

1 AN ACT creating the Short-term Loan Act.

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

4 Section 1. Short title. This Act may be cited as the
5 Short-term Loan Act.

6 Section 5. Definitions.

7 "Check" means a check, draft, or other negotiable
8 instrument used for payment of money.

9 "Department" means the Department of Financial
10 Institutions.

11 "Director" means the Director of the Department of
12 Financial Institutions.

13 "Interest bearing loan" means a loan in which the debt is
14 expressed as a principal amount plus interest charged on
15 actual unpaid principal balances for the time actually
16 outstanding.

17 "Licensee" means an entity licensed under this Act to
18 provide loan services.

19 "Local Government Authorization Form" means a form
20 prescribed by the Director and signed by the clerk or chief
21 executive officer of the county or municipality in which the
22 licensee is to be located certifying that the applicant for a
23 short-term loan license or license renewal and the location
24 at which the licensee will be located comply with the zoning
25 and all other applicable county or municipal ordinances and
26 regulations.

27 "Net worth" means total assets minus total liabilities.

28 "Outstanding balance" includes principal and interest.

29 "Short-term loan" means a loan that:

30 (1) is made by a lender that does not accept
31 insured deposits;

1 (2) is secured by a post-dated check or by the
2 title to a motor vehicle; and

3 (3) has an initial term of not more than 30 days or
4 upon which interest is charged at an annual percentage
5 rate exceeding 36%.

6 Section 10. License required. No person, partnership,
7 association, limited liability company, corporation, or other
8 business combination or entity may engage in the business of
9 making short-term loans except as authorized by this Act and
10 while licensed under this Act. The identity of the owners of
11 a license under this Act is public information.

12 Section 15. Application; fees; assets; bond.

13 (a) An applicant for a license under this Act shall
14 apply in writing in the form prescribed by the Director. At
15 the time of making the application, the applicant shall pay
16 to the Director \$750 as a non-refundable application fee and
17 \$1,000 as an annual license fee for a period terminating on
18 the last day of the current calendar year. If the application
19 is filed after June 30th in any year, however, the license
20 fee shall be 50% of the annual license fee for the year.

21 (b) An applicant shall prove in form satisfactory to the
22 Director that the applicant has and will maintain
23 unencumbered assets of \$25,000 per location.

24 (c) A licensee shall maintain a surety bond in the
25 principal sum of \$50,000 for each licensed location issued by
26 a bonding company authorized to do business in this State and
27 approved by the Director. The bond shall run to the Director
28 and shall be for the benefit of any person who is lawfully
29 awarded damages pursuant to an appropriate court order as a
30 result of the actions of the licensee arising out of a
31 violation of this Act. If the Director finds at any time that
32 a bond is of insufficient size or is insecure, exhausted, or

1 otherwise doubtful, an additional bond in such amount as
2 determined by the Director shall be filed by the licensee
3 within 30 days after written demand therefor by the Director.

4 (d) An applicant shall provide a completed Local
5 Government Authorization Form signed by the clerk or chief
6 executive officer of the county or municipality in which the
7 licensee is to be established with any application for a
8 license, license renewal, or relocation. The applicant shall
9 cause a notice of the application to be published in a
10 newspaper of general circulation in the community in which
11 the licensee will be located.

12 (e) Upon the request of 5 members of the public or upon
13 the order of the Director, the Department must hold a hearing
14 regarding the issuance of a license.

15 Section 20. Granting of license.

16 (a) The Director shall not issue a license for the
17 location described in the application if he or she finds any
18 of the following to exist:

19 (1) a director, managerial employee, collection
20 agent, partner, or officer of the applicant has been
21 convicted of a felony;

22 (2) the location fails to conform to local zoning
23 laws with respect to location, structural, aesthetic, or
24 other requirements;

25 (3) the location is within one mile of a facility
26 operated by an inter-track wagering location licensee or
27 an organization licensee subject to the Illinois Horse
28 Racing Act of 1975, is within one mile of a facility at
29 which gambling is conducted under the Riverboat Gambling
30 Act, is within one mile of the location at which a
31 riverboat subject to the Riverboat Gambling Act docks, or
32 is within one mile of the main or branch campus of a
33 public or private college or university that provides

1 student housing or student residences; or

2 (4) the applicant has failed to submit a completed
3 Local Government Authorization Form.

4 (b) A licensee must obtain written approval from the
5 Director before relocating a licensed office.

6 (c) A licensee shall prominently display at each
7 licensed location a notice disclosing that the licensee is
8 regulated by the Department of Financial Institutions and
9 that any questions regarding licensing or the availability of
10 debt management services should be directed to the Department
11 at the telephone number specified in the notice. The notice
12 shall disclose a schedule of all fees and interest to be
13 charged, including the corresponding interest rate and the
14 interest rate as an annual percentage rate, for loans payable
15 in 14 days, for loans payable in 30 days, and for any other
16 loan duration term for which the licensee issues loans. The
17 notice shall also disclose that the licensee cannot use the
18 criminal justice system to collect a short-term loan. The
19 notice shall also inform the consumer of the options with
20 respect to receiving the loan proceeds.

21 Section 25. License renewal.

22 (a) A license under this Act expires on December 31 of
23 each year. At the time the licensee applies for license
24 renewal, the licensee shall submit to the Department, as
25 part of the license renewal application, an annual summary of
26 the following information:

27 (1) the number of loans made that were secured by
28 the title to a motor vehicle;

29 (2) the number of vehicle repossessions as a result
30 of default on a loan secured by a title to a motor
31 vehicle;

32 (3) the number of loans made that were secured by a
33 post-dated check;

1 (4) the number of loans made that were secured by a
2 post-dated check that resulted in default;

3 (5) a sworn statement that the licensee has not
4 used in the past and will not directly or indirectly use
5 in the future the criminal process to collect the payment
6 of short-term loans or any civil process to collect the
7 payment of short term loans not generally available to
8 creditors to collect on loans in default; and

9 (6) any other information the Department deems
10 appropriate.

11 (b) A license must be renewed on forms prescribed by the
12 Director no later than November 30 of each year. The
13 applicant shall cause a notice of the renewal application to
14 be published in a newspaper of general circulation in the
15 community in which the licensee is located.

16 (c) A license not renewed by December 31 shall be
17 considered canceled without the licensee being entitled to a
18 hearing.

19 (d) The Director may not renew a license for a location
20 that due to a change in circumstances, including the
21 enactment of a local zoning ordinance, since the original
22 issuance or most recent renewal:

23 (1) has a director, managerial employee, collection
24 agent, partner, or officer of the applicant that has been
25 convicted of a felony;

26 (2) is within one mile of a facility operated by an
27 inter-track wagering location licensee or an organization
28 licensee subject to the Illinois Horse Racing Act of
29 1975, is within one mile of a facility at which gambling
30 is conducted under the Riverboat Gambling Act, is within
31 one mile of the location at which a riverboat subject to
32 the Riverboat Gambling Act docks, or is within one mile
33 of the main or branch campus of a public or private
34 college or university which provides student housing or

1 student residences; or

2 (3) fails to provide a completed Local Government
3 Authorization Form.

4 (e) Upon the request of 5 members of the public or upon
5 the order of the Director, the Department must hold a hearing
6 regarding the issuance or renewal of a license.

7 Section 30. Annual report.

8 (a) A licensee must file a report with the Director no
9 later than March 31 each year on forms prescribed by the
10 Director. The report must disclose for the immediately
11 preceding calendar year all of the following information:

12 (1) The resources, assets, and liabilities of the
13 licensee at the beginning and end of the year.

14 (2) The income, expenses, gain, loss, and a
15 reconciliation of surplus or net worth with the balance
16 sheets, and the ratios of the profits to the assets
17 reported.

18 (3) The total number of deferred deposit loans made
19 in the year.

20 (4) The total number of those loans outstanding as
21 of December 31 of the year.

22 (5) The minimum, maximum, and average dollar amount
23 of checks the deposit of which was deferred during the
24 year.

25 (6) The average annual percentage rate and the
26 average number of days a deposit of a check is deferred
27 during the year.

28 (7) The total number and dollar amount of returned
29 checks, the total number and dollar amount of checks
30 recovered, and the total number and dollar amount of
31 checks charged off during the year.

32 (b) Reports filed under this Section must be made
33 available to the public.

1 Section 35. Multiple licenses to same licensee. No more
2 than one place of business shall be maintained under the same
3 license, but the Director may issue more than one license to
4 the same licensee upon compliance with all of the provisions
5 of this Act governing the original issuance of a license.

6 Section 40. Lending limits and refinancing. A loan
7 secured by a post-dated check may not exceed the lesser of
8 \$500 or 50% of the borrower's net income on a bi-weekly basis
9 in principal amount, and any other loan may not exceed \$2,000
10 in principal amount. A loan made under this Act may be
11 refinanced a maximum number of 2 times, and only when the
12 loan's previous outstanding balance has been reduced by at
13 least 25%. If a loan is secured by a post-dated check, the
14 post-dated check must name the lender as the payee.

15 Section 45. Investigation of conduct of business.

16 (a) For the purpose of discovering violations of this
17 Act or securing information lawfully required by it, the
18 Director may at any time investigate the loans and business
19 and examine the books, accounts, records, and files used
20 therein, of every licensee and of every person, partnership,
21 association, limited liability company, and corporation
22 engaged in the business of making short-term loans, whether
23 such person, partnership, association, limited liability
24 company, or corporation shall act or claim to act as
25 principal or agent or within or without the authority of this
26 Act. For such purpose the Director shall have free access to
27 the offices and places of business, books, accounts, papers,
28 records, files, safes, and vaults of such persons,
29 partnerships, associations, limited liability companies, and
30 corporations. The Director may require the attendance of and
31 examine under oath all persons whose testimony he or she may
32 require relative to such loans or such business, and in such

1 cases the Director shall have power to administer oaths to
2 all persons called as witnesses; and the Director may conduct
3 such examinations.

4 (b) The Director shall make an examination of the
5 affairs, business, office, and records of each licensee at
6 least once each year. The Director shall by rule set the fee
7 to be charged for each examination day, including travel
8 expenses for out-of-state licensed locations. The fee shall
9 reasonably reflect actual costs. The Director shall also have
10 authority to examine the books and records, as the Director
11 deems necessary, of a former licensee that is being
12 liquidated and may charge the examination fees otherwise
13 required for licensees.

14 (c) All books, accounts, records, and files of a
15 licensee shall be available in a computerized or electronic
16 format and shall, at a minimum, provide the following
17 information:

18 (1) the customer's name and the original date of
19 the loan;

20 (2) an indication of whether the transaction
21 recorded is a new loan or a renewal or rollover of an
22 existing loan and, if a renewal or rollover, the date of
23 the renewal or rollover;

24 (3) the number of loan contracts obtained by the
25 borrower, including renewals and rollovers of prior
26 loans;

27 (4) the total finance charges incurred by that
28 customer with respect to the loan transaction; and

29 (5) such other information as the Director may
30 require.

31 Section 50. Contractual disclosures and prohibitions.

32 (a) The loan contract must provide all disclosures
33 required by Regulation Z of the Federal Truth-In-Lending Act.

1 A copy of all loan documents must be given to the borrower.

2 (b) Before or at the time an application is tendered, a
3 licensee must give to the borrower a pamphlet describing the
4 availability of debt management services and the borrower's
5 rights and responsibilities in the transaction and providing
6 a toll-free number through which the borrower can contact the
7 Department of Financial Institutions regarding questions,
8 complaints, and debt management services. The Department
9 shall establish by rule the contents of the pamphlet.

10 (c) The loan contract must include a separate statement
11 signed by the debtor attesting that the debtor does not have
12 any outstanding loans made by a licensee under this Act
13 within the preceding 30 days. The lender must verify the
14 statement by means of any database created by or approved by
15 the Department for that purpose.

16 (d) A licensee who knowingly or recklessly makes a loan,
17 other than the renewal of an original loan, to a borrower who
18 has an outstanding loan made under this Act within the 30
19 days preceding the date the loan is made is guilty of a Class
20 4 felony.

21 (e) No licensee may require binding arbitration or
22 mediation prior to the filing of a civil action pursuant to
23 Section 125 nor provide for arbitration or mediation in a
24 venue other than the county in which the loan was made. No
25 loan contract may contain a cognovit or confession of
26 judgement clause or provision. No short-term loan may require
27 the borrower to deposit a set of vehicle keys with the lender
28 or an agent of the lender as a condition of, or incident to,
29 the loan. A loan contract shall advise the borrower that
30 matters involving improprieties in the making of the loan or
31 in loan collection practices may be referred to the
32 Department and shall prominently display the Department's
33 address and telephone number. No licensee may take possession
34 of a motor vehicle for a loan default and lease the vehicle

1 back to the borrower. Any appraisal of the value of a motor
2 vehicle that has been used to secure a loan shall be limited
3 to the vehicle's Kelly Blue Book Used Car Guide value.

4 Section 55. Debt management service; notice.

5 (a) At the time a licensee conveys a notice to a
6 borrower indicating the borrower is in arrears or in default
7 for a legally constituted debt issued by the licensee under
8 this Act, the licensee shall include with the notice a
9 statement indicating the toll-free telephone number of the
10 Department of Financial Institutions which the borrower may
11 contact for the purpose of the borrower receiving information
12 from the Department on how to contact a debt management
13 service for assistance in resolving debt problems of the
14 borrower. The form and method of the notice provided by
15 licensees shall be subject to approval by the Department.

16 (b) The Department is required to establish a toll-free
17 telephone number as provided by subsection (a) of this
18 Section. This toll-free number may be the same as that
19 disclosed under subsection (b) of Section 50. The Department
20 shall, in cooperation with an organization representing debt
21 management services, establish a listing of debt management
22 service offices that the Department shall provide to
23 borrowers who are requesting the services of those offices.
24 The Department shall provide the list on an approximate
25 geographic basis as that relates to the borrower's residence.

26 (c) The Department of Financial Institutions, in
27 cooperation with an organization representing debt management
28 services, shall prepare a notice that describes the services
29 provided by debt management services. The notice shall
30 include the address, telephone number, and general area
31 served by all debt management services in Illinois. The
32 notice shall be prominently displayed at all locations
33 licensed under this Act.

1 (d) When an original loan made under this Act is
2 refinanced pursuant to Section 40 of this Act, the licensee
3 shall provide a copy of a statement to the borrower which
4 contains the information set forth in subsection (c) of this
5 Section. The statement shall be provided to the borrower
6 separately from the loan refinancing contract at the time the
7 loan refinancing contract is signed by the borrower.

8 (e) Each loan refinancing contract executed by a
9 licensee shall include a statement, which shall be initialed
10 by the borrower, as follows:

11 "I have received from (name of lender) a statement that
12 discloses information about debt management services and the
13 address and telephone number of the debt management service
14 nearest my residence."

15 (f) The Department shall adopt rules to implement the
16 requirements of this Section. For the purposes of this
17 Section "debt management service" has the meaning given that
18 term in the Debt Management Service Act.

19 Section 60. Loan proceeds. A licensee may issue the
20 proceeds of a loan in the form of a licensee's business check
21 drawn on the licensee's bank account, money order, or cash;
22 provided, however, that no additional fee may be charged by a
23 licensee for cashing any check or money order issued by the
24 licensee. The loan proceeds must be issued in the form
25 requested by the borrower.

26 Section 65. Security interest. In making a short-term
27 loan, a licensee shall not take a security interest in any of
28 the debtor's property other than the post-dated check or the
29 debtor's motor vehicle title, which is tendered by the debtor
30 at the time of obtaining the loan. When a post-dated check
31 is taken as security for a loan, the licensee must stamp or
32 otherwise imprint on the back of the check a notation that

1 the check secures a deferred deposit loan made under this Act
2 and that any holder takes the check subject to the claims and
3 defenses of the maker.

4 Section 70. Other business. A licensee shall not engage
5 in any business other than that for which the license is
6 issued at the licensed location without the prior written
7 approved of the Director.

8 Section 75. Charging of interest and fees.

9 (a) All loans must be interest bearing.

10 (b) To compute time for the calculation of interest and
11 other purposes, the licensee shall calculate interest at the
12 rate of 1/365th of the agreed annual rate for each day
13 actually elapsed.

14 (c) Interest shall be computed on unpaid principal
15 balances outstanding from time to time, for the time
16 outstanding, until fully paid. Each payment shall be applied
17 equally to both the accumulated interest and the unpaid
18 principal balance so that 50% of the payment is applied to
19 the accumulated interest and 50% of the payment is applied to
20 the unpaid principal balance; provided however, that, if the
21 amount of the payment is insufficient to pay the accumulated
22 interest, the unpaid interest continues to accumulate to be
23 paid from the proceeds of subsequent payments and may not be
24 added to the principal balance. If the 50% of the payment
25 applied to the accumulated interest is greater than the
26 amount of interest accumulated at the time of the payment,
27 the interest shall be paid in full and the remainder of the
28 payment shall be applied to the outstanding principal
29 balance, in addition to the 50% of the payment already
30 applied to the outstanding principal balance.

31 (d) Interest shall not be payable in advance or
32 compounded.

1 (e) A licensee may not charge an origination fee greater
2 than \$10.

3 (f) In cases in which the original short-term loan is
4 being refinanced pursuant to Section 40 of this Act, a
5 licensee may charge a fee of \$5.

6 (g) A licensee may charge finance charges on the amount
7 financed of the short-term loan transaction at an annual
8 interest rate not to exceed 40 percentage points over the
9 prime rate on the first business day of the month prior to
10 the month in which the short-term loan transaction is made,
11 as reported by the Federal Reserve Board.

12 (h) Licensees may assess charges only as permitted in
13 this Act.

14 Section 80. Prepayment.

15 (a) At the debtor's option, a loan may be prepaid either
16 in part or in full with the licensee refunding the unearned
17 interest charge calculated on a prorata daily basis.

18 (b) A consumer shall be permitted to make partial
19 payments, in amounts equal to no less than \$5, on the loan at
20 any time without charge.

21 Section 85. Closing of business; surrender of license.

22 (a) At least 10 days prior to a licensee ceasing
23 operations or closing business, the licensee shall:

24 (1) notify the Department of its action in writing;

25 (2) surrender its license to the Director for
26 cancellation; and

27 (3) notify the Department of the location where the
28 books, accounts, contracts, and records will be
29 maintained and the procedure to ensure prompt return of
30 contracts, titles, and releases to the customers.

31 (b) The surrender of the license shall not affect the
32 licensee's civil or criminal liability for acts committed

1 prior to surrender nor entitle the licensee to a return of
2 any part of the annual license fee.

3 (c) The accounts, books, records, and contracts shall be
4 maintained and serviced by the licensee or another licensee
5 under this Act, or an entity exempt from licensure under this
6 Act.

7 (d) The Department shall have the authority to conduct
8 examinations of the books, records, and loan documents at any
9 time after surrender of the license, filing of bankruptcy, or
10 the cessation of operations.

11 Section 90. Bankruptcy.

12 (a) On the date of filing for bankruptcy, the licensee
13 shall notify the Department in writing of the:

- 14 (1) date of bankruptcy;
- 15 (2) docket number;
- 16 (3) presiding judge; and
- 17 (4) name and address of the trustee.

18 (b) If the bankrupt entity elects to close its business,
19 the provisions in Section 85 must be satisfied.

20 Section 95. Returned checks.

21 (a) If a check received as payment for a loan is
22 returned to the licensee for nonpayment, the licensee may
23 assess the debtor a fee not exceeding \$15 or the cost
24 actually incurred by the lender as an insufficient funds
25 charge, whichever is less. Only one such fee may be collected
26 with respect to a particular check even if it has been
27 redeposited more than once. A fee charged pursuant to this
28 Section is a licensee's exclusive charge for late payment.

29 (b) No licensee, nor any person claiming directly or
30 indirectly through the licensee for a loan made pursuant to
31 this Act, may pursue or threaten to pursue criminal penalties
32 against a debtor for any returned or dishonored check.

1 (c) A violation of this Section is a Class B
2 misdemeanor. In addition to all other criminal and
3 administrative enforcement and penalties, a claim of
4 violation of this Section may be asserted pursuant to Section
5 125 of this Act.

6 Section 100. Recording or releasing lien.

7 (a) Upon making a loan secured by a title to a motor
8 vehicle, the licensee must immediately take into possession
9 evidence of the debtor's ownership in the motor vehicle that
10 has been registered with the Office of the Illinois Secretary
11 of State.

12 (b) Within 24 hours after making the loan, the licensee
13 must file a lien with the Office of the Illinois Secretary of
14 State.

15 (c) Within 24 hours after payment in full, the licensee
16 must release all filed liens and provide evidence of the
17 release to the debtor.

18 (d) The licensee may not charge, directly or indirectly,
19 fees associated with the repossession of a motor vehicle.

20 Section 105. Sale or hypothecation of a loan. A licensee
21 may not sell, hypothecate, pledge, or assign a loan made
22 under this Act. A person may not broker a short-term loan
23 for any other person or entity or assist in any way in the
24 origination of a short-term loan on behalf of or in
25 conjunction with any other person or entity.

26 Section 110. Financial Institutions Fund; deposits. All
27 moneys received by the Department under this Act shall be
28 deposited in the Financial Institutions Fund created under
29 Section 6z-26 of the State Finance Act.

30 Section 115. Penalties for violation; cease and desist

1 orders.

2 (a) Any entity engaging in the business of making
3 short-term loans without the requisite license is guilty of a
4 Class 4 felony.

5 (b) A license issued under this Act may be revoked if
6 the licensee or any director, manager of a limited liability
7 company, partner, or officer thereof is convicted of a
8 felony.

9 (c) No provision of this Section imposing any liability
10 shall apply to any act done or omitted in conformity with any
11 rule or written interpretation thereof by the Department of
12 Financial Institutions, notwithstanding that after that act
13 or omission has occurred, the rule or interpretation is
14 amended, rescinded, or determined by judicial or other
15 authority to be invalid for any reason. All interpretations
16 relied upon must be written and signed by the Department's
17 Chief Counsel and approved by the Director.

18 (d) The Director may issue a cease and desist order to
19 any licensee, or person doing business without the required
20 license, when, in the opinion of the Director, the licensee
21 or other person is violating or is about to violate any
22 provision of this Act or any rule or requirement imposed in
23 writing by the Department as a condition of granting any
24 authorization permitted by this Act.

25 (e) The Director may issue a cease and desist order
26 prior to holding a hearing.

27 (f) The Director shall serve notice of his or her
28 action, designated as a cease and desist order made pursuant
29 to this Section, including a statement of the reasons for the
30 action, either personally or by certified mail, return
31 receipt requested. Service by certified mail shall be deemed
32 completed when the notice is deposited in the U.S. Mail.

33 (g) Within 15 days after service of the cease and desist
34 order, the licensee or other person may request, in writing,

1 a hearing.

2 (h) The Director shall schedule a hearing within 30 days
3 after receiving the request for a hearing unless otherwise
4 agreed to by the parties.

5 (i) The Director shall have the authority to prescribe
6 rules for the administration of this Section.

7 (j) If it is determined that the Director had the
8 authority to issue the cease and desist order, he or she may
9 issue such orders as may be reasonably necessary to correct,
10 eliminate, or remedy such conduct.

11 (k) The powers vested in the Director by this Section
12 are additional to any and all other powers and remedies
13 vested in the Director by law, and nothing in this Section
14 shall be construed as requiring that the Director shall
15 employ the power conferred in this Section instead of or as a
16 condition precedent to the exercise of any other power or
17 remedy vested in the Director.

18 (l) The cost for the administrative hearing shall be set
19 by rule.

20 Section 120. Fines; suspension or revocation of license.

21 (a) The Director may, after 10 days notice by registered
22 mail to the licensee at the address set forth in the license,
23 stating the contemplated action and in general the grounds
24 therefor, fine the licensee an amount not exceeding \$10,000
25 per violation, or revoke or suspend any license issued under
26 this Act if the Director finds that:

27 (1) the licensee has failed to comply with any
28 provision of this Act or any order, decision, finding,
29 rule, or direction of the Director lawfully made pursuant
30 to the authority of this Act; or

31 (2) any fact or condition exists that, if it had
32 existed at the time of the original application for the
33 license, clearly would have warranted the Director in

1 refusing to issue the license.

2 (b) The Director may fine, suspend, or revoke only the
3 particular license with respect to which grounds for the
4 fine, revocation, or suspension occur or exist, but if the
5 Director finds that grounds for revocation are of general
6 application to all offices or to more than one office of the
7 licensee, the Director shall fine, suspend, or revoke every
8 license to which the grounds apply.

9 (c) No revocation, suspension, or surrender of any
10 license shall impair or affect the obligation of any
11 pre-existing lawful contract between the licensee and any
12 obligor.

13 (d) The Director may issue a new license to a former
14 licensee whose license has been revoked when facts or
15 conditions that clearly would warrant the Director in
16 refusing to issue the license do not exist.

17 (e) In every case in which a license is suspended or
18 revoked or an application for a license or renewal of a
19 license is denied, the Director shall serve the licensee with
20 notice of that action, including a statement of the reasons
21 for the action, either personally or by certified mail,
22 return receipt requested. Service by certified mail shall be
23 deemed completed when the notice is deposited in the U.S.
24 Mail.

25 (f) An order assessing a fine, an order revoking or
26 suspending a license or, an order denying renewal of a
27 license shall take effect upon service of the order unless
28 the licensee requests, in writing, within 10 days after the
29 date of service, a hearing. If a hearing is requested, the
30 order shall be stayed until a final administrative order is
31 entered.

32 (g) If the licensee requests a hearing, the Director
33 shall schedule a hearing within 30 days after the request for
34 a hearing is received unless otherwise agreed to by the

1 parties.

2 (h) The hearing shall be held at the time and place
3 designated by the Director. The Director and any
4 administrative law judge designated by him or her shall have
5 the power to administer oaths and affirmations, subpoena
6 witnesses and compel their attendance, take evidence, and
7 require the production of books, papers, correspondence, and
8 other records or information that he or she considers
9 relevant or material to the inquiry.

10 (i) The costs for the administrative hearing shall be
11 set by rule.

12 (j) The Director shall have the authority to prescribe
13 rules for the administration of this Section.

14 Section 125. Civil action. A claim of violation of this
15 Act by a short-term lender may be asserted in a civil action,
16 including a class action, by any aggrieved person, for which
17 punitive damages, costs, and reasonable attorney fees may be
18 awarded. A loan contract may not require binding arbitration
19 or mediation prior to filing a civil action pursuant to this
20 Section.

21 Section 130. Rules. The Department may make and enforce
22 such reasonable rules, directions, orders, decisions, and
23 findings as the execution and enforcement of the provisions
24 of this Act require and as are not inconsistent therewith.

25 Section 135. Judicial review. All final administrative
26 decisions of the Department under this Act shall be subject
27 to judicial review pursuant to the provisions of the
28 Administrative Review Law, all amendments and modifications
29 thereof, and any rules adopted pursuant thereto.

30 Section 140. Injunction; civil penalty; costs. If it

1 appears to the Director that a person or any entity has
2 committed or is about to commit a violation of this Act, a
3 rule promulgated under this Act, or an order of the Director,
4 the Director may apply to the circuit court for an order
5 enjoining the person or entity from violating or continuing
6 to violate this Act, the rule, or order and for injunctive or
7 other relief that the nature of the case may require and may,
8 in addition, request the court to assess a civil penalty up
9 to \$1,000 along with costs and attorney's fees.

10 Section 145. Local ordinances.

11 (a) A county or municipality may, by ordinance, require
12 a short-term lender to conduct its business within a
13 described geographic zone and may require that the licensed
14 building or premises conform to described aesthetic
15 standards.

16 (b) A county or municipality may, by ordinance, require
17 a short-term lender to make all required disclosures,
18 pamphlets, and posted notices in languages other than English
19 as required to meet the needs of the community in which the
20 short-term lender is located, including but not limited to,
21 notice of interest rates and fees, and that use of the
22 criminal justice system to collect a loan after default is
23 prohibited. A local ordinance may also require the posting
24 of a schedule in English and an appropriate foreign language
25 indicating all fees and interest to be charged on a loan
26 payable in 14 days, on a loan payable in 30 days, and for any
27 other loan duration term for which the licensee issues loans.

28 (c) A county or municipality, including a home rule
29 county or municipality, may regulate short-term lending
30 businesses in a manner that is not inconsistent with the
31 regulation by the State of those businesses under this Act.
32 This Section is a limitation under subsection (i) of Section
33 6 of Article VII of the Illinois Constitution on the

1 concurrent exercise by home rule units of powers and
2 functions exercised by the State. A county or municipality
3 may charge a licensee a fee to cover the costs and expenses
4 reasonably associated with any inspection, clerical, and
5 other costs incurred in verifying and providing information
6 required by a Local Government Authorization Form or
7 otherwise associated with local regulations.

8 Section 150. Severability. The provisions of this Act
9 are severable under Section 1.31 of the Statute on Statutes.

10 Section 199. Effective date. This Act takes effect upon
11 becoming law.