



Illinois Department of Financial and Professional Regulation

JB PRITZKER
Governor

DEBORAH HAGAN
Secretary

NOTICE REGARDING THE CONSUMER REPORTING DATABASE AND THE PREDATORY LOAN PREVENTION ACT

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, the Predatory Loan Prevention Act (“PLPA”), into law.

The PLPA amends the reporting requirements for loans governed by the Consumer Installment Loan Act. 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%. The PLPA’s amendments to Section 17.5(b) of the Consumer Installment Loan Act currently requires each loan to be reported to the Veritec and require licensees to follow related Department rules. The PLPA’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.

While the PLPA does not amend the reporting requirements pursuant to the Payday Loan Reform Act, installment payday loans are no longer permitted.

The Department intends to promulgate rules to address these new reporting requirements. In addition, the Veritec consumer reporting database will 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 the effective date of the PLPA 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 is not a written interpretation pursuant to 205 ILCS 670/20(c) or any other law. This document does not amend or modify 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 26 DAY OF MARCH 2021

**ILLINOIS DEPARTMENT OF FINANCIAL &
PROFESSIONAL REGULATION**

By: 

Francisco Menchaca
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