

1 AN ACT concerning financial services.

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

4 Section 5. The Illinois Financial Services Development  
5 Act is amended by changing Section 5 as follows:

6 (205 ILCS 675/5) (from Ch. 17, par. 7005)

7 Sec. 5. Interest charges. A financial institution may  
8 charge and collect interest under a revolving credit plan on  
9 outstanding unpaid indebtedness in the borrower's account  
10 under the plan at such periodic percentage rate applicable to  
11 all outstanding unpaid indebtedness ~~or-rates~~ as the agreement  
12 governing the plan provides or as established in the manner  
13 provided in the agreement governing the plan. A financial  
14 institution may not, at any one time, charge and collect  
15 interest at more than one rate on the unpaid outstanding  
16 indebtedness in the borrower's account. If the agreement  
17 governing the revolving credit plan so provides, the periodic  
18 percentage rate ~~or-rates~~ of interest under such plan may vary  
19 in accordance with a schedule or formula. Such periodic  
20 percentage rate ~~or--rates~~ may vary from time to time as the  
21 rate determined in accordance with such schedule or formula  
22 varies and such periodic percentage rate ~~or-rates~~, as so  
23 varied, may be made applicable to all outstanding unpaid  
24 indebtedness under the plan on or after the effective date of  
25 such variation, including any such indebtedness arising out  
26 of purchases made or loans obtained prior to such variation  
27 in the periodic percentage rate ~~or-rates~~. If the applicable  
28 periodic percentage rate under the agreement governing the  
29 plan is other than daily, periodic interest may be calculated  
30 on an amount not in excess of the average of outstanding  
31 unpaid indebtedness for the applicable billing period,

1 determined by dividing the total of the amounts of  
2 outstanding unpaid indebtedness for each day in the  
3 applicable billing period by the number of days in the  
4 billing period. If the applicable periodic percentage rate  
5 under the agreement governing the plan is monthly, a billing  
6 period shall be deemed to be a month or monthly if the last  
7 day of each billing period is on the same day of each month  
8 or does not vary by more than 4 days therefrom.

9 (Source: P.A. 85-1432.)