

1 AN ACT concerning financial institutions.

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 6 as follows:

6 (205 ILCS 675/6) (from Ch. 17, par. 7006)

7 Sec. 6. Additional fees and charges.

8 (a) In addition to or in lieu of interest at a periodic  
9 rate or rates as provided in Section 5, and without  
10 limitation of the foregoing Section 4, a financial  
11 institution may, if the agreement governing the revolving  
12 credit plan so provides, charge and collect as interest, in  
13 such manner or form as the plan may provide, an annual or  
14 other periodic fee for the privileges made available to the  
15 borrower under the plan, a transaction charge or charges,  
16 late fees or delinquency charges, returned payment charges,  
17 over limit charges and fees for services rendered.

18 (b) Before assessing a late fee or reporting a  
19 delinquency to a credit reporting agency, a financial  
20 institution must notify the borrower by certified mail and  
21 provide to the borrower a form the borrower may complete and  
22 return to the financial institution to challenge the  
23 determination that the payment was late. If a borrower  
24 challenges a determination that a payment was late, a  
25 financial institution may not impose a late fee or report a  
26 delinquency to a credit reporting agency until the challenged  
27 determination is resolved.

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

29 Section 99. Effective date. This Act takes effect upon  
30 becoming law.