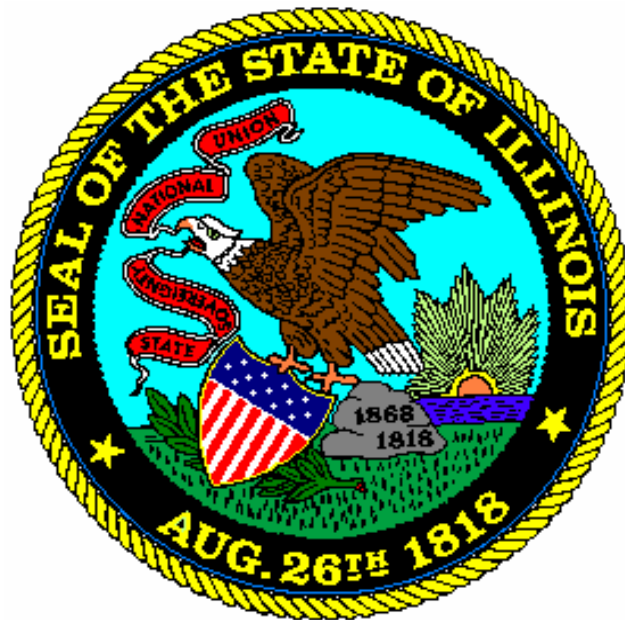


Illinois Payday Loan Reform Act Biennial Report

July 30, 2007

Division of Financial Institutions



Governor Rod R. Blagojevich

Dean Martinez, Secretary,

Department of Financial and Professional Regulation



Illinois Department of Financial and Professional Regulation

Office of the Secretary

ROD R. BLAGOJEVICH
Governor

DEAN MARTINEZ
Secretary

July 30, 2007

The Honorable Rod R. Blagojevich
Governor of Illinois

Honorable Members of the General Assembly
State of Illinois

Dear Governor Blagojevich and Members of the General Assembly:

I am pleased to submit the Payday Loan Reform Act Biennial Report of the Illinois Department of Financial and Professional Regulation, Division of Financial Institutions. A copy of this report is also being made available to the general public on the website of the Illinois Department of Financial and Professional Regulation at www.idfpr.com.

The report contains a compilation of aggregate data concerning the payday lending industry as required by the Payday Loan Reform Act (PLRA), 815 ILCS 122/2-55(c). Among the highlights of the report is that, since the PLRA took effect on December 6, 2005, Illinois consumers have saved over \$20,000,000 on payday loan finance charges. This report shows that reasonable regulations that are responsibly enforced can protect consumers from abusive lending practices while at the same time preserve their access to credit.

The Department looks forward to continuing to work with you on improving the financial security of Illinois residents.

Respectfully submitted,

A handwritten signature in cursive script that reads "Dean Martinez".

Dean Martinez
Secretary

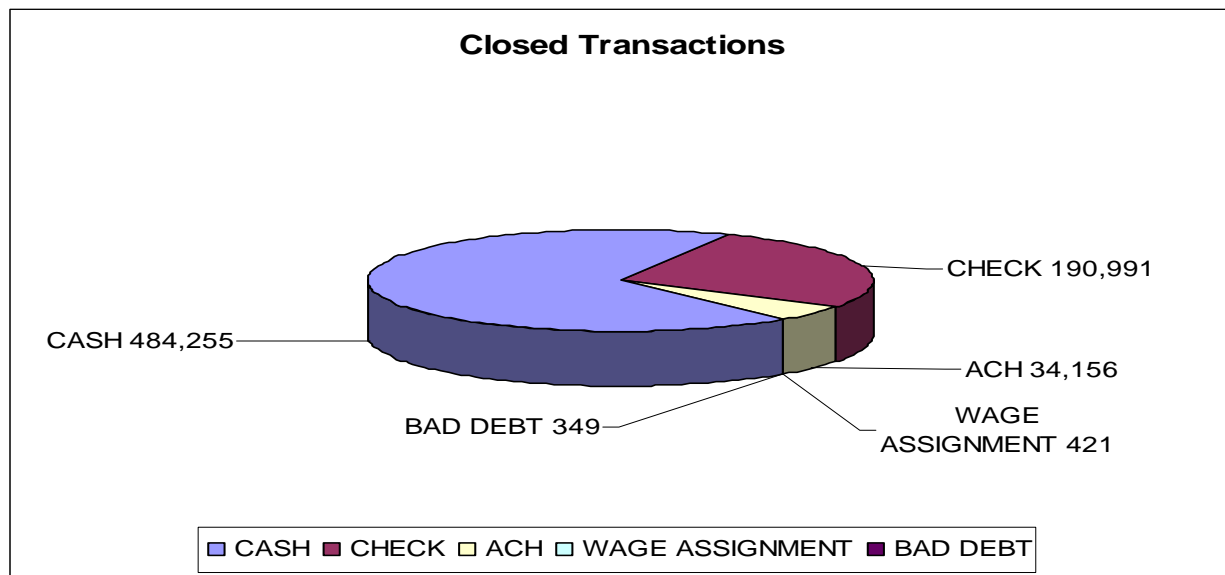
The Reporting Period

The Payday Loan Reform Act (PLRA), 815 ILCS 122/1-1 to /99, was signed by Governor Rod R. Blagojevich on June 6, 2005, and became effective on December 6, 2005. This report covers the period from December 6, 2005, to June 30, 2007 (hereinafter referred to as “the Reporting Period”). Unless otherwise indicated, all data in this report was obtained from the PLRA consumer reporting service database, which consists of data inputted by PLRA licensees, as required by Section 2-15 of the PLRA, 815 ILCS 122/2-15.

PLRA Transaction Volume

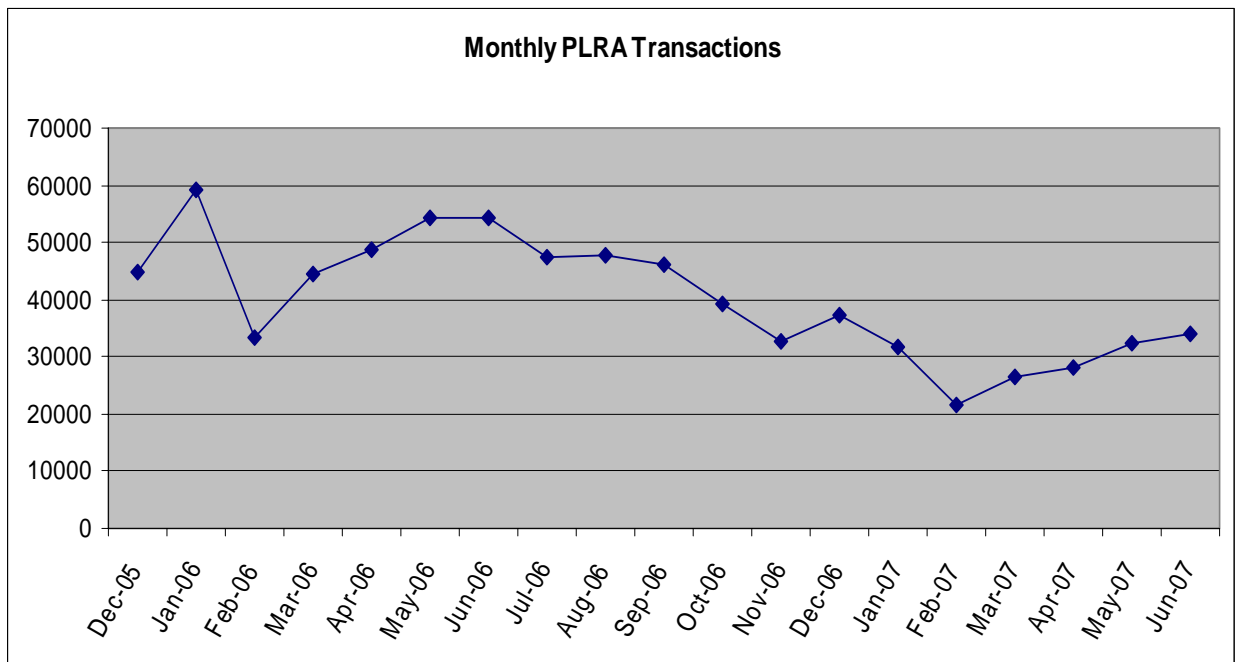
During the Reporting Period, 763,701 payday loans were made in the State of Illinois. The total amount of these loans was \$267.9 million with finance charges of \$41.2 million. As of June 30, 2007, 53,529 payday loans were outstanding, including 558 loans in default.

The total number of PLRA loans that have been either paid in full or written off during the Reporting Period is 710,172. Of these 710,172 loans, 484,255 loans were paid with cash, 190,991 loans were paid by check, and 34,156 loans were paid via the Automated Clearing House (ACH) (commonly referred to as “automatic debit”). Only 421 loans were paid by use of a wage assignment, and 349 were written off as bad debt. These figures are represented in the pie chart below:



PLRA Transaction Volume by Month

The chart below shows the number of transactions by month.



Average Term, Loan Amount, and Finance Charges

The average payday loan made during the Reporting Period was for \$350.87 with a finance charge of \$53.90, or \$15.36 per \$100.00 loaned. (The PLRA allows a maximum finance charge of \$15.50 per \$100.00 loaned, 815 ILCS 122/2-5(e).) The average term for payday loans made during the Reporting Period was 16.03 days. The average finance charge calculated as an annual percentage rate (APR) was 350%. (Note that the PLRA prohibits the accrual of interest beyond the term of the loan, 815 ILCS 122/2-10(b).)

The smallest payday loan made during the Reporting Period was for \$5.00 with a finance charge of \$.50. The largest payday loan made during the Reporting Period was for \$1,065.00 with a finance charge of \$165.08.

PLRA Savings to Consumers

In 1999, the Department of Financial Institutions prepared a Short-Term Lending Report pursuant to Senate Resolution 42 and presented it to the General Assembly. The report was an analysis of the Short-Term Loan Industry in Illinois. In 2002, an update of the Report was prepared by the Department but was never formally released. Based on the figures in the 2002 Report, the average APR on a payday loan was approximately 525%. Comparing the APR of 525% in 2002 to the current PLRA average APR of 350%, Illinois consumers have saved over \$20,569,299 in finance charges since the implementation of the PLRA on December 6, 2005. This amount does not include the additional savings to consumers that have resulted from the PLRA's prohibition on charging interest beyond the term of the loan, collecting recurrent insufficient funds (NSF) fees, and collecting attorney's fees and court costs incurred in connection with the collection of a payday loan. 815 ILCS 122/2-10, /4-5(17).