



# Illinois Guide to Payday Loans

## CONSUMER RESPONSIBILITIES:

- **PAY BACK YOUR LOAN!** Know when each payment is due and be sure to repay the loan on time and in full.
- Borrow only as much money as you can afford to fully repay on the repayment date.
- Read the contract thoroughly and be sure that you understand all the terms and conditions of the loan.
- Be sure that you have money in your checking account on the due date of the loan so that your check does not bounce when it is deposited.

## BEWARE : Other Loans You May See in a Payday Loan Store

You may see other types of loans being offered in a payday store. Be **very careful** before borrowing money using these types of loans. When taking an installment loan, a title loan or any other loan be sure to understand the contract **BEFORE** you sign it. Installment Loans and title loans are not regulated by the Payday Loan Reform Act. These loans can have high interest rates, excessive and hidden fees and few if any consumer protections. Be sure to carefully read the contract and understand what you are agreeing to.

## Consumer Counseling and Debt Management Services:

If you are having financial difficulty or a serious financial setback, you may wish to get help from a consumer credit counselor or a debt management company. To obtain a list of licensed debt management companies, contact the Department of Financial Institutions at 1-888-298-8089.

Illinois Department of Financial & Professional Regulation  
 Division of Financial Institutions  
 Consumer Credit Section  
 100 W. Randolph, Suite 9-100  
 Chicago, IL 60601  
 1 – 888/ 298-8089  
[www.idfpr.com](http://www.idfpr.com)

## CONSUMER RIGHTS AND PROTECTIONS:

- You cannot be charged fees of more than \$15.50 per \$100 borrowed
- You have the right to full disclosure in your contract of all fees and the annual percentage rate (APR)
- You cannot borrow more than \$1000 or 25% of your gross monthly income, whichever is less
- You can only have two payday loans at a time
- You can request a repayment plan after 35 days of outstanding debt. Once in the repayment plan you cannot be charged interest, finance charges or fees of any kind
- A lender cannot sue you until 28 days after the loan was due or the repayment plan ended
- A lender cannot charge you for attorney's fees or court costs to collect the outstanding debt
- A lender may not take an interest in any of your personal property
- A rollover of a payday loan is prohibited
- Members of the military have additional protections including: a ban on wage garnishment, deferral of collection activity for personnel deployed to a combat area, and a prohibition on contacting a consumer's commanding officer
- You can cancel a wage assignment at any time by contacting the lender
- For a complete copy of all your rights go to [www.idfpr.com](http://www.idfpr.com) to view the entire Payday Loan Reform Act.

## How to Cancel a Payday Loan Without Paying Fees or Interest

You can cancel your future obligations on a payday loan **WITHOUT** cost or finance charge if you cancel the loan by the end of the second business day immediately following the day your payday loan was executed. To cancel future obligations fill out the following form and submit it to the lender. When you submit your written cancellation, you must also pay the lender an amount equal to the principal amount of the loan.

I \_\_\_\_\_ do hereby cancel my future obligations on payday loan account #: \_\_\_\_\_.

Signature \_\_\_\_\_ Date \_\_\_\_\_

