



Illinois Department of Financial and Professional Regulation

Office of the Secretary

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IDFPR Releases Consumer Frequently Asked Questions About The Predatory Loan Prevention Act

CHICAGO – The Illinois Department of Financial and Professional Regulation has released a series of frequently asked questions (FAQs) to help consumers understand some of the new protections created by the new Predatory Loan Prevention Act. [Signed by Governor JB Pritzker on March 23, 2021](#), the Act applies if consumers borrow money or make purchases on credit from certain types of lenders. The FAQs may be found online [here](#).

The PLPA prohibits loans with an Annual Percentage Rate (APR) of more than 36% on covered loans that were made after the date the Act was signed into law (March 23, 2021). Any covered loan made after March 23 with an APR higher than 36% is void and consumers do not have to repay such a covered loan. In addition, the lender may not collect, attempt to collect, or receive any principal, fee, interest, or charges related to the loan. PLPA covers many types of consumer loans, which include:

- payday loans
- pawn loans
- installment loans
- wage advance products
- retail installment contracts
- buy-here-pay-here agreements
- motor vehicle retail installment contracts
- title loans
- car loans
- income share agreements

The PLPA covers consumer loans made in Illinois using any medium, including the internet and telephone. The PLPA does not apply to commercial loans or consumer loans made by banks, savings banks, savings and loan associations, credit unions, or insurance companies. Consumers should only work with lenders who are licensed by IDFPR or are federally regulated. You can check if a lender is licensed by going to IDFPR's [Division of Banking webpage](#) or the [Division of Financial Institutions webpage](#).

“During critical times, it is important for consumers to consider alternative sources to high-interest loans to meet their needs,” said **Mario Treto, Jr., Acting Secretary of the Illinois Department of Financial and Professional Regulation**. “IDFPR stands ready to enforce the PLPA and encourages all Illinoisans to contact our agency if they have questions.”

If you believe a lender covered by the PLPA has violated the Act, you may contact:

- IDFPR - through our [Online Complaint Portal](#) or by calling (312) 814-5145
- The Illinois Attorney General – through its [Online Complaint Portal](#) or by calling (800) 386-5438
- A legal aid organization or a private attorney of your choice.