THE CONSUMER CREDIT SECTION
REGULATES THE FOLLOWING:

DFI’s Consumer Credit section regulates a variety of lenders, creditors and debt servicers:

- **Consumer Installment Lenders** issue loans up to $40,000, repaid in agreed upon installments. Regulated by the Consumer Installment Loan Act (CILA).

- **Payday Lenders** make loans to consumers typically secured by borrowers’ future paychecks. Regulated by the Payday Loan Reform Act (PLRA).

- **Sales Finance Licensees** purchase or make loans secured by retail installment contracts or retail charge agreements. Regulated by the Sales Finance Agency Act (SFA).

- **Debt Management Licensees** plan and manage a debtor’s financial affairs for a fee, to satisfy outstanding debt obligations. Regulated by the Debt Management Service Act (DMSA).

- **Debt Settlement Licensees** counsel or assist consumers in obtaining a settlement of unsecured debt in an amount less than the outstanding balance. Regulated by the Debt Settlement Consumer Protection Act (DSCPA).

- **Safety Deposit Licensees** provide safety deposit boxes, safes, or vaults. Regulated by the Safe Deposit Box License Act (SDBLA).

- **Development Credit Corporation Licensees** issue loans to small businesses unable to obtain financing through conventional sources. Regulated by the Development Credit Corporation Act (DCCA).
**Consumer Credit FAQs**

Q: What are the duties and responsibilities of the Consumer Credit Section?
A: The Consumer Credit Section regulates a variety of financial institutions by reviewing license applications submitted, as well as examining, investigating complaints and disciplining these companies when warranted.

Q: What are the organizations the Consumer Credit section regulates?
A: Payday loan companies, consumer installment lenders (that issue loans up to $40,000); sales finance agencies; debt management companies; debt settlement companies; safety deposit box companies and development credit companies.

Q: Where can I look up the businesses regulated by the Consumer Credit section?
A: Go to DFPR’s website at: www.idfpr.com/dfi/LicenseeSearch/frmSearchLicensees.asp

**Debt Management**

Q: What is a Debt Management Company?
A: Debt Managers collect funds from their customers and manage the repayment of their debt in accordance with an established schedule of repayment.

**Payday Loans**

Q: What is a payday loan?
A: A Payday loan is a high interest, short duration loan intended to allow consumers to meet short term financial needs.

Q: What types of payday loans are there?
A: There are two types: (1) conventional payday loans that must be repaid within 45 days and (2) Installment payday loans that mature between 112 and 180 days.

Q: How much am I allowed to borrow?
A: The amount borrowed is based on your most recent monthly income. For payday loans, the maximum allowable debt service is the lower of 25% of your gross monthly income or $1,000. For installment payday loans, the maximum allowable debt service is the lower of 22.5% of your gross monthly income or $1,000.

**Consumer Installment Loans**

Q: What is the maximum amount that can be borrowed?
A: Per the Consumer Installment Act the largest loan a lender can make is $40,000.

Q: If I have a title loan and I miss a payment can they repossess my car?
A: Yes. When entering into a title loan you authorize the lender to repossess the vehicle if you are late.

Q: How much interest can be charged on Consumer Installment loans?
A: This depends on the type of loan. For example, a title loan has an APR in excess of 36%; a small consumer loan (a loan up to $4,000) has an APR limited to no more than 99%; a traditional consumer installment loan is limited to an APR of no more than 36%.

**DFPR WORKS TO SAFEGUARD CONSUMERS**

♦ PROTECTING AGAINST FINANCIAL EXPLOITATION — DFPR is joining the Department on Aging (DoA) to implement measures that will protect elder individuals from financial exploitation and abuse. Offenders can include strangers posing as utility personnel to rob homes, scammers pushing phony products and services; family members strong-arming elders in handing over funds with threats of harm, or the withholding of basic care. All seek to exploit seniors who may be facing diminishing health, or fears common to those who are aging. DFI is working to educate licensees about the emerging problem of elder exploitation and to take added steps to protect seniors with whom they come into contact.

♦ PROTECTING OUR MILITARY FROM PREDATORY PAYDAY LENDING — DFPR sponsored payday loan rule changes to better safeguard military personnel and their families from payday loans with excessive interest rates and fees. DFPR supports new federal requirements that impose strict limits on fees that can be charged soldiers and all other personnel that serve in the military, the national guard and their families.

♦ NO DUTY TO REPAY— Payday Loans and Consumer Installment Loans

Before you enter into any agreement check to see whether the lender is licensed in the State of Illinois visit https://www.idfpr.com to access the state’s database of licensed lenders. If the lender is not on that list, it does not have the legal authority to make a loan to an Illinois customer. In a law passed last year, it became a felony to offer an Illinois resident a payday or consumer loan without obtaining a license from IDFPR.

The same law also protects you, the borrower by making any loans made to Illinois consumers without the appropriate license, null and void. That means the lender cannot sue you to collect principal, interest or any fees associated with that loan.