

1 amended pursuant to this Section so provide, any amendment
2 may, on and after the date upon which it becomes effective as
3 to a particular borrower, apply to all then outstanding
4 unpaid indebtedness in the borrower's account under the plan,
5 including any such indebtedness which shall have arisen out
6 of purchases made or loans obtained prior to the effective
7 date of the amendment.

8 (c) If such amendment has the effect of increasing the
9 interest or other charges to be paid by the borrower, the
10 financial institution shall mail or deliver to the borrower,
11 at least 30 days before the effective date of the amendment,
12 a clear and conspicuous written notice which shall:

13 (1) describe the amendment and the existing term or
14 terms of the agreement affected by the amendment,

15 (2) set forth the effective date of the amendment,

16 (3) state whether or not the amendment will apply
17 to the outstanding unpaid indebtedness as of the
18 effective date of the amendment,

19 (4) state that absent the borrower's ~~written~~ notice
20 in writing or by telephone to the financial institution
21 within 30 days of the earlier of the mailing or delivery
22 of the notice of amendment that the borrower does not
23 agree to accept the amendment, the amendment will become
24 effective and apply to the borrower's account, and

25 (5) provide an address and telephone number to
26 which the borrower may send or call in notice of the
27 borrower's election not to accept the amendment, and
28 include An addressed postcard shall be included so that
29 the borrower may return it to the financial institution
30 for that purpose.

31 If the borrower provides notice in writing or by
32 telephone as described in paragraph (4), within 30 days
33 following the effective date of the amendment, the amendment
34 shall be revoked as of the end of the 30-day period,

1 permitting the borrower to pay the outstanding unpaid
 2 indebtedness in the borrower's account under the plan in
 3 accordance with the terms of the agreement governing the plan
 4 without giving effect to the amendment. As a condition to the
 5 effectiveness of the borrower's notice not to accept the
 6 amendment, the financial institution may require the borrower
 7 to return all credit devices.

8 Any borrower who gives a timely notice electing not to
 9 accept the amendment shall be permitted to pay the
 10 outstanding unpaid indebtedness in the borrower's account
 11 under the plan in accordance with the terms of the agreement
 12 governing the plan without giving effect to the amendment.

13 Notwithstanding the financial institution's receipt of
 14 the borrower's notice under item (4) that the borrower does
 15 not accept the amendment, the amendment shall be deemed to
 16 have been accepted and effective with respect to the borrower
 17 and the borrower's account if the borrower uses the credit
 18 device to obtain credit under the credit plan on or after the
 19 effective date of the amendment, and the amendment shall be
 20 deemed effective as of the effective date originally
 21 disclosed by the financial institution.

22 (c-5) If such amendment results in an unfavorable change
 23 in the interest or other charges on a revolving credit plan,
 24 does not affect all or a substantial portion of a class of
 25 the creditor's accounts, and does not relate to inactivity,
 26 default, or delinquency as to the account, the financial
 27 institution shall mail or deliver to the borrower, at least
 28 30 days before the effective date of the amendment, a clear
 29 and conspicuous written notice that shall:

- 30 (1) contain a statement of the action taken,
- 31 (2) contain the name, address, and telephone number
 32 of the creditor,
- 33 (3) provide a statement of specific reasons for the
 34 action taken.

1 (4) state that absent the borrower's notice in
2 writing or by telephone to the financial institution,
3 within 30 days of the earlier of the mailing or delivery
4 of the notice of amendment, that the borrower does not
5 agree to accept the amendment, the amendment will become
6 effective and apply to the borrower's account, and

7 (5) provide an address and telephone number to
8 which the borrower may send or call in notice of the
9 borrower's election not to accept the amendment. An
10 addressed postcard shall be included so that the borrower
11 may return it to the financial institution for that
12 purpose.

13 If the borrower provides notice in writing or by
14 telephone as described in paragraph (4), within 30 days
15 following the effective date of the amendment, the amendment
16 shall be revoked as of the end of the 30-day period,
17 permitting the borrower to pay the outstanding unpaid
18 indebtedness in the borrower's account under the plan in
19 accordance with the terms of the agreement governing the plan
20 without giving effect to the amendment.

21 (c-10) As a condition to the effectiveness of the
22 borrower's notice not to accept the amendment:

23 (1) the financial institution may require the
24 borrower to return all credit devices;

25 (2) any borrower who gives a timely notice electing
26 not to accept the amendment shall be permitted to pay the
27 outstanding unpaid indebtedness in the borrower's account
28 under the plan in accordance with the terms of the
29 agreement governing the plan without giving effect to the
30 amendment; and

31 (3) notwithstanding the financial institution's
32 receipt of the borrower's notice under subdivision (c)(4)
33 or (c-5)(4) that the borrower does not accept the
34 amendment, the amendment shall be deemed to have been

1 accepted and to be effective with respect to the borrower
 2 and the borrower's account if the borrower uses the
 3 credit device to obtain credit under the credit plan
 4 after 30 days following the effective date, and the
 5 amendment shall be deemed effective as of the effective
 6 date originally disclosed by the financial institution.

7 (d) For purposes of this Section, the following shall
 8 not be deemed an amendment which has the effect of increasing
 9 the interest to be paid by the borrower:

10 (1) a decrease in the required amount of periodic
 11 installment payments; and

12 (2) a change from a daily periodic rate to a
 13 periodic rate other than daily, or from a periodic rate
 14 other than daily to a daily periodic rate, provided that
 15 there is no resulting change in the annual percentage
 16 rate as determined in accordance with the
 17 Truth-in-Lending Act and regulations promulgated
 18 thereunder, as in effect from time to time.

19 (Source: P.A. 88-531.)

20 Section 10. The Tax Refund Anticipation Loan Disclosure
 21 Act is amended by changing Section 10 as follows:

22 (815 ILCS 177/10)

23 Sec. 10. Disclosure requirements. At the time a
 24 borrower applies for a refund anticipation loan, a
 25 facilitator shall disclose to the borrower on a document that
 26 is separate from the loan application:

27 (1) the refund anticipation loan fee schedule;

28 (1.5) the annual percentage rate utilizing a 10-day
 29 time period;

30 (2) the estimated fee for preparing and
 31 electronically filing a tax return;

32 (2.5) the total cost to the borrower for utilizing

1 a refund anticipation loan;

2 (3) the estimated date that the loan proceeds will
3 be paid to the borrower if the loan is approved;

4 (4) that the borrower is responsible for repayment
5 of the loan and related fees in the event the tax refund
6 is not paid or not paid in full; and

7 (5) the availability of electronic filing for the
8 income tax return of the borrower and the average time
9 announced by the federal Internal Revenue Service within
10 which the borrower can expect to receive a refund if the
11 borrower's return is filed electronically and the
12 borrower does not obtain a refund anticipation loan.

13 (Source: P.A. 92-664, eff. 1-1-03.)

14 Section 99. Effective date. This Act takes effect upon
15 becoming law."