

# HB4122



## 97TH GENERAL ASSEMBLY

State of Illinois

2011 and 2012

HB4122

by Rep. Michael J. Zalewski

### SYNOPSIS AS INTRODUCED:

205 ILCS 670/17.3

Amends the Consumer Installment Loan Act. Prohibits a licensee from refinancing a small consumer loan during the first 70 days (now, 75 days) of the loan term.

LRB097 18125 PJG 63349 b

A BILL FOR

1 AN ACT concerning regulation.

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

4 Section 5. The Consumer Installment Loan Act is amended by  
5 changing Section 17.3 as follows:

6 (205 ILCS 670/17.3)

7 Sec. 17.3. Small consumer loans; terms.

8 (a) A small consumer loan shall be fully amortizing and be  
9 repayable in its entirety in a minimum of 6 substantially equal  
10 and consecutive payments with a period of not less than 180  
11 days to maturity.

12 (b) No licensee, or employee or affiliate thereof, may  
13 extend to or have open with a consumer more than one small  
14 consumer loan at any time; provided, however, that loans  
15 acquired by a licensee from another licensee are not included  
16 within this prohibition.

17 (c) A licensee is prohibited from refinancing a small  
18 consumer loan during the first 70 ~~75~~ days of the loan term. For  
19 purposes of this Act, a refinancing occurs when an existing  
20 small consumer loan is satisfied and replaced by a new small  
21 consumer loan made to the same consumer by the same licensee or  
22 any employee or affiliate of the licensee.

23 (d) Except for the deferment charge permitted by item (5)

1 of subsection (f) of Section 15, a licensee is prohibited from  
2 collecting any fee, charge, or remuneration of any sort for  
3 renewing, amending, or extending a small consumer loan beyond  
4 its original term.

5 (e) Before entering into a small consumer loan agreement, a  
6 licensee must provide to the consumer a pamphlet, prepared by  
7 the Director, describing general information about consumer  
8 credit and about the consumer's rights and responsibilities in  
9 a small consumer loan transaction. Each small consumer loan  
10 agreement executed by a licensee shall include a statement,  
11 located just above the signature line for the consumer, and  
12 shall provide as follows: "In addition to agreeing to the terms  
13 of this agreement, I acknowledge, by my signature below,  
14 receipt from (name of lender) a pamphlet regarding small  
15 consumer loans."

16 (f) Each small consumer loan agreement entered into between  
17 a licensee and a consumer shall include a notification, in such  
18 loan agreement, of a toll-free number furnished by the  
19 Department of Financial and Professional Regulation, Division  
20 of Financial Institutions that the consumer may contact for the  
21 purpose of receiving information from the Division regarding  
22 credit or assistance with credit problems.

23 (Source: P.A. 96-936, eff. 3-21-11.)