

**STATE OF ILLINOIS
DEPARTMENT OF FINANCIAL & PROFESSIONAL REGULATION
DIVISION OF FINANCIAL INSTITUTIONS**

In the matter of)
Irvine Finance, LLC) **09CC405**
d/b/a Wise Finance and Wise Finance, LLC)

To: Irvine Finance, LLC Wise Finance, LLC
Attn: Dennis Wise Attn: Dennis Wise
2609 Stevenson Drive 2611 Stevenson Drive
Springfield, IL 62703 Springfield, IL 62703

OTHER BUSINESS AUTHORIZATION REVOCATION ORDER

The DIRECTOR OF THE DIVISION OF FINANCIAL INSTITUTIONS (“Director”), having issued an Other Business Authorization (“OBA”) for making Refund Anticipation Loans pursuant to Section 12 of the Consumer Installment Loan Act (“Act”), 205 ILCS 670/1 to /27, to Irvine Finance, LLC, d/b/a Wise Finance and Wise Finance, LLC, (“Licensee”) hereby issues this Order.

STATUTORY PROVISIONS

1. Section 12(a) of the Act provides in pertinent part as follows:

Upon application by the licensee, and approval by the Director, the Director may approve the conduct of other businesses not specifically permitted by this Act in the licensee's place of business, unless the Director finds that such conduct will conceal or facilitate evasion or violation of this Act. Such approval shall be in writing and shall describe the other businesses which may be conducted in the licensed office.

2. Section 110.200 of rules and regulations promulgated under the Act, 38 Ill. Admin. Code 110.1 to 110.430 (“Rules”), provides in pertinent part as follows:

The Director's authorization will be predicated upon the licensee's agreeing to the following:... e) The Director retains the right, upon notice and opportunity to be heard, to alter, amend, or revoke an other business authorization;

FACTUAL FINDINGS

3. Licensee is licensed by the Department of Financial and Professional Regulation, Division of Financial Institutions (the “Department”) pursuant to the Act. See attached Exhibit A, attached hereto and made a part of this Order.

4. On December 15, 2006 and June 8, 2009, the Department issued an Other Business Authorization (“OBA”) for making Refund Anticipation Loans to Licensee.
5. A Refund Anticipation Loan, otherwise known as an “instant tax refund loan,” is a loan that is secured by the borrower’s expected tax return. According to a study by the Brookings Institute, these loans cost the refunds of low-income taxpayers an estimated \$740 million dollars in 2003. (Berube, Alan and Kornblatt, Tracy, “*Step in the Right Direction: Recent declines in Refund Loan Usage Among Low-Income Taxpayers,*” April 2005, The Brookings Institute)
6. Refund Anticipation Loans are accompanied by interest rates that are uncapped. According to a joint study prepared by the National Consumer Law Center for the 2006 filing season it was estimated that the APRs on Refund Anticipation Loans range from about 40% for a loan of \$9,999 to over 700% for a loan of \$200. (Wu, Chi Chi, Fox, Jean Ann and Woodall, Patrick, “*Another Year of Losses: High-Priced Refund Anticipation Loans Continue to Take a Chunk Out of Americans’ Tax Refunds,*” January 2006, National Consumer Law Center Inc.)
7. Where a borrower is permitted to borrow more than the expected amount of his tax return, the uncapped interest rate applies to the entire loan amount, not just the amount of the return.
8. To obtain a Refund Anticipation Loan, a borrower pays a loan fee, an electronic filing fee, a document preparation fee and a tax preparation fee. According to a study prepared by the Neighborhood Economic Development Advocacy Project taxpayers typically pay from \$100 to \$250 to take out Refund Anticipation Loans. (“*Rapid Rip-Offs: Tax Refund Anticipation Lenders in New York City,*” 2006, Neighborhood Economic Development Advocacy Project) According to the National Consumer Law Center study these individuals paid an estimated \$1.24 billion in Refund Anticipation Loan fees in 2004. (Wu, Chi Chi, Fox, Jean Ann and Woodall, Patrick, “*Another Year of Losses: High-Priced Refund Anticipation Loans Continue to Take a Chunk Out of Americans’ Tax Refunds,*” January 2006, National Consumer Law Center Inc.)
9. Refund Anticipation Loans are high-profit, low-risk loans marketed toward the working poor. According to the USA Today article IRS data shows more than half of those who received these loans in 2004, more than 5 million taxpayers, were recipients of the earned income tax credit which is a major federal anti-poverty program. (McCoy, Kevin, “*Challenged mount against refund-anticipation loans,*” USA Today September 17, 2006)
10. The advantages of getting a Refund Anticipation Loan are highly questionable when you consider that the IRS has significantly expedited its turnaround time for issuing tax refunds. According to the IRS taxpayers who electronically file their taxes can receive

their refunds directly from the IRS in approximately 10 days if they have a bank or credit union account where funds can be wired.

11. The Department therefore finds that the costs of Refund Anticipation Loans outweigh their potential benefits and are therefore a danger to the financial well being of Illinois Consumers.

LEGAL FINDINGS

10. In accordance with the authority granted to him under Section 110.200(e) of the Rules, the Director may duly exercise his retained right to revoke Licensee's OBA for making Refund Anticipation Loans.

NOW THEREFORE IT IS HEREBY ORDERED:

1. The OBA for making Refund Anticipation Loans is revoked effective immediately.

Pursuant to the Rules, the Order shall take effect upon service of the Order, unless the Licensee requests, in writing, within 10 days after the date of service, a hearing. Service by certified mail shall be deemed completed when the notice is deposited in the U.S. Mail.

Dated this ___ day of November 2009



Robert E. Meza, Director


09CC405 OBA Revocation Order

CERTIFICATE OF SERVICE

I, Samuel A. Shiel, Deputy General Counsel of the Illinois Department of Financial and Professional Regulation, Division of Financial Institutions, hereby certify that on November 13th, 2009, I caused a true copy of foregoing Order to be served on the party named below, by causing the same to be sent via certified mail to the following:

Irvine Finance, LLC
Attn: Dennis Wise
2609 Stevenson Drive
Springfield, IL 62703

Wise Finance, LLC
Attn: Dennis Wise
2611 Stevenson Drive
Springfield, IL 62703



Samuel A. Shiel

<u>Class Lic</u>	<u>Name</u>	<u>Address</u>	<u>City</u>	<u>State</u>	<u>Zip</u>
CI	3011 Wise Finance, LLC	2611 Stevenson Drive	Springfield	IL	62703
CI	3209 Wise Finance of Pekin, LLC	1633 Broadway	Pekin	IL	61554
CI	3210 Irvine Finance, LLC d/ba/ Wise Finance of Quincy	5001 Oak Street	Quincy	IL	62305
CI	3225 Wise Finance of Sterling, LLC	2522 East Lincolnway	Sterling	IL	61081
CI	3419 Wise Finance of Springfield, LLC	2609 Stevenson Drive	Springfield	IL	62703
CIN	9380 Irvine Finance, LLC d/ba/ Wise Finance of Quincy	2609 Stevenson Drive	Springfield	IL	62703

