order of the Secretary. The sharing of  
18 confidential supervisory information or any information or  
19 material described in subsection (a) pursuant to an agreement  
20 or sharing arrangement shall not result in the loss of  
21 privilege or the loss of confidentiality protections provided  
22 by federal law or State law.

23 (c) In order to promote more effective regulation and  
24 reduce regulatory burden through supervisory information  
25 sharing, information or material that is subject to a  
26 privilege or confidentiality under subsection (a) shall not be

1 subject to the following:

2 (1) disclosure under any State law governing the  
3 disclosure to the public of information held by an officer  
4 or an agency of the State; or

5 (2) subpoena, discovery, or admission into evidence,  
6 in any private civil action or administrative process,  
7 unless with respect to any privilege held by the  
8 Nationwide Mortgage Licensing System and Registry with  
9 respect to the information or material, the person to whom  
10 such information or material pertains waives, in whole or  
11 in part, in the discretion of that person, that privilege.

12 (d) In order to promote more effective regulation and  
13 reduce regulatory burden through supervisory information  
14 sharing, any other law relating to the disclosure of  
15 confidential supervisory information or any information or  
16 material described in subsection (a) that is inconsistent with  
17 subsection (a) shall be superseded by the requirements of this  
18 Section to the extent the other law provides less  
19 confidentiality or a weaker privilege.

20 Section 10-55. Reports of violations. Any person licensed  
21 under this Act or any other person may report to the Secretary  
22 any information to show that a person subject to this Act is or  
23 may be in violation of this Act. A licensee who files a report  
24 with the Department that another licensee is engaged in one or  
25 more violations pursuant to this Act shall not be the subject

1 of disciplinary action by the Department, unless the  
2 Department determines, by a preponderance of the evidence  
3 available to the Department, that the reporting person  
4 knowingly or recklessly participated in the violation that was  
5 reported.

6 Section 10-60. Pawnbroker annual report. The Department  
7 shall, in conjunction with advice from a professional  
8 association that represents 50 or more licensees, issue an  
9 annual report, via an Internet-based program, of aggregate  
10 pawnbroker activity within 180 days after the beginning of the  
11 calendar year. The report shall contain at a minimum:

- 12 (1) The number of licensed pawnbrokers.
- 13 (2) The total dollar amount financed.
- 14 (3) The total number of pawns for each value threshold  
15 set forth in subsection (c) of Section 15-10.
- 16 (4) The total dollar amount of extensions.
- 17 (5) The total number of extensions for each value  
18 threshold set forth in subsection (c) of Section 15-10.
- 19 (6) The average pawn dollar amount for each value  
20 threshold set forth in subsection (c) of Section 15-10.
- 21 (7) The average monthly finance charge for each value  
22 threshold set forth in subsection (c) of Section 15-10.
- 23 (8) The percentage of pawns surrendered to law  
24 enforcement.
- 25 (9) The percentage of total pawns surrendered to law

1 enforcement by dollar amount.

2 (10) The percentage of pawns redeemed.

3 (11) The percentage of pawns extended.

4 (12) The total number of pawnbroker employees.

5 (13) The total number of licensees reporting.

6 (14) The total number of complaints received by the  
7 Department.

8 Section 10-65. Responsible pawnbroker training; pawnbroker  
9 managers and employees.

10 (a) A person who manages or is an employee of a pawnbroker  
11 that provides pawnbroker services and related functions shall  
12 complete, within 90 days after commencing employment, a  
13 minimum of 4 hours of training, which may be provided in a  
14 classroom or seminar setting or via Internet-based online  
15 learning programs, such training shall be provided at the  
16 employer's expense and shall be provided by qualified vendor  
17 approved by the Secretary. The training subjects shall be  
18 established by rule, and may include the following:

19 (1) federal, State, and local laws, administrative  
20 rules, and regulations that pertain to the business of  
21 being a licensed pawnbroker under this Act;

22 (2) procedures for identifying possible fraudulent  
23 transactions;

24 (3) anti-money laundering;

25 (4) store operations, maintenance of records,

1 inventory management, recording and reporting of serial  
2 numbers;

3 (5) general product knowledge, including, but not  
4 limited to, jewelry and firearms;

5 (6) identification, verification, and weighing of  
6 precious metals;

7 (7) inspections by State and local licensing and law  
8 enforcement authorities, including hold order procedures;

9 (8) the federal Military Lending Act;

10 (9) pawn forfeits; and

11 (10) security, risk, and crisis management.

12 (b) The training may be provided in a classroom or seminar  
13 setting or via Internet-based online learning programs, as  
14 established by rule. The substance of the training shall be  
15 related to the work performed by the registered employee.

16 (c) In addition to the training provided for in  
17 subsections (a) and (b), registered employees of a pawnbroker  
18 shall complete an additional 4 hours of refresher training on  
19 subjects to be determined by the employer each calendar year  
20 commencing with the calendar year following the employee's  
21 first employment anniversary date, which refresher training  
22 may be site-specific and may be conducted on the job.

23 (d) It is the responsibility of the pawnbroker or the  
24 Secretary-approved qualified vendor to certify, on a form  
25 prescribed by the Secretary, that the employee has  
26 successfully completed the basic and refresher training. The



1 original form or a copy shall be a permanent record of training  
2 completed by the employee and shall be placed in the  
3 employee's file with the employer for the period the employee  
4 remains with the employer. The original form or a copy shall be  
5 given to the employee when his or her employment is  
6 terminated. Failure to return the original form or a copy to  
7 the employee is grounds for disciplinary action. The employee  
8 shall not be required to repeat the required training once the  
9 employee has been issued the form. An employer may provide or  
10 require additional training.

11 (e) It shall be the responsibility of the pawnbroker and  
12 the Secretary-approved qualified training vendor to keep and  
13 maintain a personal log of all training hours earned along  
14 with sufficient documentation necessary for the Secretary to  
15 verify the annual training completed for at least 5 years. The  
16 personal training log and documentation shall be provided to  
17 the Secretary in the same manner as other documentation and  
18 records required under this Act.

19 (f) Notwithstanding any other professional license a  
20 pawnbroker holds under this Act, no more than 8 hours of annual  
21 training shall be required for any one year.

22 (g) The license of a pawnbroker whose managers or  
23 employees fail to comply with this Section may be suspended or  
24 revoked or may face other disciplinary action.

25 (h) The regulation of pawnbroker employee training is an  
26 exclusive power and function of the State. A home rule unit may

1 not regulate pawnbroker employee training or require a  
2 pawnbroker that is licensed by the State under this Act, or its  
3 employees, to maintain licenses in addition to licensure under  
4 the Act, to operate. This subsection is a denial and  
5 limitation of home rule powers and functions under subsection  
6 (h) of Section 6 of Article VII of the Illinois Constitution.

7 (i) Persons seeking the Secretary's approval to offer the  
8 training required by subsection (b) may apply for such  
9 approval between August 1 and August 31 every 4 years in a  
10 manner prescribed by the Secretary.

11 (j) Persons seeking the Secretary's approval to offer the  
12 training required by subsection (b) shall submit a  
13 nonrefundable application fee of \$2,000 or a fee set by rule,  
14 to be deposited into the Pawnbroker Regulation Fund. Any  
15 changes made to the training module shall be approved by the  
16 Secretary.

17 (k) The Secretary shall not unreasonably deny approval of  
18 a training module, whether in-person or online, that meets all  
19 the requirements of subsection (b). A denial of approval shall  
20 include a detailed description of the reasons for the denial.

21 (l) A person approved to provide the training required by  
22 subsection (b) shall submit an application for re-approval  
23 between August 1 and August 31 of each even-numbered year and  
24 include a nonrefundable application fee of \$2,000 or a fee set  
25 by rule, to be deposited into the Pawnbroker Regulation Fund.

1 Section 10-70. 10-70. Rules and regulations.

2 (a) In addition to such powers as may be prescribed by this  
3 Act, the Department is hereby authorized and empowered to  
4 adopt rules consistent with the purposes of this Act,  
5 including, but not limited to:

6 (1) rules in connection with the activities of  
7 licensees as may be necessary and appropriate for the  
8 protection of consumers in this State;

9 (2) rules as may be necessary and appropriate to  
10 define improper or fraudulent business practices in  
11 connection with the activities of licensees in operating  
12 as a pawnbroker;

13 (3) rules that define the terms used in this Act and as  
14 may be necessary and appropriate to interpret and  
15 implement the provisions of this Act; and

16 (4) rules as may be necessary for the enforcement of  
17 this Act.

18 (b) The Secretary is hereby authorized and empowered to  
19 make specific rulings, demands, and findings that he or she  
20 deems necessary for the proper conduct of the pawnbroker  
21 industry.

22 (c) A person or entity may make a written application to  
23 the Department for a written interpretation of this Act. The  
24 Department may then, in its sole discretion, choose to issue a  
25 written interpretation. To be valid, a written interpretation  
26 must be signed by the Secretary, or his or her designee, and

1 the Department's general counsel or his or her designee. A  
2 written interpretation expires 2 years after the date that it  
3 was issued.

4 (d) No provision in this Act that imposes liability or  
5 establishes violations shall apply to any act taken by a  
6 person or entity in conformity with a written interpretation  
7 of this Act that is in effect at the time the act is taken,  
8 notwithstanding whether the written interpretation is later  
9 amended, rescinded, or determined by judicial or other  
10 authority to be invalid for any reason.

11 Section 10-75. Appeal and review.

12 (a) Any person or entity affected by a decision of the  
13 Secretary under any provision of this Act may obtain review of  
14 that decision within the Department.

15 (b) The Department may, in accordance with the Illinois  
16 Administrative Procedure Act, adopt rules to provide for  
17 review within the Department of the Secretary's decisions  
18 affecting the rights of entities under this Act. The review  
19 shall provide for, at a minimum:

20 (1) appointment of a hearing officer other than a  
21 regular employee of the Division of Banking;

22 (2) appropriate procedural rules, specific deadlines  
23 for filings, and standards of evidence and of proof; and

24 (3) provision for apportioning costs among parties to  
25 the appeal.

1           (c) All final agency determinations of appeals to  
2 decisions of the Secretary may be reviewed in accordance with  
3 and under the provisions of the Administrative Review Law.  
4 Appeals from all final orders and judgments entered by a court  
5 in review of any final administrative decision of the  
6 Secretary or of any final agency review of a decision of the  
7 Secretary may be taken as in other civil cases.

8           Section 10-80. Violations of this Act; Secretary's orders.

9           (a) If the Secretary finds, as the result of examination,  
10 investigation, or review of reports submitted by a licensee,  
11 that the business and affairs of a licensee are not being  
12 conducted in accordance with this Act, the Secretary shall  
13 notify the licensee of the correction necessary. If a licensee  
14 fails to correct such violations, the Secretary shall issue an  
15 order requiring immediate correction and compliance with this  
16 Act, specifying a reasonable date for performance.

17           (b) The Department may adopt rules to provide for an  
18 orderly and timely appeal of all orders within the Department.  
19 The rules may include provision for assessment of fees and  
20 costs.

21           Section 10-85. Collection of compensation. Unless exempt  
22 from licensure under this Act, no person engaged in or  
23 offering to engage in any act or service for which a license  
24 under this Act is required may bring or maintain any action in

1 any court of this State to collect compensation for the  
2 performance of the licensable services without alleging and  
3 proving that he or she was the holder of a valid pawnbroker  
4 license under this Act at all times during the performance of  
5 those services.

6 Section 10-90. Injunction. The Secretary, through the  
7 Attorney General, may maintain an action in the name of the  
8 People of the State of Illinois and may apply for an injunction  
9 in the circuit court to enjoin a person from engaging in  
10 unlicensed pawnbroker activity, to restrain any person from  
11 violating or continuing to violate any of the provisions of  
12 this Act, or to file a complaint to take possession and control  
13 of a pawnshop for the purpose of examination, reorganization,  
14 or liquidation through receivership and to appoint a receiver,  
15 which may be the Secretary, a pawnshop, or another suitable  
16 person

17 Article 15. Pawn Customer Bill of Rights

18 Section 15-5. General provisions.

19 (a) It is unlawful for an individual or business entity to  
20 conduct business in this State using the word "pawn",  
21 "pawnshop", or "pawnbroker" in connection with the business or  
22 to transact business in this State in a manner that has a  
23 substantial likelihood of misleading the public by implying

1 that the business is a pawnshop, without first obtaining a  
2 license from the Secretary. It shall be unlawful for any  
3 business to advertise in a pawnbroker category, digitally or  
4 in print without including that business's pawnbroker and  
5 Nationwide Multistate Licensing System and Registry license  
6 number.

7 (b) It is unlawful for an entity licensed under this Act to  
8 do any of the following:

9 (1) Engage, have engaged, or propose to engage in any  
10 unlawful, unfair, deceptive, or abusive act or practice  
11 with respect to financial products or services.

12 (2) Offer or provide to a consumer any financial  
13 product or service not in conformity with this Act or  
14 otherwise commit any act or omission in violation of a  
15 financial law.

16 (3) Fail or refuse, as required by this Act or any rule  
17 or order issued by the Department hereunder, to do any of  
18 the following:

19 (A) Permit the Department to access or copy  
20 records.

21 (B) Establish or maintain records.

22 (C) Make reports or provide information to the  
23 Department.

24 Section 15-10. Fees.

25 (a) It is unlawful for any pawnbroker to charge or collect

1 a greater benefit or percentage upon money advanced, and for  
2 the use and forbearance thereof, than the amount specified in  
3 subsection (c). Nothing in this Section shall be construed to  
4 conflict with the law pertaining to usury and the person  
5 receiving money so advanced may hold the moneys to pay any fees  
6 in addition to interest.

7 (b) Each pawnbroker, when making a pawn under this  
8 Section, must disclose in printed form on the pawn contract  
9 the following information to the persons receiving the pawn:

10 (1) the amount of money advanced, which must be  
11 designated as the amount pawned;

12 (2) the maturity date of the pawn, which must be at  
13 least 30 days after the originating date of the pawn;

14 (3) the total pawn interest and service charge payable  
15 on the maturity date, which must be designated as the  
16 finance charge;

17 (4) the total of payments that must be paid to redeem  
18 the pledged goods on the maturity date, which must be  
19 designated as the total of payments; and

20 (5) the annual percentage rate, computed according to  
21 the regulations adopted by the Consumer Financial  
22 Protection Bureau under the federal Truth in Lending Act.

23 (c) Each pawnbroker may contract for and receive a monthly  
24 finance charge, including interest and fees not to exceed  
25 one-fifth of the pawn amount for pawns under \$500; one-sixth  
26 of the pawn amount for pawns \$500 or more and \$1,500 or less;



1 one-eighth of the pawn amount for pawns of over \$1,500 and  
2 \$5,000 or less; and one-twentieth of the pawn amount for pawns  
3 of over \$5,000, pursuant to Section 15-30, for appraising,  
4 investigating title, storing, insuring the pledged property,  
5 making daily reports to local law enforcement including  
6 enhanced computerized reporting, and complying with regulatory  
7 requirements. Such fees, when made and collected, shall not be  
8 deemed interest for any purpose of law. A pawnbroker shall not  
9 require a customer to pay such fees by means of an electronic  
10 fund transfer, as that term is defined in Section 10 of the  
11 Electronic Fund Transfer Act, including through the use of an  
12 automated clearinghouse system.

13 (d) Notwithstanding any inconsistent provision of law, a  
14 pawn transaction made pursuant to this Act shall be exempt  
15 from the provisions of the Predatory Loan Prevention Act.

16 Section 15-15. Display of fee provision. Every pawnbroker  
17 shall at all times have and keep Section 15-10 printed in the  
18 English and Spanish languages and framed and posted in a  
19 prominent and conspicuous position in its place of business,  
20 so that the same shall be plainly legible and visible to all  
21 persons depositing or pledging property with such pawnbroker.

22 Section 15-20. Disclosure of article description and pawn  
23 terms.

24 (a) Every pawnbroker shall, at the time of making any

1 advancement or pawn, deliver to the person pawning or pledging  
2 any property, a memorandum, contract, or note signed by the  
3 person pawning the property containing an accurate account and  
4 description, in the English language, of the following:

5 (1) All the goods, articles or other things pawned or  
6 pledged.

7 (2) The amount of money and the time of pledging the  
8 same.

9 (3) The rate of interest to be paid on the pawn.

10 (4) The name and residence of the person making the  
11 pawn or pledge.

12 (5) The dollar amount of any fees as specified in  
13 Section 15-10.

14 (6) A disclosure that by extending the pawn, the fees  
15 may exceed the value of the item pawned.

16 (b) The Secretary may adopt rules prescribing the form and  
17 content of the disclosures required by subsection (a).

18 Section 15-25. Record requirements.

19 (a) Except in municipalities located in counties having  
20 3,000,000 or more inhabitants, every pawnbroker shall keep a  
21 standard record book that has been approved by the sheriff of  
22 the county in which the pawnbroker does business. In  
23 municipalities in counties with 3,000,000 or more inhabitants,  
24 the record book shall be approved by the police department of  
25 the municipality in which the pawnbroker does business. At the

1 time of each and every pawn or purchase, an accurate account  
2 and description, in the English language, of each of the items  
3 listed in subsection (a) of Section 15-20 shall be printed,  
4 typed, or written in ink in the record book. Such entry shall  
5 include the serial number or identification number of items  
6 received that bear such number. Except for items purchased  
7 from dealers possessing a federal employee identification  
8 number who have provided a receipt to the pawnbroker, every  
9 pawnbroker shall also record in his book, an accurate account  
10 and description, in the English language, of all goods,  
11 articles, and other things purchased or received for the  
12 purpose of resale or items pawned by the pawnbroker from any  
13 source, including other pawnshop locations owned by the same  
14 pawnbroker, not in the course of a pledge or pawn, the time of  
15 such purchase or receipt and the name and address of the person  
16 or business which sold or delivered such goods, articles, or  
17 other things to the pawnbroker. No entry in such book shall be  
18 erased, mutilated, or changed.

19 (b) Every pawnbroker shall require identification to be  
20 shown by each person selling or pawning any goods, articles,  
21 or other things to the pawnbroker. If the identification shown  
22 is a driver's license, State identification card, or consular  
23 identification card and contains a photograph of the person  
24 being identified, only one form of identification must be  
25 shown. If the identification shown is not a driver's license,  
26 State identification card, or consular identification card or

1 does not contain a photograph, 2 forms of identification must  
2 be shown, and one of the 2 forms of identification must include  
3 the person's residence address. These forms of identification  
4 shall include, but not be limited to, any of the following:  
5 passport, driver's license, social security card, utility  
6 bill, employee or student identification card, credit card, or  
7 a civic, union, or professional association membership card.  
8 In addition, in a municipality with a population of 1,000,000  
9 or more inhabitants, if the customer does not have an  
10 identification issued by a governmental entity containing a  
11 photograph of the person being identified, the pawnbroker  
12 shall photograph the customer in color and record the  
13 customer's name, residence address, date of birth, gender,  
14 height, and weight along with the photograph.

15 (c) A county or municipality, including a home rule unit,  
16 may regulate a pawnbroker's identification requirements for  
17 persons pledging or pawning goods, articles, or other things  
18 to the pawnbroker in a manner that is not less restrictive than  
19 the regulation by this State of a pawnbroker's identification  
20 requirements for persons pledging or pawning goods, articles,  
21 or other things. A home rule unit may not regulate a  
22 pawnbroker's identification requirements for persons pledging  
23 or pawning goods, articles, or other things to the pawnbroker  
24 in a manner less restrictive than the regulation by this State  
25 of a pawnbroker's identification requirements for persons  
26 selling or pawning goods, articles, or other things. This

1 Section is a limitation under subsection (i) of Section 6 of  
2 Article VII of the Illinois Constitution on the concurrent  
3 exercise by home rule units of the powers and functions  
4 exercised by this State.

5 (d) A pawnbroker may maintain the records required by  
6 subsection (a) in computer form if the computer form has been  
7 approved by the Secretary or his or her designee, the sheriff  
8 of the county in which the shop is located, and the police  
9 department of the municipality in which the shop is located.

10 (e) Records, including reports to the Secretary or his or  
11 her designee, maintained by pawnbrokers shall be confidential,  
12 and no disclosure of pawnbroker records shall be made, except  
13 disclosures authorized by this Act or ordered by a court of  
14 competent jurisdiction. No record transferred to a  
15 governmental official shall be improperly disclosed, however,  
16 use of those records as evidence of a felony or misdemeanor  
17 shall be a proper purpose.

18 (f) Pawnbrokers and their associations may lawfully give  
19 appropriate governmental agencies computer equipment for the  
20 purpose of transferring information pursuant to this Act.

21 Section 15-30. Replacement of articles or property;  
22 insurance.

23 (a) If any articles or property pledged are lost or  
24 rendered inoperable, the pawnbroker shall replace the articles  
25 or property with identical articles or property, except that

1 if the pawnbroker cannot reasonably obtain identical articles  
2 or property, the pawnbroker shall replace the articles or  
3 property with like articles or property.

4 (b) No pawnbroker shall conduct business in this State,  
5 unless the pawnbroker maintains insurance coverage covering  
6 all hazards equal to at least 2 times the aggregate value of  
7 the outstanding pawns for items held in pawn. Such insurance  
8 shall be obtained from an insurance company authorized to do  
9 business in Illinois.

10 (c) The pawnbroker shall file a copy of proof of insurance  
11 coverage with the Secretary. A pawnbroker or an insurance  
12 company shall not cancel the insurance coverage, except upon  
13 notice to the Secretary by certified mail, return receipt  
14 requested. The cancellation is not effective until 30 days  
15 after the Secretary receives the notice.

16 Section 15-35. Minors. No pawnbroker shall purchase, take,  
17 or receive any pawn, any property of any kind from any minor  
18 who is under 18 years of age, or the ownership of which is in,  
19 or which is claimed by, any such minor, or which may be in the  
20 possession or under the control of any such minor.

21 Section 15-40. Intoxicated persons; persons convicted of  
22 theft. No pawnbroker shall knowingly or recklessly purchase or  
23 take any article in pawn or purchase from any person appearing  
24 to be intoxicated, nor from any person known to have been

1 convicted of theft. A law enforcement officer may provide such  
2 criminal conviction information to a pawnbroker. Such  
3 information must be provided in writing.

4 Section 15-45. Altered property; serial number and  
5 manufacturer's identification number.

6 (a) No pawnbroker shall receive or purchase any article if  
7 the manufacturer's make, model, or serial number, personal  
8 identification number, or identifying marks engraved or etched  
9 upon an item of personal property has been removed, altered,  
10 or obliterated.

11 (b) The prohibition in subsection (a) does not apply if  
12 the article's manufacturer's make, model, or serial number,  
13 personal identification number, or identifying marks have been  
14 worn in the ordinary course of use. However, no article  
15 described in this subsection (b) shall be sold or transferred  
16 to another pawnshop location of such pawnbroker for a period  
17 of 15 days after the delivery of the copy and statement  
18 required by subsection (b) of Section 10-25 required to be  
19 delivered to the officer or officers named therein.

20 Section 15-50. Sale of property.

21 (a) No personal property pledged or received on deposit by  
22 any pawnbroker shall be permitted to be redeemed from such  
23 pawnbroker for a period of 48 hours after the delivery of the  
24 copy and statement required by subsection (b) of Section 10-25

1 to be delivered to the officer or officers named therein.

2 (b) No personal property purchased by any pawnbroker shall  
3 be sold or removed from the place of business or transferred to  
4 another pawnshop location of such pawnbroker for a period of  
5 10 days after the delivery of the copy and statement required  
6 by subsection (b) of Section 10-25 to be delivered to the  
7 officer or officers named therein.

8 (c) If the pawner fails to repay or extend the pawn during  
9 the period specified on the pawn ticket, the pawnbroker shall  
10 automatically extend a grace period of 30 days after the  
11 default date on the pawn during which the pawnbroker shall not  
12 dispose of or sell the personal property pawned. The parties  
13 may agree to extend or renew a pawn upon terms agreed upon by  
14 the parties, if the terms comply with the requirements of this  
15 Act. Title to the pledged property transfers to the pawnbroker  
16 after the default date grace period expires or upon expiration  
17 of an agreed extension.

18 (d) A county or municipality, including a home rule unit,  
19 may regulate holding periods in a manner that is more  
20 restrictive than the regulation provided in this Section.

21 (e) A home rule unit may not regulate the holding periods  
22 in this Section in a manner less restrictive than the  
23 regulation by this State. This Section is a limitation under  
24 subsection (i) of Section 6 of Article VII of the Illinois  
25 Constitution on the concurrent exercise by home rule units of  
26 the powers and functions exercised by this State.



1 Section 15-55. Hold order.

2 (a) For the purposes of this Section, "hold order" means a  
3 written legal instrument issued to a pawnbroker by a law  
4 enforcement officer commissioned by the law enforcement agency  
5 of the municipality or county that licenses and regulates the  
6 pawnbroker, evidencing a criminal law enforcement  
7 investigation, and ordering the pawnbroker to retain physical  
8 possession of pawned goods in the possession of the pawnbroker  
9 or property purchased by and in the possession of the  
10 pawnbroker and to not return, sell, or otherwise dispose of  
11 such property as such property is believed to be  
12 misappropriated goods.

13 (b) Upon written notice from a law enforcement officer  
14 indicating that property in the possession of a pawnbroker and  
15 subject to a hold order is needed for the purpose of furthering  
16 a criminal investigation and prosecution, the pawnbroker shall  
17 release the property subject to the hold order to the custody  
18 of the law enforcement officer for such purpose and the law  
19 enforcement officer shall provide a written acknowledgment  
20 that the property has been released to the officer. The  
21 release of the property to the custody of the law enforcement  
22 officer shall not be considered a waiver or release of the  
23 pawnbroker's property rights or interest in the property. Upon  
24 completion of the criminal investigation, the property shall  
25 be returned to the pawnbroker who consented to its release;

1 except that:

2 (1) if the criminal investigation took place within a  
3 county or counties with a population of less than 300,000  
4 and that investigation:

5 (A) has determined that the property is stolen  
6 property,

7 (B) has determined that the fair market value of  
8 the stolen property is \$500 or less,

9 (C) has identified the rightful owner of the  
10 stolen property, and

11 (D) contains a court-admissible sworn statement by  
12 the rightful owner that they are the true owners of the  
13 stolen property, then law enforcement shall return the  
14 property to that owner without the payment of the  
15 money advanced by the pawnbroker or any costs or  
16 charges of any kind that the pawnbroker may have  
17 placed upon the same; or

18 (2) if the criminal investigation took place within a  
19 county or counties with a population of more than 300,000  
20 and that investigation:

21 (A) has determined that the property is stolen  
22 property,

23 (B) has determined that the then-fair market value  
24 of the stolen property is \$1,000 or less,

25 (C) has identified the rightful owner of the  
26 stolen property, and

1           (D) contains a court-admissible sworn statement by  
2           the rightful owner that they are the true owners of the  
3           stolen property, then law enforcement shall return the  
4           property to that owner without the payment of the  
5           money advanced by the pawnbroker or any costs or  
6           charges of any kind that the pawnbroker may have  
7           placed upon the same.

8           (c) After the return of said property, the pawnbroker  
9           shall not be liable to any private person or government entity  
10          for any further claims on the returned property. Law  
11          enforcement shall provide all information related to such  
12          persons involved in the investigation to the pawnbroker,  
13          including the investigative report, without the need for a  
14          subpoena, court order, or further legal action of government  
15          filing. The hold order shall expire on the 120th day after it  
16          is issued, at which time the pawnbroker may exercise its  
17          rights under any applicable pawn ticket or extension. If the  
18          law enforcement officer has not completed the criminal  
19          investigation within 120 days after the issuance of the hold  
20          order, the officer shall immediately return any property in  
21          law enforcement custody to the pawnbroker or obtain and  
22          furnish to the pawnbroker a warrant for a maximum 120-day hold  
23          order extension and, as applicable, continued law enforcement  
24          custody of the property.

25          The pawnbroker shall not release or dispose of the  
26          property, except pursuant to a court order or the expiration

1 of the holding period of the hold order, including all  
2 extensions.

3 In cases where criminal charges have been filed and the  
4 property may be needed as evidence, the prosecuting attorney  
5 shall notify the pawnbroker in writing. The notice shall  
6 contain the case number, the style of the case, and a  
7 description of the property. The pawnbroker shall hold the  
8 property until receiving notice of the disposition of the case  
9 from the prosecuting attorney. The prosecuting attorney shall  
10 notify the pawnbroker and claimant in writing within 15 days  
11 after the disposition of the case.

12 (d) A hold order, and a foregoing notice of criminal  
13 charges, must specify:

14 (1) the name and address of the pawnbroker;

15 (2) the law enforcement investigation number, the  
16 name, title, and identification number of the law  
17 enforcement officer placing the hold order or the court  
18 placing the hold order;

19 (3) a complete description of the property to be held,  
20 including model number and serial number if available, to  
21 law enforcement;

22 (4) the name of the alleged owner or person reporting  
23 the alleged misappropriated property, unless otherwise  
24 prohibited by law;

25 (5) the mailing address of the pawnbroker where the  
26 property is held; and

1           (6) the issuance and expiration date of the holding  
2           period.

3           (e) The pawnbroker or the pawnbroker's representative must  
4           sign and date a copy of the hold order as evidence of receipt  
5           of the hold order and the beginning of the 120-day holding  
6           period.

7                           Article 20. Consumer Fraud Protections

8           Section 20-5. Enforcement; Consumer Fraud and Deceptive  
9           Business Practices Act. The Attorney General may enforce a  
10          violation of Article 15 of this Act as an unlawful practice  
11          under the Consumer Fraud and Deceptive Business Practices Act.

12                           Article 25. Transition provisions

13          Section 25-5. Savings provisions.

14          (a) This Act is intended to replace the Pawnbroker  
15          Regulation Act in all respects.

16          (b) Beginning on the effective date of this Act, the  
17          rights, powers, and duties exercised by the Department of  
18          Financial and Professional Regulation under the Pawnbroker  
19          Regulation Act shall continue to be vested in, to be the  
20          obligation of, and to be exercised by the Department of  
21          Financial and Professional Regulation under the provisions of  
22          this Act.



1           Section 90-5. The Division of Banking Act is amended by  
2 changing Sections 2.5 and 5 as follows:

3           (20 ILCS 3205/2.5)

4           Sec. 2.5. Prohibited activities.

5           (a) For the purposes of this Section, "regulated entity"  
6 means any person, business, company, corporation, institution,  
7 or other entity who is subject to regulation by the Office of  
8 Banks and Real Estate under Sections 3 and 46 of the Illinois  
9 Banking Act, Section 1-5 of the Illinois Savings and Loan Act  
10 of 1985, Section 1004 of the Savings Bank Act, Section 1-3 of  
11 the Residential Mortgage License Act of 1987, Section 2-4 of  
12 the Corporate Fiduciary Act, Section 3.02 of the Illinois Bank  
13 Holding Company Act of 1957, the Savings and Loan Share and  
14 Account Act, ~~Section 1.5 of~~ the Pawnbroker Regulation Act of  
15 2023, Section 3 of the Foreign Banking Office Act, or Section  
16 30 of the Electronic Fund Transfer Act.

17           (b) The Commissioner and the deputy commissioners shall  
18 not be an officer, director, employee, or agent of a regulated  
19 entity or of a corporation or company that owns or controls a  
20 regulated entity.

21           The Commissioner and the deputy commissioners shall not  
22 own shares of stock or hold any other equity interest in a  
23 regulated entity or in a corporation or company that owns or  
24 controls a regulated entity. If the Commissioner or a deputy

1 commissioner owns shares of stock or holds an equity interest  
2 in a regulated entity at the time of appointment, he or she  
3 shall dispose of such shares or other equity interest within  
4 120 days from the date of appointment.

5 The Commissioner and the deputy commissioners shall not  
6 directly or indirectly obtain a loan from a regulated entity  
7 or accept a gratuity from a regulated entity that is intended  
8 to influence the performance of official duties.

9 (c) Employees of the Office of Banks and Real Estate shall  
10 not be officers, directors, employees, or agents of a  
11 regulated entity or of a corporation or company that owns or  
12 controls a regulated entity.

13 Except as provided by standards which the Office of Banks  
14 and Real Estate may establish, employees of the Office of  
15 Banks and Real Estate shall not own shares of stock or hold any  
16 other equity interest in a regulated entity or in a  
17 corporation or company that owns or controls a regulated  
18 entity, or directly or indirectly obtain a loan from a  
19 regulated entity, or accept a gratuity from a regulated entity  
20 that is intended to influence the performance of official  
21 duties. However, in no case shall an employee of the Office of  
22 Banks and Real Estate participate in any manner in the  
23 examination or direct regulation of a regulated entity in  
24 which the employee owns shares of stock or holds any other  
25 equity interest, or which is servicing a loan to which the  
26 employee is an obligor.



1 (d) If the Commissioner, a deputy commissioner, or any  
2 employee of the Office of Banks and Real Estate properly  
3 obtains a loan or extension of credit from an entity that is  
4 not a regulated entity, and the loan or extension of credit is  
5 subsequently acquired by a regulated entity or the entity  
6 converts to become a regulated entity after the loan is made,  
7 such purchase by or conversion to a regulated entity shall not  
8 cause the loan or extension of credit to be deemed a violation  
9 of this Section.

10 Nothing in this Section shall be deemed to prevent the  
11 ownership of a checking account, a savings deposit account, a  
12 money market account, a certificate of deposit, a credit or  
13 debit card account, or shares in open-end investment companies  
14 registered with the Securities and Exchange Commission  
15 pursuant to the federal Investment Company Act of 1940 and the  
16 Securities Act of 1933 (commonly referred to as mutual or  
17 money market funds).

18 (e) No Commissioner, deputy commissioner, employee, or  
19 agent of the Office of Banks and Real Estate shall, either  
20 during or after the holding of his or her term of office or  
21 employment, disclose confidential information concerning any  
22 regulated entity or person except as authorized by law or  
23 prescribed by rule. "Confidential information", as used in  
24 this Section, means any information that the person or officer  
25 obtained during his or her term of office or employment that is  
26 not available from the Office of Banks and Real Estate

1 pursuant to a request under the Freedom of Information Act.

2 (Source: P.A. 97-492, eff. 1-1-12.)

3 (20 ILCS 3205/5) (from Ch. 17, par. 455)

4 Sec. 5. Powers. In addition to all the other powers and  
5 duties provided by law, the Commissioner shall have the  
6 following powers:

7 (a) To exercise the rights, powers and duties formerly  
8 vested by law in the Director of Financial Institutions under  
9 the Illinois Banking Act.

10 (b) To exercise the rights, powers and duties formerly  
11 vested by law in the Department of Financial Institutions  
12 under "An act to provide for and regulate the administration  
13 of trusts by trust companies", approved June 15, 1887, as  
14 amended.

15 (c) To exercise the rights, powers and duties formerly  
16 vested by law in the Director of Financial Institutions under  
17 "An act authorizing foreign corporations, including banks and  
18 national banking associations domiciled in other states, to  
19 act in a fiduciary capacity in this state upon certain  
20 conditions herein set forth", approved July 13, 1953, as  
21 amended.

22 (c-5) To exercise all of the rights, powers, and duties  
23 granted to the Director or Secretary under the Illinois  
24 Banking Act, the Corporate Fiduciary Act, the Electronic Fund  
25 Transfer Act, the Illinois Bank Holding Company Act of 1957,

1 the Savings Bank Act, the Illinois Savings and Loan Act of  
2 1985, the Savings and Loan Share and Account Act, the  
3 Residential Mortgage License Act of 1987, and the Pawnbroker  
4 Regulation Act of 2023.

5 (c-15) To enter into cooperative agreements with  
6 appropriate federal and out-of-state state regulatory agencies  
7 to conduct and otherwise perform any examination of a  
8 regulated entity as authorized under the Illinois Banking Act,  
9 the Corporate Fiduciary Act, the Electronic Fund Transfer Act,  
10 the Illinois Bank Holding Company Act of 1957, the Savings  
11 Bank Act, the Illinois Savings and Loan Act of 1985, the  
12 Residential Mortgage License Act of 1987, and the Pawnbroker  
13 Regulation Act of 2023.

14 (d) Whenever the Commissioner is authorized or required by  
15 law to consider or to make findings regarding the character of  
16 incorporators, directors, management personnel, or other  
17 relevant individuals under the Illinois Banking Act, the  
18 Corporate Fiduciary Act, the Pawnbroker Regulation Act of  
19 2023, or at other times as the Commissioner deems necessary  
20 for the purpose of carrying out the Commissioner's statutory  
21 powers and responsibilities, the Commissioner shall consider  
22 criminal history record information, including nonconviction  
23 information, pursuant to the Criminal Identification Act. The  
24 Commissioner shall, in the form and manner required by the  
25 Illinois State Police and the Federal Bureau of Investigation,  
26 cause to be conducted a criminal history record investigation

1 to obtain information currently contained in the files of the  
2 Illinois State Police or the Federal Bureau of Investigation,  
3 provided that the Commissioner need not cause additional  
4 criminal history record investigations to be conducted on  
5 individuals for whom the Commissioner, a federal bank  
6 regulatory agency, or any other government agency has caused  
7 such investigations to have been conducted previously unless  
8 such additional investigations are otherwise required by law  
9 or unless the Commissioner deems such additional  
10 investigations to be necessary for the purposes of carrying  
11 out the Commissioner's statutory powers and responsibilities.  
12 The Illinois State Police shall provide, on the Commissioner's  
13 request, information concerning criminal charges and their  
14 disposition currently on file with respect to a relevant  
15 individual. Information obtained as a result of an  
16 investigation under this Section shall be used in determining  
17 eligibility to be an incorporator, director, management  
18 personnel, or other relevant individual in relation to a  
19 financial institution or other entity supervised by the  
20 Commissioner. Upon request and payment of fees in conformance  
21 with the requirements of Section 2605-400 of the Illinois  
22 State Police Law, the Illinois State Police is authorized to  
23 furnish, pursuant to positive identification, such information  
24 contained in State files as is necessary to fulfill the  
25 request.

26 (e) When issuing charters, permits, licenses, or other

1 authorizations, the Commissioner may impose such terms and  
2 conditions on the issuance as he deems necessary or  
3 appropriate. Failure to abide by those terms and conditions  
4 may result in the revocation of the issuance, the imposition  
5 of corrective orders, or the imposition of civil money  
6 penalties.

7 (f) If the Commissioner has reasonable cause to believe  
8 that any entity that has not submitted an application for  
9 authorization or licensure is conducting any activity that  
10 would otherwise require authorization or licensure by the  
11 Commissioner, the Commissioner shall have the power to  
12 subpoena witnesses, to compel their attendance, to require the  
13 production of any relevant books, papers, accounts, and  
14 documents, and to conduct an examination of the entity in  
15 order to determine whether the entity is subject to  
16 authorization or licensure by the Commissioner or the  
17 Division. If the Secretary determines that the entity is  
18 subject to authorization or licensure by the Secretary, then  
19 the Secretary shall have the power to issue orders against or  
20 take any other action, including initiating a receivership  
21 against the unauthorized or unlicensed entity.

22 (g) The Commissioner may, through the Attorney General,  
23 request the circuit court of any county to issue an injunction  
24 to restrain any person from violating the provisions of any  
25 Act administered by the Commissioner.

26 (h) Whenever the Commissioner is authorized to take any

1 action or required by law to consider or make findings, the  
2 Commissioner may delegate or appoint, in writing, an officer  
3 or employee of the Division to take that action or make that  
4 finding.

5 (i) Whenever the Secretary determines that it is in the  
6 public's interest, he or she may publish any cease and desist  
7 order or other enforcement action issued by the Division.

8 (Source: P.A. 102-538, eff. 8-20-21.)

9 (205 ILCS 510/Act rep.)

10 Section 90-10. The Pawnbroker Regulation Act is repealed.

11 Section 90-15. The Uniform Commercial Code is amended by  
12 changing Section 9-201 as follows:

13 (810 ILCS 5/9-201) (from Ch. 26, par. 9-201)

14 Sec. 9-201. General effectiveness of security agreement.

15 (a) General effectiveness. Except as otherwise provided in  
16 the Uniform Commercial Code, a security agreement is effective  
17 according to its terms between the parties, against purchasers  
18 of the collateral, and against creditors.

19 (b) Applicable consumer laws and other law. A transaction  
20 subject to this Article is subject to any applicable rule of  
21 law, statute, or regulation which establishes a different rule  
22 for consumers, including:

23 (1) the Retail Installment Sales Act;

- 1 (2) the Motor Vehicle Retail Installment Sales Act;
- 2 (3) Article II of Chapter 3 of the Illinois Vehicle
- 3 Code;
- 4 (4) Article IIIB of the Boat Registration and Safety
- 5 Act;
- 6 (5) the Pawnbroker Regulation Act of 2023;
- 7 (6) the Motor Vehicle Leasing Act;
- 8 (7) the Consumer Installment Loan Act; and
- 9 (8) the Consumer Deposit Security Act of 1987.

10 (c) Other applicable law controls. In case of conflict  
11 between this Article and a rule of law, statute, or regulation  
12 described in subsection (b), the rule of law, statute, or  
13 regulation controls. Failure to comply with a rule of law,  
14 statute, or regulation described in subsection (b) has only  
15 the effect such rule of law, statute, or regulation specifies.

16 (d) Further deference to other applicable law. This  
17 Article does not:

18 (1) validate any rate, charge, agreement, or practice  
19 that violates a rule of law, statute, or regulation  
20 described in subsection (b); or

21 (2) extend the application of the rule of law,  
22 statute, or regulation to a transaction not otherwise  
23 subject to it.

24 (Source: P.A. 91-893, eff. 7-1-01.)

25 Section 90-20. The Consumer Fraud and Deceptive Business

1 Practices Act is amended by adding Section 2BBBB as follows:

2 (815 ILCS 505/2BBBB new)

3 Sec. 2BBBB. Violations of the Pawnbroker Regulation Act of  
4 2023. Any person who violates Article 15 of the Pawnbroker  
5 Regulation Act of 2023 commits an unlawful practice within the  
6 meaning of this Act.

7 Article 99. Severability; Effective Date

8 Section 99-97. Severability. The provisions of this Act  
9 are severable under Section 1.31 of the Statute on Statutes.

10 Section 99-99. Effective date. This Act takes effect upon  
11 becoming law.".