



JB PRITZKER
Governor

MARIO TRETO, JR.
Acting Secretary

NOTICE REGARDING THE CONSUMER REPORTING DATABASE AND PUBLIC ACT 101-0658

Under prior law, all payday loans, small consumer loans,¹ and title-secured loans² had to be reported to the consumer reporting database (“Veritec”). On March 23, 2021, Governor JB Pritzker signed Senate Bill 1792, now Public Act 101-0658 which includes the Predatory Loan Prevention Act (“PLPA”), into law.

Public Act 101-0658 amends the reporting requirements for loans governed by the Consumer Installment Loan Act. While Public Act 101-0658 does not amend the reporting requirements pursuant to the Payday Loan Reform Act, installment payday loans are no longer permitted.

The Department of Financial and Professional Regulation’s (“Department”) current Consumer Installment Loan Act rules for title-secured loans and for reporting information to the Veritec expressly do not apply to loans with an annual percentage rate of less than 36%. Public Act 101-0658’s amendments to Section 17.5(b) of the Consumer Installment Loan Act require **all consumer installment loans** to be reported to the Veritec and require licensees to follow related Department rules. Public Act 101-0658’s amendments to Section 17.5(c) of the Consumer Installment Loan Act require licensees to enter the information required by 38 Ill. Adm. Code 110.420 for title-secured loans. Under the amendments, title-secured loans are defined as **any consumer installment loan** in which, at commencement, a consumer provides to the licensee, as security for the loan, physical possession of the consumer’s title to a motor vehicle. The Department intends to promulgate rules to address these new reporting requirements. In addition, the Veritec consumer reporting database will also be updated to conform to new reporting requirements. The Department recognizes the new rules and Veritec updates will likely require many licensees to modify their IT systems and business processes.

For these reasons, the Department does not intend to take adverse supervisory or enforcement action for violations of reporting requirements under Sections 17.5(b) or Section 17.5(c), or violations of 38 Ill. Adm. Code 110.300 - 38 Ill. Adm. Code 110.430 related to loans made after March 23, 2021 until further notice is issued by the Department. This notice shall not impact the Department’s supervision or enforcement of the PLPA’s 36% rate cap.

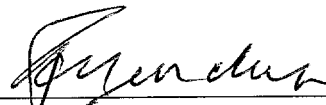
¹ Under prior law, a small consumer loan was a consumer installment loan with an annual percentage rate exceeding 36 % and amount financed of \$4,000 or less

² Under prior law, a title-secured loan was a consumer installment loan with an annual percentage exceeding 36 % and in which, at commencement, a consumer provides to the licensee, as security for the loan, physical possession of the consumer’s title to a motor vehicle.

This document does not amend any requirement of state or federal law and does not constitute legal advice and may not be relied on as such. It describes certain situations where, for a limited period of time, the Department does not intend to take adverse supervisory or enforcement action against a licensee. Licensees and potential licensees should consult with legal counsel for any interpretation of statute or rule. This notice may be withdrawn at any time.

DATED THIS 1st DAY OF APRIL, 2021

**ILLINOIS DEPARTMENT OF FINANCIAL &
PROFESSIONAL REGULATION**



Francisco Menchaca, Director
Department of Financial and Professional Regulation,
Division of Financial Institutions