

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.