Sen. Kimberly A. Lightford

Filed: 5/5/2010

09600HB0537sam004   LRB096 06068 RPM 41297 a

1   AMENDMENT TO HOUSE BILL 537

2   AMENDMENT NO. _____. Amend House Bill 537, AS AMENDED,

3   with reference to page and line numbers of Senate Amendment No.

4   2, as follows:

5   on page 4, line 25, by replacing "financial institution" with

6   "licensee"; and

7   on page 28, by replacing lines 2 through 11 with the following:

8   "No loan shall be made to a consumer who has an outstanding

9   balance on 2 payday loans, except that, for a period of 12

10   months after the effective date of this amendatory Act of the

11   96th General Assembly, consumers with an existing CILA loan may

12   be issued an installment loan issued under this Act from the

13   company from which their CILA loan was issued.

14   (e-5) No lender may charge more than $15.50 per $100 loaned

15   on any payday loan, or more than $15.50 per $100 on the initial

16   principal balance and on the principal balances scheduled to be

1   outstanding during any installment period on any installment

2   payday loan ~~over the term of the loan~~. Except for installment

3   payday loans and except as provided in Section 2-25, this

4   charge is considered fully earned as of the date on which the

5   loan is made. For purposes of determining the finance charge

6   earned on an installment payday loan, the disclosed annual

7   percentage rate shall be applied to the principal balances

8   outstanding from time to time until the loan is paid in full,

9   or until the maturity date, which ever occurs first. No finance

10   charge may be imposed after the final scheduled maturity date.

11   When any loan contract is paid in full, the licensee shall

12   refund any unearned finance charge. The unearned finance charge

13   that is refunded shall be calculated based on a method that is

14   at least as favorable to the consumer as the actuarial method,

15   as defined by the federal Truth in Lending Act. The sum of the

16   digits or rule of 78ths method of calculating prepaid interest

17   refunds is prohibited.".