



Illinois Department of Financial and Professional Regulation

Illinois Attorney General's Office

PAT QUINN
Governor

Msgr. John Egan Campaign for Payday Loan Reform

LISA MADIGAN
Attorney General

Support SB655: The Consumer Installment Loan Reform Act Sponsor: Senator Kimberly Lightford

The Msgr. John Egan Campaign for Payday Loan Reform and many other supporters believe the Consumer Installment Loan Reform Act will help ensure that Illinoisans have access to longer-term credit with reasonable rates and terms. The Act also includes several protections to guard against the cycle of debt. This Act is the result of two years of negotiations and meetings with representatives of both Illinois and nationally based companies that make loans to credit challenged and often lower-income borrowers in Illinois. Key components of the Act include:

- Sets interest rates from 36% to 99% for small dollar, longer-term consumer installment loans.
- Establishes reasonable charges and limits on refinancing of consumer debt.
- Sets a minimum loan term to ensure that borrowers have enough time to repay the loan.
- Requires consideration of the borrower's ability to repay the loan.
- Eliminates balloon payments on all consumer installment loans.
- Ends the Rule of 78ths method of calculating refunds in the event of early pay-offs.
- Establishes the use of a consumer database for purposes of determining borrower eligibility and ensuring compliance with the Act.

The following organizations for a variety of reasons support this ACT

Lenders

Illinois Financial Services Association (Installment lenders)
 Independent Finance Association of Illinois (Installment lenders)
 Community Financial Services Assoc. (Payday lenders)

Jane Addams Hull House
 Lutheran Social Services of Illinois
 Metropolitan Family Services
 North Side Community Credit Union
 Illinois Public Interest Research Group
 Project IRENE
 Protestants for the Common Good
 SEIU Illinois State Council
 Sargent Shriver National Center on Poverty Law
 South Austin Coalition
 United Auto Workers, Region 4
 United Food and Commercial Workers, Local 881
 University Professionals of Illinois – Local 4100
 Voices for Illinois Children
 Woodstock Institute

Government

The Office of Governor Pat Quinn
 The Office of Attorney General Lisa Madigan
 The Office of State Treasurer Alexi Giannoulias
 The Department of Financial and Professional Regulation

Consumer Groups

8th Day Center for Justice
 AARP
 Action Now
 AFSCME Council 31
 ATU Local 416
 Catholic Conference of Illinois
 Center for Tax and Budget Accountability
 Central Illinois Organizing Project
 Centro Comunitario Juan Diego
 Chicago Appleseed Fund for Justice
 Chicago Federation of Labor
 Citizen Action/Illinois
 El Valor Corporation
 Griffin Center
 Heartland Alliance
 Illinois AFL-CIO
 Illinois Alliance for Retired Americans
 Illinois Coalition for Community Services
 Illinois Coalition for Immigrant and Refugee Rights
 Illinois Federation of Teachers

*Organization listing is for identification purposes only