

## Canceling a Payday Loan

### 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 amount of money that was loaned to you.

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

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

Clip along dotted line



### Questions?



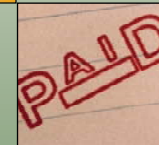
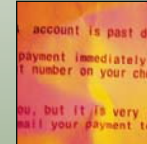
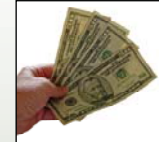
IDFPR  
Division of Financial Institutions  
Consumer Credit Section  
100 West Randolph Street  
9th Floor  
Chicago, IL 60601  
1-888-298-8089  
www.idfpr.com

(Rev. 3/18/11)



Illinois Department of Financial  
and Professional Regulation

# Illinois Guide to Payday Loans



Illinois  
Department  
of Financial &  
Professional  
Regulation



# Illinois Department of Financial and Professional Regulation

## Illinois Guide to Payday Loans

## Consumer Rights & Protections

### Consumer Responsibilities

- Pay back your loan. Know when each payment is due and be sure to repay the loan on time and in full.
- Know your limitations. Determine how much money you can afford to borrow so you can make each payment on time and fully repay the loan.
- 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.

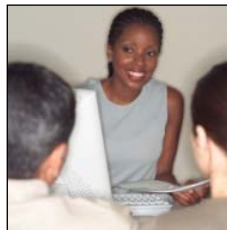
### BEWARE:

#### Other Loans You May See in a Payday Loan Office

You may see other types of loans being offered in a payday store. Your rights and responsibilities for these other loans may be very different than your rights and responsibilities for Payday Loans. When taking a loan, be sure to understand the contract before you sign it.

### Consumer Counseling and Debt Management Services

To the extent you would like licensed debt management services, contact the Division of Financial Institutions at 1-888-298-8089.



- Know your loan. A Payday Loan is a loan with a finance charge exceeding 36% and with a term that does not exceed 120 days. An Installment Payday Loan is similar to a Payday Loan but has a term of not less than 112 days and not more than 180 days.
- You cannot be charged fees of more than \$15.50 per \$100 borrowed and you have the right to full disclosure in your contract of all fees and the annual percentage rate (APR).
- The maximum amount you can borrow varies depending on your income, but in no event can your monthly payment on a Payday Loan or Installment Payday Loan exceed \$1,000.
- For Payday Loans 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. Installment Payday Loans are not eligible for a repayment plan.
- A lender cannot charge you for attorney's fees or court costs to collect the outstanding debt.
- 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 your commanding officer.
- You can cancel a wage assignment at any time by contacting the lender.
- For a complete copy of the law establishing Payday Loans or to file a complaint against a loan company, go to [www.idfpr.com](http://www.idfpr.com) and click on "Other Financial Institutions."

