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

The Consumer Installment Loan Reform Act will ensure that all Illinoisans have access to longer-term credit with reasonable terms and end the 700% Annual Percentage Rate currently being charged in Illinois. It 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 over two dozen Illinois and nationally based companies that make loans to credit challenged and often lower-income borrowers in Illinois. Consequently, approximately 70% of the 1200 Illinois Consumer Installment Loan licensees now support this reform movement. 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 rollovers.
- Sets a minimum loan term of 90 days to ensure that borrowers have enough time to repay the loan.
- Monthly payments for the CILA loans can be no more than 22% of the borrower's monthly income, which requires consideration of the borrower's ability to repay the loan.
- Eliminates balloon payments on all consumer installment loans.
- Ends the antiquated Rule of 78ths method of calculating refunds (which front-loaded fees) 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.

Supporters

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

**Government**
The Office of Governor Pat Quinn  
The Office of Attorney General Lisa Madigan  
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  
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

*Organization listing is for identification purposes only*