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Editor’s Note: The Regulatory Agenda submission period ended the last week of June. No more Regulatory Agendas are being accepted at this time. The second filing period for submitting will start October 2, 2006 with the last day to file being December 29, 2006.

STATE BOARD OF EDUCATION

NOTICE OF PROPOSED RULES

- 1) Heading of the Part: Grants for Arts Education and Foreign Language Education
- 2) Code Citation: 23 Ill. Adm. Code 265
- 3)

<u>Section Numbers:</u>	<u>Proposed Action:</u>
265.10	New Section
265.20	New Section
265.30	New Section
265.40	New Section
265.110	New Section
265.120	New Section
265.210	New Section
265.220	New Section
- 4) Statutory Authority: 105 ILCS 5/2-3.65a and 2-3.6
- 5) A Complete Description of the Subjects and Issues Involved: This rulemaking responds to P.A. 94-835, which was signed into law on June 6 of this year and established the Arts and Foreign Language Education Grant Program. Under new Section 2-3.65a of the School Code, ISBE is to enter into an interagency agreement with the Illinois Arts Council to administer a grant program whose purpose is to ensure that art and foreign language courses are available as part of a school's core curriculum.

The program will be conducted in two phases. There will be an opportunity for applicants to receive one-year planning grants for either the fine arts or foreign language and then to apply for three years of implementation funding for the initiative that was the subject of the planning grant. State support for the new or enhanced program will diminish over the three-year period, with a view toward local maintenance of the effort at the end of that time.

Each eligible applicant will be able to apply for one planning grant and one implementation grant in each of the two curricular areas. Receipt of a planning grant will not be a prerequisite for implementation funding, provided that a comparable planning effort has occurred. The rules discuss the nature of the two types of grants and the allowable expenditures under each, as well as the criteria for review of the two types of proposals.
- 6) Published studies or reports and sources of underlying data used to compose this rulemaking: None

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- 7) Will this rulemaking replace any emergency rules currently in effect? No
- 8) Does this rulemaking contain an automatic repeal date? No
- 9) Does this rulemaking contain incorporations by reference? No
- 10) Are there any other proposed rulemakings pending on this Part? No
- 11) Statement of Statewide Policy Objective: This rulemaking will not create or enlarge a State mandate.
- 12) Time, Place, and Manner in which interested persons may comment on this proposed rulemaking: Written comments may be submitted within 45 days after the publication of this Notice to:

Sally Vogl
Agency Rules Coordinator
Illinois State Board of Education
100 North First Street (S-493)
Springfield, Illinois 62777

(217) 782-5270

Comments may also be submitted via e-mail, addressed to:

rules@isbe.net

- 13) Initial Regulatory Flexibility Analysis:
- A) Types of small businesses, small municipalities and not-for-profit corporations affected: None
- B) Reporting, bookkeeping or other procedures required for compliance: None
- C) Types of professional skills necessary for compliance: None
- 14) Regulatory Agenda on which this rulemaking was summarized: July 2006

The full text of the Proposed Rules begins on the next page:

STATE BOARD OF EDUCATION

NOTICE OF PROPOSED RULES

TITLE 23: EDUCATION AND CULTURAL RESOURCES

SUBTITLE A: EDUCATION

CHAPTER I: STATE BOARD OF EDUCATION

SUBCHAPTER g: SPECIAL COURSES OF STUDY

PART 265

GRANTS FOR ARTS EDUCATION AND FOREIGN LANGUAGE EDUCATION

SUBPART A: GENERAL PROVISIONS

- Section
- 265.10 Purpose and Applicability
- 265.20 Eligible Applicants
- 265.30 Application Procedure
- 265.40 Allocation of Funds

SUBPART B: PLANNING GRANTS

- Section
- 265.110 Program Specifications
- 265.120 Criteria for the Review of Proposals

SUBPART C: IMPLEMENTATION GRANTS

- Section
- 265.210 Program Specifications
- 265.220 Criteria for the Review of Initial Proposals

AUTHORITY: Implementing Section 2-3.65a of the School Code [105 ILCS 5/2-3.65a] and authorized by Section 2-3.6 of the School Code [105 ILCS 5/2-3.6].

SOURCE: Adopted at 30 Ill. Reg. _____, effective _____.

SUBPART A: GENERAL PROVISIONS

Section 265.10 Purpose and Applicability

This Part establishes the application procedure and criteria for selection by the State Board of Education and the Illinois Arts Council of the entities that will receive funding under the arts and

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foreign language education grant program established by Section 2-3.65a of the School Code [105 ILCS 5/2-3.65a].

Section 265.20 Eligible Applicants

- a) Eligible applicants shall be school districts, public university laboratory schools approved by the State Board of Education pursuant to Section 18-8.05(K) of the School Code [105 ILCS 5/18-8.05(K)], area vocational centers, and charter schools (see 105 ILCS 5/2-3.109a, 2-3.109b, and 27A-11.5, respectively. For purposes of this Part, the term "district" shall be understood to include all these eligible entities).
- b) No grantee shall receive more than one planning grant for the arts and one for foreign language. No grantee other than a grantee located in a city of over 500,000 inhabitants shall receive a second planning grant until the implementation phase has been completed with respect to the initiative to which the original planning grant related (or until at least three years have elapsed since completion of the original planning grant, in the case of an applicant that was not successful in securing implementation funding).
- c) No grantee shall receive more than one implementation grant for the arts and one for foreign language.

Section 265.30 Application Procedure

For purposes of this Subpart, the terms "proposal" and "application" shall have the same meaning.

- a) When State funding is available for grants under this Part, the State Superintendent of Education and the Executive Director of the Illinois Arts Council shall issue a Request for Proposals (RFP) in order to solicit applications from eligible entities.
- b) The RFP shall describe the format that applicants will be required to follow and the information they will be required to submit, including identification of the specific schools that will be served throughout the grant period, whether the grant will support education in the arts or in foreign language, and the rationale for these choices.

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- c) The RFP shall indicate the amount or expected amount of the appropriation for the program and the expected portions to be reserved for planning and implementation grants, respectively, and shall describe the allowable expenditures and the basis for awarding grants. The RFP shall identify any restrictions or areas of high priority that have been established for a particular program year. If matching funds or resources will be required of applicants, the RFP shall describe these requirements.
- d) The RFP shall include a budget summary and payment schedule as well as a narrative budget breakdown, i.e., a detailed explanation of each line item of expenditure.
- e) The RFP shall identify the information recipients will be required to collect and report regarding the activities conducted with grant funds and the results of those activities, as well as the timelines for reporting.
- f) The RFP shall include such certification and assurances as the State Superintendent and the Executive Director may require.
- g) The RFP shall specify the deadline for submission of proposals, which shall provide potential applicants with at least 45 days to respond.
- h) Separate applications shall be required for renewal of implementation funding. Each application for renewal shall include at least:
 - 1) a description of expenditures and activities during the year just concluded, demonstrating that the project has been implemented in conformance with the approved grant agreement and that the recipient continues to exhibit a need for grant funds for this purpose; and
 - 2) an updated budget summary and payment schedule for the renewal year, including a narrative budget breakdown.
- i) Incomplete proposals shall not be considered.

Section 265.40 Allocation of Funds

Applications for funding shall be approved and final determinations regarding the amounts to be provided shall be made based upon the total funds appropriated for this initiative, the amounts

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necessary to fund the top-ranked proposals, and the need to strengthen educational programs in the arts and foreign language on a statewide basis.

- a) Recipients of planning grants shall be given priority consideration in the subsequent awarding of implementation grants. However, receipt of a planning grant shall not be a prerequisite to receipt of an implementation grant (see Section 265.210 of this Part).
- b) It is the intention of the State Board of Education and the Illinois Arts Council to approve implementation grants under this Part for a three-year period. Funding for the second and third years shall be contingent upon the availability of funds for the program and evidence presented in renewal proposals in accordance with Section 265.30(h) of this Part. Amounts awarded in the second and third years will decrease in light of the expectation for the funded programs to be sustained with local resources.

SUBPART B: PLANNING GRANTS

Section 265.110 Program Specifications

- a) Planning grant funds shall be used for the purpose of developing specific plans for initiating, strengthening, or expanding instruction in the fine arts or in foreign language. The goal of each planning grant shall be to identify one or more components of an instructional program to be added or enhanced and the human, financial, and other resources that will be necessary in order to incorporate these components into the affected schools' curriculum and sustain them when State funding is no longer available.
- b) Each planning effort shall consist of a comprehensive, district-based program planning process relating to either the fine arts or foreign language. The planning process shall include not only school administrators, teachers, and other relevant staff members, but also parents, students, and community-based organizations with an interest in fostering the availability of fine arts or foreign language programming, as applicable.
- c) Grant funds awarded under this Subpart B may be used to offset the costs of district staff members' time, the time of other individuals who are demonstrably involved in the planning process, and other related expenditures such as supplies and materials, communications, travel expenses, and meeting space rental. Expenditures related to the implementation of instructional programs shall not be

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allowable as part of these planning grants, and no more than five percent of planning grant funds shall be used for general administrative expenses.

- d) Each grantee shall be required to prepare a written plan that identifies programmatic goals and objectives developed through analysis of the district's curricular needs and that describes how local resources will be coordinated to meet those needs in a program that can be sustained over time.
- e) Planning grants shall be issued for one fiscal year each and shall not be renewed.

Section 265.120 Criteria for the Review of Proposals

- a) Applications for planning grants shall be evaluated in accordance with the following criteria:
 - 1) Quality of the Plan (40 points)
 - A) The proposal demonstrates that the planning team includes individuals with knowledge of the curricular field, individuals with decision-making authority in the district, and individuals who can help make relevant community-based resources available to the district as an integral part of the program that will subsequently be implemented.
 - B) The proposal indicates a role for parents' and students' preferences in the determination of the program to be implemented.
 - C) The plan of work for the planning project is based on a timeframe that is reasonable when implementation of the instructional program in the subsequent year is taken into consideration.
 - D) The proposal acknowledges the central role of qualified staff in the relevant curricular area and includes strategies for determining how these positions will be staffed.
 - E) The proposed method of evaluating the planning project will yield information that will be useful to other applicants in the future.
 - 2) Sustainability (30 points)

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The proposal identifies a plan for securing additional resources from local organizations, businesses, and governmental agencies that will be useful to the grantee in sustaining a new or enhanced fine arts or foreign language program in the future.

- 3) Need (20 points)
The proposal demonstrates that the district is currently unable to offer the desired instructional program or the desired quality of instruction in the fine arts or foreign language due to issues related to finance, staffing, curricular expertise, or facilities.
- 4) Cost-Effectiveness (10 points)
The proposed budget is reasonable based on the scope of the planning work to be conducted and the number of individuals to be involved.

- b) The rankings of all planning grant proposals will form one distribution.

SUBPART C: IMPLEMENTATION GRANTS

Section 265.210 Program Specifications

- a) Implementation grant funds provided under this Subpart C shall be used for the purpose of introducing or expanding instruction in the fine arts or foreign language, as applicable, and for developing means of perpetuating the funded program with local resources after the conclusion of the grant period.
- b) If an implementation grant is received after use of planning grant funds under this Part, the implementation grant funds shall be used to support the specific program to which the planning grant pertained.
- c) Receipt of a planning grant shall not be a prerequisite to eligibility for implementation funding. However, each applicant not having received a planning grant under this Part shall demonstrate that a comprehensive planning process conforming to the requirements of Section 265.110(b) of this Part occurred with respect to the program for which funding is sought. Each such applicant shall present a plan as discussed in Section 265.110(d) of this Part.
- d) Grant funds provided under this Subpart C shall generally be used for expenditures directly related to the delivery of the instructional program, including salaries, professional development, curriculum planning and

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development, supplies and materials, software, and other necessary technology or equipment.

- 1) No more than five percent of the grant funds may be used for general administrative expenses.
- 2) No more than 50 percent of the salaries of certified staff members involved in the program shall be paid out of funds under this grant program. Salaries of noncertificated personnel shall not be allowable.
- 3) At least 10 percent of the grant funds shall be used for professional development of the certified staff associated with the program, which may include the services of "teaching artists".
- 4) Grant funds may be expended in connection with the utilization of community resources to the extent that these directly affect the delivery of instruction or the availability of resources for the instructional program.

Section 265.220 Criteria for the Review of Initial Proposals

- a) Applications for implementation grants shall be evaluated in accordance with the following criteria:
 - 1) Quality of the Plan (40 points)
 - A) The proposal demonstrates that the program to be implemented is based on information derived from the planning process.
 - B) The proposal identifies the aspects of the program that cannot currently be implemented in the absence of grant funding and demonstrates that plans exist to ensure the availability or redeployment of resources to sustain the program with declining reliance on State funding.
 - C) The proposal demonstrates that appropriately certified teachers are available to deliver instruction in the program and that their specific needs are reflected in the professional development that has been chosen.

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- D) The proposal demonstrates that the affected students will have systematic access to relevant linguistic, artistic, or cultural resources as an integral part of their participation in the instructional program.
- 2) Sustainability (30 points)
The proposal presents a portfolio of available local resources for which commitments have been secured so that the program can be sustained in future years when no further State funding will be provided.
 - 3) Need (20 points)
 - A) The proposal describes the status of the applicant's instructional programs in the arts or foreign languages, as applicable, and demonstrates that students' access to educational opportunities in this curricular area is limited to an undesirable degree.
 - B) The proposal demonstrates that other sources of funding are limited to such an extent that the applicant is unable to conduct or expand the program as proposed without funding under this Part.
 - 4) Cost-Effectiveness (10 points)
The scope of the proposed activities is reasonable in light of the amount of funding to be provided, and the project will be cost-effective considering the number of students to be served.
- b) The rankings of all implementation proposals will form one distribution.

DEPARTMENT OF PUBLIC HEALTH

NOTICE OF PROPOSED AMENDMENTS

- 1) Heading of the Part: Penny Severns Breast and Cervical Cancer Research Fund Rules
- 2) Code Citation: 77 Ill. Adm. Code 970
- 3)

<u>Section Numbers</u> :	<u>Proposed Action</u> :
970.10	Amendment
970.15	New Section
970.20	Repeal
970.30	Repeal
970.40	Amendment
970.60	Repeal
970.80	Amendment
970.200	New Section
970.210	New Section
970.220	New Section
970.230	New Section
970.240	New Section
970.310	New Section
970.320	New Section
970.330	New Section
970.340	New Section
970.350	New Section
- 4) Statutory Authority: Implementing and authorized by Sections 2310-347 and 2310-350 of the Civil Administrative Code of Illinois [20 ILCS 2310/2310-347 and 2310-350].
- 5) A Complete Description of the Subjects and Issues Involved: This rulemaking implements P.A. 94-0119 and P.A. 94-0120. P.A. 94-0119 amends the Public Health Powers and Duties Law to include Ovarian Cancer Research and renames the Penny Severns Breast and Cervical Cancer Research Fund to Penny Severns Breast, Cervical and Ovarian Cancer Research Fund. P.A. 94-0120 amends the Illinois Lottery Law to require the Department of Revenue to offer a special instant scratch-off game, "Ticket for the Cure," starting January 1, 2006 and to be discontinued on December 31, 2011. The net revenue from the game shall be deposited into the Ticket for the Cure Fund for appropriation by the General Assembly solely to the Department of Public Health for the purpose of making grants to public and private entities in Illinois to conduct breast cancer research and to fund services for breast cancer victims.
- 6) Published studies or reports and sources of underlying data used to compose this rulemaking: None

DEPARTMENT OF PUBLIC HEALTH

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- 7) Will this rulemaking replace any emergency rulemaking currently in effect? No
- 8) Does this rulemaking contain an automatic repeal date? No
- 9) Does this rulemaking contain incorporations by reference? No
- 10) Are there any other proposed rulemakings pending on this Part? No
- 11) Statement of Statewide Policy Objective: This rulemaking does not create or expand a State mandate.
- 12) Time, Place and Manner in which interested persons may comment on this proposed rulemaking: Interested persons may present their comments concerning this rulemaking by writing within 45 days after this issue of the *Illinois Register* to:

Susan Meister
Division of Legal Services
Illinois Department of Public Health
535 West Jefferson, Fifth Floor
Springfield, Illinois 62761

(217) 782-2043
Email: rules@idph.state.il.us

- 13) Initial Regulatory Flexibility Analysis:
 - A) Types of small businesses, small municipalities and not for profit corporations affected: Grant recipients may be private or public entities in Illinois.
 - B) Reporting, bookkeeping or other procedures required for compliance:
Completion of grant application
 - C) Types of professional skills necessary for compliance: None
- 14) Regulatory Agenda on which this rulemaking was summarized: This rulemaking was not included on the most recent regulatory agenda because: the need for the rulemaking was not known at the time that the Regulatory Agenda was prepared.

The full text of the Proposed Amendments begins on the next page:

DEPARTMENT OF PUBLIC HEALTH

NOTICE OF PROPOSED AMENDMENTS

TITLE 77: PUBLIC HEALTH
CHAPTER I: DEPARTMENT OF PUBLIC HEALTH
SUBCHAPTER u: MISCELLANEOUS PROGRAMS AND SERVICES

PART 970

~~WOMEN'S HEALTH CODE~~~~PENNY SEVERNS~~
~~BREAST AND CERVICAL CANCER RESEARCH FUND RULES~~

SUBPART A: GENERAL PROVISIONS

Section	
970.10	Definitions
<u>970.15</u>	<u>Referenced Materials</u>
970.20	Eligibility <u>(Repealed)</u>
970.30	Application Procedures <u>(Repealed)</u>
970.40	Application Review Criteria
970.50	Notification of Award
970.60	Award and Use of Grant Funds <u>(Repealed)</u>
970.70	Monitoring Criteria
970.80	Contract Expiration
970.90	Termination of the Grant Agreement or Funding
970.100	Denial, Suspension or Revocation of Grant Application or Grant Agreement
970.110	Procedures for Hearings

SUBPART B: PENNY SEVERNS BREAST, CERVICAL,
AND OVARIAN CANCER RESEARCH FUND

<u>Section</u>	
<u>970.200</u>	<u>Purpose</u>
<u>970.210</u>	<u>Penny Severns Breast, Cervical, and Ovarian Cancer Research Fund</u>
<u>970.220</u>	<u>Eligibility</u>
<u>970.230</u>	<u>Application Procedures</u>
<u>970.240</u>	<u>Award and Use of Grant Funds</u>

SUBPART C: TICKET FOR THE CURE

<u>Section</u>	
<u>970.310</u>	<u>Ticket for the Cure Fund</u>
<u>970.320</u>	<u>Eligibility</u>
<u>970.330</u>	<u>Application Procedures for Research Concerning Breast Cancer</u>

DEPARTMENT OF PUBLIC HEALTH

NOTICE OF PROPOSED AMENDMENTS

970.340 Application Procedures for Services for Breast Cancer Victims

970.350 Award and Use of Grant Funds

AUTHORITY: Implementing and authorized by Sections 2310-347 and 2310-350 of the Department of Public Health Powers and Duties Law of the Civil Administrative Code of Illinois [20 ILCS 2310/2310-347 and 2310-350].

SOURCE: Emergency rules adopted at 18 Ill. Reg. 9549, effective June 10, 1994, for a maximum of 150 days; emergency expired on November 7, 1994; adopted at 18 Ill. Reg. 17919, effective December 5, 1994; amended at 24 Ill. Reg. 7543, effective May 15, 2000; amended at 30 Ill. Reg. _____, effective _____.

SUBPART A: GENERAL PROVISIONS

Section 970.10 Definitions

"Act" means Sections 2310-347 and Section 2310-350 of the Department of Public Health Powers and Duties Law of the Civil Administrative Code of Illinois [20 ILCS 2310/2310-347 and 2310-350].

"Applicant" means any eligible physician, hospital, laboratory, education institution, other organization or person in Illinois whose intent is to conduct breast, cervical, and ovarian ~~and cervical~~ cancer research; public or private entities in Illinois whose intent is to conduct research concerning breast cancer or to fund services for breast cancer victims; or any of the above whose intent is to support a fellowship in the area of breast, Breast cervical, and Cervical and ovarian cancer. (Section 21.5 of the Illinois Lottery Law)

"Breast, and Cervical, and Ovarian Cancer Advisory Committee" means a committee chaired by the Director or his/her designee and composed of at least six additional members appointed by the Director, of which four must be representatives of the State Board of Health, Y-Me, Susan G. Komen Foundation, and American Cancer Society-Illinois Chapter and the remaining individuals must be knowledgeable of either breast, or cervical, or ovarian cancer or representative of an at-risk population. With the exception of the Chair, no appointee shall be an employee of the Department.

"Breast Cancer" means malignant tumor of the breast characterized by uncontrolled, abnormally rapid division of cells that originate in the breast and surrounding tissue and may spread to other organs.

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"Cervical Cancer" means malignant tumor of the narrow lower end or neck of the uterus (cervix) characterized by uncontrolled, abnormally rapid division of cells that originate in the cervix and surrounding tissue and may spread to other organs.

"Clinical Diagnosis" means the process of identifying a disease by its characteristic signs, symptoms and laboratory findings.

"Clinical Trial" means the testing of diagnostic, treatment, and prevention techniques by comparing results in patients randomly assigned to receive one of two or more techniques being tested.

"Cure" means the eradication of disease through removal of the risk of death invoked by the disease that was treated.

"Department" means the Illinois Department of Public Health.

"Detection" means the discovery of breast, ~~or~~ cervical, or ovarian cancer in a woman previously thought to be free of such cancer.

"Diagnostic Evaluation" means use of various techniques including physical exams, mammography, and evaluation by a pathologist of breast, ~~or~~ cervical, or ovarian cells removed from the body to determine the presence and type of cancer.

"Director" means the Director of the Illinois Department of Public Health.

"Early Detection" means discovery of breast, ~~or~~ cervical, or ovarian cancer at the first possible time when spread to other organs is least likely to occur.

"Fellowship" means supervised practical experience for an individual in a health care or scientific specialty beyond that required to earn a doctorate or, in the case of medicine, beyond that provided to hospital resident physicians to broaden expertise in breast, ~~and~~ cervical, and ovarian cancer.

"Funding Period" means the time (usually twelve months coinciding with the Department's Fiscal Year) during which money is to be spent in support of a particular research project or training course.

"General Award" means presentation of funds by the Department to an applicant

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to conduct research on breast, ~~and~~ cervical, and/or ovarian cancer and for funding services to breast cancer victims.

"Governmental Unit Code" means the Illinois Comptroller's preassigned vendor identification number for governmental agencies and municipalities.

"Grant Agreement Period" (see Funding Period).

"Not-for-profit" means a corporation as described in the General Not-for-Profit Corporation Act of 1986 [805 ILCS 105].

"Ovarian Cancer" means malignant tumor of the ovaries characterized by uncontrolled, abnormally rapid division of cells, which originates in the ovaries and may spread to other organs.

"Peer Review Panel" means a group appointed by the Director, whose members demonstrate and are acknowledged to have expertise in areas dealing with breast, ~~and~~ cervical, and ovarian cancer research.

"Prevention" means using various techniques including drugs, diet, and/or lifestyle changes to stop cancer from developing in healthy women.

"Principal Investigator" means the person with prime responsibility for conducting a research project.

"Project Period" means a minimum of one year and a maximum of three years (possibility of two continuation grants).

"Referral" means the process of linking persons who may be or who have been diagnosed with breast, ~~or~~ cervical, and ovarian cancer with services in response to those needs.

"Research" means a scientific investigation into possible causes, location, progression, treatment, care and cure for breast, ~~and~~ cervical, and ovarian cancer. *Research includes, but is not limited to, expenditures to develop and advance the understanding, techniques, and modalities effective in early detection, prevention, cure, screening, and treatment of breast, ~~and~~ cervical, and ovarian cancer and may include clinical trials.* (Section 2310-350 of the Act)

"Research Fund" means the Penny Sevens Breast, ~~and~~ Cervical, and Ovarian

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Cancer Research Fund, which is a special fund in the State Treasury as described in Section 2310-350 of the Civil Administrative Code of Illinois.

"Research Fund Checkoff" means a voluntary process by which an Illinois taxpayer may use a provision on the standard individual income tax form to contribute to the Penny Seaverns Breast, ~~and~~-Cervical, and Ovarian Cancer Research Fund.

"Research Grant" means funding provided to qualified principal investigators to investigate specific questions related to breast, ~~and~~-cervical, and ovarian cancer research.

"Services for Breast Cancer Victims" means any type of assistance to aid in the lives of victims of breast cancer.

"Services for Breast Cancer Victims Grants" means funding to non-research grantees that provide services to breast cancer victims.

"Screening" means examining and testing for cancer in women who have no overt symptoms of cancer.

"Ticket for the Cure Board" means an advisory board within the Department created by Section 2310-347 of the Act.

"Ticket for the Cure Fund" means a special fund created by Section 21.5 of the Illinois Lottery Law [20 ILCS 1605].

"TIN number" means the nine digit federal Taxpayer Identification Number also known as the Federal Employer Identification Number (FEIN), Social Security Number, or Governmental Unit Code.

"Training and Continuing Education" means extending or updating the knowledge of research scientists, health care professionals and other allied persons.

"Treatment" means the management and care of a woman for the purpose of combating breast, ~~or~~-cervical, or ovarian cancer.

(Source: Amended at 30 Ill. Reg. _____, effective _____)

Section 970.15 Referenced Materials

DEPARTMENT OF PUBLIC HEALTH

NOTICE OF PROPOSED AMENDMENTS

The following State and federal laws and State administrative rules are referenced in this Part:

a) State of Illinois Laws:

- 1) The Department of Public Health Powers and Duties Law of the Civil Administrative Code of Illinois [20 ILCS 2310/2310-347 and 2310-350]
- 2) General Not-for-Profit Corporation Act of 1986 [805 ILCS 105]
- 3) Illinois Lottery Law [20 ILCS 1605]
- 4) Illinois Human Rights Act [775 ILCS 5]
- 5) Illinois Procurement Code [30 ILCS 500]

b) State of Illinois Administrative Rules:

Local Health Protection Grant Rules (77 Ill. Adm. Code 200)

c) Federal Laws:

- 1) The Civil Rights Act of 1964 (42 USC 1981)
- 2) The Drug-Free Workplace Act of 1988 (41 USC 701-707)
- 3) The Davis-Bacon Act of 1931 (40 USC 3141-3144, 3146, 3147)

(Source: Added at 30 Ill. Reg. _____, effective _____)

Section 970.20 Eligibility (Repealed)

- a) ~~Eligible applicants include physicians licensed in Illinois to practice medicine in all of its branches, licensed hospitals in Illinois, certified laboratories in Illinois, certified mammography professionals and facilities, post-secondary higher educational institutions in Illinois and other medically affiliated organizations in Illinois and persons who are Illinois residents or sponsored by an Illinois facility guaranteeing benefits to Illinois residents.~~
- b) ~~All certified local health departments which provide public health programs as~~

DEPARTMENT OF PUBLIC HEALTH

NOTICE OF PROPOSED AMENDMENTS

~~defined in 77 Ill. Adm. Code 615.200.~~

(Source: Repealed at 30 Ill. Reg. _____, effective _____)

Section 970.30 Application Procedures (Repealed)

~~The Department shall provide written application instructions and forms to potential applicants.~~

- a) ~~All applications shall include the following:~~
- ~~1) the principal investigator's name, address, and telephone and FAX and teletypewriter (TTY) numbers, if available;~~
 - ~~2) the name, address, and telephone and FAX and TTY numbers, if available, of the entity (such as a university) through which the application is being submitted, if different from the information provided in subsection (a)(1) of this Section;~~
 - ~~3) the curriculum vitae of the principal investigator;~~
 - ~~4) a one page non-technical abstract, which describes the significance of the applicant's project for breast and/or cervical cancer research;~~
 - ~~5) the Social Security Number, Taxpayer Identification Number (TIN) or the Governmental Unit Code assigned by the State of Illinois, Office of the Comptroller;~~
 - ~~6) the signature of principal investigator or agency official authorized to certify the application;~~
 - ~~7) an approximate timetable for project completion;~~
 - ~~8) a detailed budget for the funding period, documenting sufficient resources to carry out the project. The budget shall be by line item category and shall provide sufficient detail to justify the use of grant funds to support project activities. The applicant shall indicate the total cost of conducting the project(s), the anticipated funding request for year 2 and 3 of the project (if applicable), the source of other funds supporting the project(s), the amount of support requested from the Department;~~

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- ~~9) a signed Statement of Assurances indicating compliance with applicable State and federal requirements, such as the Fiscal Control and Internal Auditing Act, Office of Management and Budget (OMB) Circular A-128 (local governments), OMB Circular A-133 (not for profit organizations), bribery certification, contract debarment, unlawful discrimination, Illinois Human Rights Act, Federal Civil Rights Act, Drug Free Workplace Act, Davis-Bacon Act, conflict of interest as specified in the Illinois Procurement Code [30 ILCS 500], and protection of the confidentiality of services;~~
- ~~10) a statement of whether funds are being requested for a fellowship or a general award;~~
- ~~11) a statement of the research question or hypothesis, or a description of intervention(s) or model program(s) on which the research will be based;~~
- ~~12) a prioritized listing of measurable objectives for the funding period;~~
- ~~13) for each objective proposed for the first year of the project, a sequential listing of activities to achieve the objective, the time line for completing each activity, identification of the individual responsible for coordinating the implementation of each objective; and~~
- ~~14) the evaluation methods to be used to measure progress in achieving objectives and a plan for monitoring the overall project.~~
- b) If the funds are being requested to support a fellowship, the following information shall be provided in addition to the information required in subsection (a) of this Section:
 - ~~1) the name of individual to be supported through the fellowship;~~
 - ~~2) the curriculum vitae of individual; and~~
 - ~~3) at least one letter of recommendation from the principal investigator or agency official authorized to certify the application.~~
- e) ~~All continuation applications shall contain the information required in subsection (a) and, in addition, shall include the following:~~

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- 1) ~~a progress report which contains a description of the status of each activity of the project to date, utilizing the evaluation methods and monitoring plan specified in subsection (a)(14) of this Section;~~
- 2) ~~documentation of progress in meeting each project objective;~~
- 3) ~~the project objectives for the new grant year, along with activities and timelines for completion of each activity; and~~
- 4) ~~any revisions in the evaluation methods or the monitoring plan, along with the rationale for such revisions.~~

(Source: Repealed at 30 Ill. Reg. _____, effective _____)

Section 970.40 Application Review Criteria

A non-technical and technical review shall be conducted for each application received by the Department:

- a) Criteria for the non-technical review shall include:
 - 1) ~~The~~ inclusion of all required forms specified in ~~Sections~~Section 970.230, 970.330 and 970.340~~30~~; and
 - 2) ~~The~~the inclusion of a response to each required item as specified in ~~Sections~~Section 970.230, 970.330 and 970.340~~30~~.
- b) Criteria for the technical review shall be as follows:
 - 1) ~~The~~the activities identified by the applicant will lead to achievement of the objectives;
 - 2) ~~The~~the project objectives are achievable in the stated time frame;
 - 3) ~~The~~the evaluation methods will measure progress toward the identified objectives;
 - 4) ~~The~~the budget (~~Section 970.30(a)(8)~~) provides sufficient resources and justifies the need for funds to carry out the project; and

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- 5) ~~Continuation~~~~continuation~~ applicants have documented the status of each activity in support of the current year's objectives and have provided an estimate of the extent to which each current year objective will be met.

(Source: Amended at 30 Ill. Reg. _____, effective _____)

Section 970.60 Award and Use of Grant Funds (Repealed)

- a) ~~Project funds shall only be used for the direct cost of administering, operating and maintaining a project. The following direct costs are examples of those that may be incurred when specified in the grant agreement:~~
- ~~1) personal services costs, including gross salaries and employer paid fringe benefits for full-time and part-time employees of the project;~~
 - ~~2) contractual services costs, including but not limited to, fees for consultants and specialists, exclusive of consultant services for patient care; conference registration fees; repair and maintenance of furniture and equipment; postage and postal services; subscriptions; training and education costs; software; and telecommunications costs;~~
 - ~~3) travel of personnel in carrying out authorized activities. Travel costs are the expenses for transportation, lodging and subsistence for personnel who are on travel status on official business for the applicant. Out-of-State travel requires prior written approval of the Department;~~
 - ~~4) supplies/commodities as required in the operation of the project which are directly related to its operation. Supplies include, but are not limited to, office, medical and educational supplies; equipment items costing less than \$100.00 each; printing; and paper; and~~
 - ~~5) equipment directly related to the operation of the project. (Equipment is defined as items costing over \$100.00 each, with a useful life of more than one year (Section 20 of the State Finance Act; Ill. Rev. Stat. 1991, ch. 127, par. 156 [30 ILCS 105/20]). Equipment costs shall include all freight and installation costs. Purchase of equipment items, other than those included in the approved budget, require prior written approval from the Department.)~~
- b) ~~Payments to the grantee shall be made on a reimbursement basis.~~

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- 1) ~~The grantee shall use the Department's Reimbursement Certification Form or a reasonable facsimile to request reimbursement.~~
- 2) ~~The grantee shall document actual expenditures incurred for the purchase of goods and services necessary for conducting program activities.~~
 - A) ~~Expenditures shall be itemized on the Reimbursement Certification Form in such a manner as to establish an audit trail for future verification of appropriate use of grant funds.~~
 - B) ~~Each item claimed on the Reimbursement Certification Form must be based on an expenditure traceable through the grantee's internal accounting system and shall include:~~
 - i) ~~the check number or internal ledger transfer code;~~
 - ii) ~~date of payment;~~
 - iii) ~~dates goods or services were received or the period covered;~~
 - iv) ~~a description of the goods or services and gross amount of the check or transfer; and~~
 - v) ~~the amount claimed for reimbursement from the Department.~~
- 3) ~~The grantee shall submit requests for reimbursement periodically (monthly or quarterly) throughout the period of the grant. The final request for reimbursement shall be submitted within 45 calendar days after the end of the grant agreement period.~~
- e) ~~Requests for budget adjustments shall be submitted to the Department in writing and shall be received by the Department no later than 45 calendar days before the end of the grant agreement period.~~

(Source: Repealed at 30 Ill. Reg. _____, effective _____)

Section 970.80 Contract Expiration

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All projects shall end on the date specified in the grant agreement and shall not be extended or renewed. A continuation application, as provided for in Sections 970.230(c) and 970.330(c), Section 970.30(e) may result in a new grant agreement with a new expiration date.

(Source: Amended at 30 Ill. Reg. _____, effective _____)

SUBPART B: PENNY SEVERNS BREAST, CERVICAL,
AND OVARIAN CANCER RESEARCH FUND

Section 970.200 Purpose

The purpose of the Penny Severns Breast, Cervical, and Ovarian Cancer Research Fund is to support research, which includes, but is not limited to, expenditures to develop and advance the understanding, techniques, and modalities effective in early detection, prevention, cure, screening, and treatment of breast, cervical, and ovarian cancer and may include clinical trials. [20 ILCS 2310/2310-350]

(Source: Added at 30 Ill. Reg. _____, effective _____)

Section 970.210 Penny Severns Breast, Cervical, and Ovarian Cancer Research Fund

From funds appropriated from the Penny Severns Breast, Cervical, and Ovarian Cancer Research Fund, the Department shall award grants to eligible physicians, hospitals, laboratories, education institutions, and other organizations and persons to enable organizations and persons to conduct research. Disbursements from the Penny Severns Breast, Cervical, and Ovarian Cancer Research Fund for the purpose of ovarian cancer research shall be subject to appropriations. [20 ILCS 2310/2310-350]

(Source: Added at 30 Ill. Reg. _____, effective _____)

Section 970.220 Eligibility

Eligible applicants include:

- a) Physicians licensed in Illinois to practice medicine in all of its branches, licensed hospitals in Illinois, certified laboratories in Illinois, certified mammography professionals and facilities, post-secondary higher education institutions in Illinois, and other medically affiliated organizations in Illinois and persons who

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are Illinois residents or sponsored by an Illinois facility guaranteeing benefits to Illinois residents.

- b) All certified local health departments that provide public health programs as defined in Section 615.200 of the Local Health Protection Grant Rules (77 Ill. Adm. Code 615.200).

(Source: Added at 30 Ill. Reg. _____, effective _____)

Section 975.230 Application Procedures

The Department will provide written application instructions and forms to potential applicants.

- a) All applications shall include the following:
- 1) The principal investigator's name, address, and telephone and FAX and teletypewriter (TTY) numbers, if available;
 - 2) The name, address, and telephone and FAX and TTY numbers, if available, of the entity (such as a university) through which the application is being submitted, if different from the information provided in subsection (a)(1) of this Section;
 - 3) The curriculum vitae of the principal investigator;
 - 4) A one-page non-technical abstract that describes the significance of the applicant's project for breast and/or cervical and/or ovarian cancer research;
 - 5) The Social Security Number, Taxpayer Identification Number (TIN) or the Governmental Unit Code assigned by the State of Illinois, Office of the Comptroller;
 - 6) The signature of principal investigator or agency official authorized to certify the application;
 - 7) An approximate timetable for project completion;
 - 8) A detailed budget for the funding period, documenting sufficient resources to carry out the project. The budget shall be by line item category and

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shall provide sufficient detail to justify the use of grant funds to support project activities. The applicant shall indicate the total cost of conducting the projects, the anticipated funding request for years two and three of the project (if applicable), the source of other funds supporting the projects, and the amount of support requested from the Department;

- 9) A signed Statement of Assurances indicating compliance with applicable State and federal requirements, such as the Fiscal Control and Internal Auditing Act, Office of Management and Budget (OMB) Circular A-128 (local governments), OMB Circular A-133 (not-for-profit organizations), bribery certification, contract debarment, unlawful discrimination, Illinois Human Rights Act, The Civil Rights Act of 1964, The Drug-Free Workplace Act of 1988, The Davis-Bacon Act of 1931, conflict of interest as specified in the Illinois Procurement Code [30 ILCS 500], and protection of the confidentiality of services;
 - 10) A statement of whether funds are being requested for a fellowship or a general award;
 - 11) A statement of the research question or hypothesis, or a description of interventions or model programs on which the research will be based;
 - 12) A prioritized listing of measurable objectives for the funding period;
 - 13) For each objective proposed for the first year of the project, a sequential listing of activities to achieve the objective, the time line for completing each activity, and identification of the individual responsible for coordinating the implementation of each objective; and
 - 14) The evaluation methods to be used to measure progress in achieving objectives and a plan for monitoring the overall project.
- b) If the funds are being requested to support a fellowship, the following information shall be provided, in addition to the information required in subsection (a) of this Section:
- 1) The name of the individual to be supported through the fellowship;
 - 2) The curriculum vitae of the individual; and

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- 3) At least one letter of recommendation from the principal investigator or agency official authorized to certify the application.
- c) All continuation applications shall contain the information required in subsection (a), as well as the following:
 - 1) A progress report that contains a description of the status of each activity of the project to date, using the evaluation methods and monitoring plan specified in subsection (a)(14) of this Section;
 - 2) Documentation of progress in meeting each project objective;
 - 3) The project objectives for the new grant year, along with activities and timelines for completion of each activity; and
 - 4) Any revisions in the evaluation methods or the monitoring plan, along with the rationale for such revisions.

(Source: Added at 30 Ill. Reg. _____, effective _____)

Section 970.240 Award and Use of Grant Funds

- a) Project funds shall be used only for the direct cost of administering, operating and maintaining a project. The following direct costs are examples of those that may be incurred when specified in the grant agreement:
 - 1) Personal services costs, including gross salaries and employer-paid fringe benefits for full-time and part-time employees of the project;
 - 2) Contractual services costs, including, but not limited to, fees for consultants and specialists, exclusive of consultant services for patient care; conference registration fees; repair and maintenance of furniture and equipment; postage and postal services; subscriptions; training and education costs; software; and telecommunications costs;
 - 3) Travel of personnel in carrying out authorized activities. Travel costs are the expenses for transportation, lodging and subsistence for personnel who are on travel status on official business for the applicant. Out-of-State travel requires prior written approval of the Department;

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- 4) Supplies/commodities as required in the operation of the project that are directly related to its operation. Supplies include, but are not limited to, office, medical and educational supplies; equipment items costing less than \$100 each; printing; and paper; and
 - 5) Equipment directly related to the operation of the project. (Equipment is defined as items costing over \$100 each, with a useful life of more than one year. Equipment costs shall include all freight and installation costs. Purchase of equipment items, other than those included in the approved budget, requires prior written approval from the Department.)
- b) Payments to the grantee shall be made on a reimbursement basis.
- 1) The grantee shall use the Department's Reimbursement Certification Form or a reasonable facsimile to request reimbursement.
 - 2) The grantee shall document actual expenditures incurred for the purchase of goods and services necessary for conducting program activities.
 - A) Expenditures shall be itemized on the Reimbursement Certification Form in such a manner as to establish an audit trail for future verification of appropriate use of grant funds.
 - B) Each item claimed on the Reimbursement Certification Form must be based on an expenditure traceable through the grantee's internal accounting system and shall include:
 - i) The check number or internal ledger transfer code;
 - ii) Date of payment;
 - iii) Dates goods or services were received or the period covered;
 - iv) A description of the goods or services and gross amount of the check or transfer; and
 - v) The amount claimed for reimbursement from the Department.

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- 3) The grantee shall submit requests for reimbursement periodically (monthly or quarterly) throughout the period of the grant. The final request for reimbursement shall be submitted within 45 calendar days after the end of the grant agreement period.
- c) Requests for budget adjustments shall be submitted to the Department in writing and shall be received by the Department no later than 45 calendar days before the end of the grant agreement period.

(Source: Added at 30 Ill. Reg. _____, effective _____)

SUBPART C: TICKET FOR THE CURESection 970.310 Ticket for the Cure Fund

From funds appropriated from the Ticket for the Cure Fund, the Department shall award grants to public or private entities in Illinois for the purpose of funding research concerning breast cancer and for funding services for breast cancer victims. For purposes of this Section, the term "research" includes, without limitation, expenditures to develop and advance the understanding, techniques, and modalities effective in the detection, prevention, screening, and treatment of breast cancer and may include clinical trials. The grant funds may not be used for institutional, organizational, or community-based overhead costs, indirect costs, or levies. [20 ILCS 1605/21.5]

(Source: Added at 30 Ill. Reg. _____, effective _____)

Section 970.320 Eligibility

- a) Eligible applicants for the purpose of funding research concerning breast cancer include physicians licensed in Illinois to practice medicine in all of its branches, hospitals licensed in Illinois, certified laboratories in Illinois, certified mammography professionals and facilities, post-secondary higher educational institutions in Illinois and other medically affiliated organizations in Illinois and persons who are Illinois residents or sponsored by an Illinois facility guaranteeing benefits to Illinois residents.
- b) Eligible applicants for the purpose of funding services for breast cancer victims include local health departments; not-for-profit organizations; governmental entities; all Illinois licensed hospitals; and community health centers.

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- c) Eligible applicants for the purpose of funding services for breast cancer victims include all certified local health departments that provide public health programs as defined in Section 615.200 of the Local Health Protection Grant Rules (77 Ill. Adm. Code 615.200).

(Source: Added at 30 Ill. Reg. _____, effective _____)

Section 970.330 Application Procedures for Research Concerning Breast Cancer

The Department will provide written application instructions and forms to potential applicants.

- a) All applications shall include the following:
- 1) The principal investigator's name, address, and telephone and FAX and teletypewriter (TTY) numbers, if available;
 - 2) The name, address, and telephone and FAX and TTY numbers, if available, of the entity (such as a university) through which the application is being submitted, if different from the information provided in subsection (a)(1) of this Section;
 - 3) The curriculum vitae of the principal investigator;
 - 4) A one-page non-technical abstract, which describes the significance of the applicant's project for breast cancer research;
 - 5) The Social Security Number, Taxpayer Identification Number (TIN) or the Governmental Unit Code assigned by the State of Illinois, Office of the Comptroller;
 - 6) The signature of the principal investigator or agency official authorized to certify the application;
 - 7) An approximate timetable for project completion;
 - 8) A detailed budget for the funding period, documenting sufficient resources to carry out the project. The budget shall be by line item category and shall provide sufficient detail to justify the use of grant funds to support project activities. The applicant shall indicate the total cost of conducting the projects, the anticipated funding request for years two and three of the

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project (if applicable), the source of other funds supporting the projects, and the amount of support requested from the Department;

- 9) A signed Statement of Assurances indicating compliance with applicable State and federal requirements, such as the Fiscal Control and Internal Auditing Act, Office of Management and Budget (OMB) Circular A-128 (local governments), OMB Circular A-133 (not-for-profit organizations), bribery certification, contract debarment, unlawful discrimination, Illinois Human Rights Act, The Civil Rights Act of 1964, The Drug-Free Workplace Act of 1988, The Davis-Bacon Act of 1931, conflict of interest as specified in the Illinois Procurement Code [30 ILCS 500], and protection of the confidentiality of services;
 - 10) A statement of whether funds are being requested for a fellowship or a general award;
 - 11) A statement of the research question or hypothesis, or a description of interventions or model programs on which the research will be based;
 - 12) A prioritized listing of measurable objectives for the funding period;
 - 13) For each objective proposed for the first year of the project, a sequential listing of activities to achieve the objective, the time line for completing each activity, identification of the individual responsible for coordinating the implementation of each objective; and
 - 14) The evaluation methods to be used to measure progress in achieving objectives and a plan for monitoring the overall project.
- b) If the funds are being requested to support a fellowship, the following information shall be provided, in addition to the information required in subsection (a) of this Section:
- 1) The name of the individual to be supported through the fellowship;
 - 2) The curriculum vitae of the individual; and
 - 3) At least one letter of recommendation from the principal investigator or agency official authorized to certify the application.

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- c) All continuation applications shall contain the information required in subsection (a) and, in addition, shall include the following:
- 1) A progress report that contains a description of the status of each activity of the project to date, utilizing the evaluation methods and monitoring plan specified in subsection (a)(14) of this Section;
 - 2) Documentation of progress in meeting each project objective;
 - 3) The project objectives for the new grant year, along with activities and timelines for completion of each activity; and
 - 4) Any revisions in the evaluation methods or the monitoring plan, along with the rationale for such revisions.

(Source: Added at 30 Ill. Reg. _____, effective _____)

Section 970.340 Application Procedures for Services for Breast Cancer Victims

The Department will provide written application instructions and forms to potential applicants.

- a) All applications shall include the following:
- 1) The applicant's name, address, and telephone and FAX and teletypewriter (TTY) numbers, if available;
 - 2) The name, address, and telephone and FAX and TTY numbers, if available, of the entity (such as a local health department, not-for-profit organization, governmental entity, licensed hospital, or community health center) through which the application is being submitted;
 - 3) A one-page abstract, which describes the significance of the applicant's method to provide services for breast cancer victims;
 - 4) A summary statement of the applicant's proposed plan of action to address the need for this service described in the Department's request for proposals;
 - 5) A description of the geographic area or special population group to be served by the applicant's service, a statement of the special needs of the

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area or groups, and a thorough explanation of the manner in which the proposed services would meet those needs;

- 6) A statement of the measurable and relevant objectives the applicant proposes to achieve in the grant year;
- 7) An evaluation plan that will allow documentation of the applicant's progress in meeting the particular needs of the area or group and a plan for monitoring the overall project;
- 8) The Social Security Number, Taxpayer Identification Number (TIN) or the Governmental Unit Code assigned by the State of Illinois, Office of the Comptroller;
- 9) The signature of agency official authorized to certify the application;
- 10) A detailed budget for the funding period, documenting sufficient resources to carry out the project. The budget shall be by line item category and shall provide sufficient detail to justify the use of grant funds to support project activities. The applicant shall indicate the total cost of conducting the projects, the anticipated funding request for years two and three of the project (if applicable), the source of other funds supporting the projects, and the amount of support requested from the Department;
- 11) A signed Statement of Assurances indicating compliance with applicable State and federal requirements, such as the Fiscal Control and Internal Auditing Act, Office of Management and Budget (OMB) Circular A-128 (local governments), OMB Circular A-133 (not-for-profit organizations), bribery certification, contract debarment, unlawful discrimination, Illinois Human Rights Act, The Civil Rights Act of 1964, The Drug-Free Workplace Act of 1988, The Davis-Bacon Act of 1931, conflict of interest as specified in the Illinois Procurement Code [30 ILCS 500], and protection of the confidentiality of services.

(Source: Added at 30 Ill. Reg. _____, effective _____)

Section 970.350 Award and Use of Grant Funds

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- a) Funds shall be used only for the direct cost of administering, operating and maintaining a project or service. The following direct costs are examples of those that may be incurred when specified in the grant agreement:
- 1) Personal services costs, including gross salaries and employer paid fringe benefits for full-time and part-time employees of the project or service;
 - 2) Contractual services costs, including, but not limited to, fees for consultants and specialists, exclusive of consultant services for patient care;
 - 3) Supplies/commodities as required in the operation of the project or service that are directly related to its operation, which may include medical supplies; and equipment supplies costing less than \$100; and
 - 4) Equipment directly related to the operation of the project. (Equipment is defined as items costing over \$100 each, with a useful life of more than one year. Equipment costs shall include all freight and installation costs. Purchase of equipment items, other than those included in the approved budget, require prior written approval from the Department.)
 - 5) The grant funds may not be used for institutional, organizational, or community-based overhead costs, indirect costs, or levies.
- b) Payments to the grantee shall be made on a reimbursement basis.
- 1) The grantee shall use the Department's Reimbursement Certification Form or a reasonable facsimile to request reimbursement.
 - 2) The grantee shall document actual expenditures incurred for the purchase of goods and services necessary for conducting program activities or services.
 - A) Expenditures shall be itemized on the Reimbursement Certification Form in such a manner as to establish an audit trail for future verification of appropriate use of grant funds.
 - B) Each item claimed on the Reimbursement Certification Form must be based on an expenditure traceable through the grantee's internal accounting system and shall include:

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- i) The check number or internal ledger transfer code;
 - ii) Date of payment;
 - iii) Dates goods or services were received or the period covered;
 - iv) A description of the goods or services and gross amount of the check or transfer; and
 - v) The amount claimed for reimbursement from the Department.
- 3) The grantee shall submit requests for reimbursement periodically (monthly or quarterly) throughout the period of the grant. The final request for reimbursement shall be submitted within 45 calendar days after the end of the grant agreement period.
- c) Line-item budget adjustments to reallocate awarded funds shall be submitted to the Department on Department-provided forms no later than 45 calendar days before the end of the grant agreement period.

(Source: Added at 30 Ill. Reg. _____, effective _____)

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NOTICE OF PROPOSED AMENDMENTS

- 1) Heading of the Part: Medication
- 2) Code Citation: 11 Ill. Adm. Code 603
- 3)

<u>Section Numbers</u> : 603.60 603.140	<u>Proposed Action</u> : Amend Amend
-----------------------------------------------	--------------------------------------------
- 4) Statutory Authority: 230 ILCS 5/9(b)
- 5) A Complete Description of the Subjects and Issues Involved: Currently, the Board's medication rules governing the non-steroidal anti-inflammatories phenylbutazone, flunixin, and ketoprofen (NSAID) differ from the Racing Commissioners International (RCI) model rules. The model pari-mutuel rules are drafted and approved by RCI and are intended to be utilized by the entire pari-mutuel horse racing industry. The model rules, governing issues relating to the medication and post-race testing of racehorses, were recommended by the Racing Medication and Testing Consortium. To achieve uniformity in the rules, the Board is moving toward the adoption of the RCI model rules. This proposed rulemaking establishes penalties for flunixin, ketoprofen, and phenylbutazone overages based on a tiered structure. In addition, the maximum threshold level for phenylbutazone will be reduced from 15 micrograms to 10. The Board approved this rulemaking at its monthly meeting on May 9, 2006. Also, one anti-bacterial drug and three anti-protozoal drugs were added to the list of permitted substances. Finally, with the transfer of the laboratory drug-testing program to the Animal Forensic Testing Laboratory at the University of Illinois at Chicago, the retention and elimination samples, Section 603.140, is covered in the contractual agreement.
- 6) Published studies or reports and sources of underlying data used to compose this rulemaking: Racing Commissioners International model rules, version 3.3, approved December 7, 2005.
- 7) Will this proposed rulemaking replace any emergency rulemaking currently in effect? No
- 8) Does this rulemaking contain an automatic repeal date? No
- 9) Does this rulemaking contain incorporations by reference? No
- 10) Are there any other proposed rulemakings pending in this Part? No

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- 11) Statement of Statewide Policy Objectives: No local governmental units will be required to increase expenditures.
- 12) Time, Place and Manner in which interested persons may comment on this proposed rulemaking: Written comments should be submitted, within 45 days after this Notice, to:

Mickey Ezzo
Illinois Racing Board
100 West Randolph
Suite 7-701
Chicago, Illinois 60601

(312) 814-5017
- 13) Initial Regulatory Flexibility Analysis:
 - A) Types of small businesses, small municipalities and not-for-profit corporations affected: None
 - B) Reporting, bookkeeping or other procedures required for compliance: None
 - C) Types of professional skills necessary for compliance: None
- 14) Regulatory Agenda which this rulemaking was summarized: This rulemaking was included on the 2006 Regulatory Agenda.

The full text of the Proposed Amendments begins on the next page:

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TITLE 11: ALCOHOL, HORSE RACING, AND LOTTERY
SUBTITLE B: HORSE RACING
CHAPTER I: ILLINOIS RACING BOARD
SUBCHAPTER c: RULES APPLICABLE TO ALL OCCUPATION LICENSEES

PART 603
MEDICATION

Section	
603.10	Pre-Race Saliva Tests
603.20	Racing Soundness Exam
603.30	Foreign Substances and Pharmaceutical Aids Banned
603.40	Twenty-four Hour Ban
603.50	Trainer Responsibility
603.55	Prima Facie Evidence
603.60	Permitted Use of Foreign Substances and Threshold Levels
603.70	Furosemide
603.80	Needles, Syringes and Injectables
603.90	Drugs, Chemicals and Prescription Items
603.100	Detention Barn
603.110	Test Samples
603.120	Referee Samples
603.130	Laboratory Findings and Reports
603.140	Distribution of Purses and Retention of Samples
603.150	Post Mortems
603.160	Penalties
603.170	Veterinarian's Records
603.180	Carbon Dioxide Tests

AUTHORITY: Authorized by Section 9(b) of the Illinois Horse Racing Act of 1975 [230 ILCS 5/9(b)].

SOURCE: Adopted at 21 Ill. Reg. 3232, effective March 4, 1997; amended at 22 Ill. Reg. 2217, effective January 1, 1998; amended at 22 Ill. Reg. 3594, effective February 1, 1998; amended at 25 Ill. Reg. 15611, effective December 1, 2001; amended at 26 Ill. Reg. 12360, effective August 1, 2002; amended at 27 Ill. Reg. 5027, effective March 7, 2003; amended at 27 Ill. Reg. 7331, effective April 15, 2003; amended at 28 Ill. Reg. 1374, effective January 19, 2004; amended at 28 Ill. Reg. 4751, effective March 1, 2004; emergency amendment at 28 Ill. Reg. 7565, effective May 11, 2004, for a maximum of 150 days; emergency expired October 7, 2004; amended at 28 Ill. Reg. 11250, effective August 1, 2004; amended at 28 Ill. Reg. 15790, effective December 1,

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2004; emergency amendment at 29 Ill. Reg. 2779, effective February 22, 2005, for a maximum of 150 days; emergency amendment at 29 Ill. Reg. 4116, effective February 25, 2005, for a maximum of 150 days; amended at 29 Ill. Reg. 5726, effective April 8, 2005; amended at 29 Ill. Reg. 12265, effective July 24, 2005; amended at 29 Ill. Reg. 14038, effective September 1, 2005; amended at 30 Ill. Reg. _____, effective _____.

Section 603.60 Permitted Use of Foreign Substances and Threshold Levels

- a) Non-Steroidal Anti-Inflammatories (NSAID): Threshold Levels
- 1) Only one non-steroidal anti-inflammatory drug (NSAID) may be present in a horse's body while it is participating in a race. The presence of more than one NSAID greater than the threshold level at any test level is forbidden and will result in the purse being redistributed.
 - 2) Subject to the prohibition contained in Section 603.40 (24 hour ban), the only foreign substances that now meet the criteria established in Section 603.80 are phenylbutazone (or its metabolite oxyphenylbutazone), flunixin, and ketoprofen.
 - 3) The threshold test level of phenylbutazone shall be less than 5.15-0 micrograms (mcg)/milliliter (ml) of serum or plasma. The threshold test level for oxyphenylbutazone shall be less than 5.15-0 mcg/ml of plasma.
 - A) In the event a post-race sample from a horse contains an amount of phenylbutazone or oxyphenylbutazone greater than or equal to 5.15-0 mcg/ml but less than 10.08-0 mcg/ml of serum or plasma, the trainer shall be subject to the following penalties, within a 365 day period, and absent mitigating circumstances: a fine not to exceed \$500.
 - i) first offense, minimum fine of \$250;
 - ii) second offense, minimum fine of \$500;
 - iii) third or subsequent offense, minimum fine of \$1,000 and a 15 day suspension.
 - B) In the event a post-race sample from a horse contains an amount of phenylbutazone or oxyphenylbutazone greater than or equal to

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~~1.08.0 mcg/ml but less than 15.0 mcg/ml of serum or plasma, the trainer shall be subject to the following penalties, within a 365 day period, and absent mitigating circumstances: a fine not to exceed \$1000 and/or a suspension not to exceed 15 days (see subsection (a)(3)(F)).~~

~~i) first offense, minimum fine of \$500 and the purse shall be redistributed;~~

~~ii) second offense, minimum fine of \$1,000, a 15 day suspension and the purse shall be redistributed;~~

~~iii) third or subsequent offense, minimum fine of \$2,500, a 30 day suspension and the purse shall be redistributed.~~

~~C) In the event a post race sample from a horse contains an amount of phenylbutazone or oxyphenylbutazone greater than or equal to 15.0 mcg/ml of serum or plasma, the trainer shall be subject to a fine not to exceed \$1000 and/or a suspension not to exceed 60 days and the purse shall be redistributed (see subsection (a)(3)(F) below).~~

~~D) If the phenylbutazone or oxyphenylbutazone overage is due to the negligence of the veterinarian attending the horse, the veterinarian shall be subject to the same penalties as are set forth in subsections (a)(3)(A)-(D).~~

~~E) Penalties for violations of this Section shall be based on the following criteria:~~

~~i) previous warnings and rulings for violations of this Section;~~

~~ii) the age and experience of the violator;~~

~~iii) whether the violator has ever been the subject of a medication ruling in this or any other racing jurisdiction;~~

~~iv) what action, if any, was taken to avoid the violation;~~

~~v) the purse of the race.~~

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- 4) The ~~threshold test~~ level of flunixin shall be less than ~~21.0~~~~20.0~~ ng/ml of serum or plasma and the threshold level of ketoprofen shall be less than 11.0 ng/ml of serum or plasma. In the event a post-race sample from a horse contains an amount of:-
- A) flunixin greater than or equal to 21.0 ng/ml but less than 100.0 ng/ml or ketoprofen greater than or equal to 11.0 ng/ml but less than 50.0 ng/ml, the trainer shall be subject to the following penalties, within a 365 day period, and absent mitigating circumstances:
- i) first offense, minimum fine of \$250;
 - ii) second offense, minimum fine of \$500;
 - iii) third or subsequent offense, minimum fine of \$1,000 and a 15 day suspension.
- B) flunixin greater than or equal to 100.0 ng/ml or ketoprofen greater than or equal to 50.0 ng/ml, the trainer shall be subject to the following penalties, within a 365 day period, and absent mitigating circumstances:
- i) first offense, minimum fine of \$500 and the purse shall be redistributed;
 - ii) second offense, minimum fine of \$1,000, a 15 day suspension and the purse shall be redistributed;
 - iii) third or subsequent offense, minimum fine of \$2,500, a 30 day suspension and the purse shall be redistributed.
- 5) ~~The test level of ketoprofen shall be less than 10.0 ng/ml of serum or plasma.~~
- 5) If the phenylbutazone, oxyphenylbutazone, flunixin or ketoprofen overage is due to the negligence of the veterinarian attending the horse, the veterinarian shall be subject to the same penalties as are set forth in subsections (a)(3)(A) and (B) and (a)(4)(A) and (B).

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- 6) To help horsemen determine the test levels of phenylbutazone, oxyphenylbutazone, flunixin, and ketoprofen, the Board laboratory will test, for the actual cost of processing the sample, all equine serum or plasma samples submitted to it that are accompanied by an affidavit indicating time, method, and route of administration.
- 7) Penalties for violations of this Section shall be based on the following criteria:
- A) previous warnings and rulings for violations of this Section;
 - B) the age and experience of the violator;
 - C) whether the violator has ever been the subject of a medication ruling in this or any other racing jurisdiction;
 - D) what action, if any, was taken to avoid the violation;
 - E) the purse of the race.
- b) The following foreign substances may be administered externally to a horse entered to a race: Leg paints and liniment which do not contain any "caine" derivatives, pharmacodynamic and/or chemotherapeutic agents, and which can be applied topically without penetrating the skin.
- c) Subject to the prohibition contained in Section 603.40 (24-hour ban), the following foreign substances, commonly referred to as anti-bacterial, anti-fungal, or anti-ulcer drugs, may be present in the body of a horse participating in a race.
- 1) Anti-Bacterials
 - Amikacin
 - Ampicillin
 - Ampicillin sodium
 - Azolsulfamide
 - Chloramphenicol
 - Doxycycline
 - Enrofloxacin (Baytril)
 - Erythromycin sulfate

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Gentamicin sulfate
Kanamycin sulfate
Methenamine
Levamisole (tetramisole)
Metronidazole
Neomycin sulfate
Nitrofurantoin
Oxytetracycline
Penicillin G. Benzathine
Penicillin G. Potassium
Sulfadimethozine
Sulfadimethoxine
Sulfamethoxazole
Sulfametranidazole
Sulfapyridine
Sulfathiazole
Tetracycline
Trimethoprim

2) Anti-Fungals

Amphotericin B
Griseofulvin
Neomycin Undecylenate
Nystatin

3) Anti-Protozoals

Nitazoxanide (Navigator)
Ponazuril (Marquis)
Pyrimethamine (Daraprim)

3) Anti-Ulcers

Cimetidine (Tagamet)
Omeprazole (Prilosec or GastroGard)
Ranitidine (Zantac)

- d) This listing of anti-bacterial, anti-fungal, and anti-ulcer drugs is all inclusive and shall not include any other anti-bacterial, anti-fungal, or anti-ulcer drug.

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- e) A foreign substance of accepted therapeutic value may be administered as prescribed by a veterinarian when threshold levels and guidelines for its use have been approved by the Board and this Part has been duly amended. The Board shall give due consideration to threshold levels and guidelines that have been established by the Quality Assurance Program Committee of the Association of Racing Commissioners International when making additions to the permitted list.

(Source: Amended at 30 Ill. Reg. _____, effective _____)

Section 603.140 Distribution of Purses ~~and Retention of Samples~~

- a) The Board recognizes that occasionally post-race specimens do not reach the laboratory within 72 hours nor can all samples be thoroughly analyzed within 72 hours. However, as a convenience to horsemen, all purse money shall be distributed no later than 72 hours after a race, unless the laboratory has issued a report to the stewards pursuant to these rules.
- b) The fact that purse money has been distributed prior to the issuance of a laboratory report shall not be deemed a finding that no foreign substance has been administered in violation of these rules to the horse winning such purse money.
- c) Upon receipt of a positive laboratory report, the stewards or the Executive Director of the Board shall immediately direct that no purse money shall be awarded to the horse in question pending a final determination by the stewards or the Board of the accuracy of the laboratory's report. The stewards or the Executive Director of the Board shall notify the owner, trainer, and any other person having care or custody or control of the horse. If the purse money has been distributed, the stewards or the Executive Director shall order it returned pending determination of the accuracy of the laboratory's report. The stewards or the Executive Director of the Board shall proceed to conduct an inquiry or the Board shall conduct an inquiry or hearing.
- d) If the report of a laboratory is not contested or if the stewards or the Board determine that the laboratory report is accurate, all purse money won by the horse in the race in question shall be forfeited and redistributed among the remaining horses according to their order of finish. No such forfeiture and redistribution shall affect the distribution of pari-mutuel pools.
- e) If no positive laboratory report has been issued to the stewards or the Board

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within 60 days after the date of a race, the owner of a horse shall become legally entitled to the money in the purse and it shall be conclusively presumed that the conditions precedent to such entitlement have been met. Provided, however, positive laboratory reports issued more than 60 days after the date of a race may be considered by the stewards or the Board as evidence of a rule violation under Sections 603.50, 603.60, or 603.70.

- f) If a positive laboratory report has been issued, whatever remains of that particular test sample shall be retained until all legal proceedings have been concluded.
- g) ~~All samples shall be retained by the laboratory for the maximum period permitted by available storage facilities. No samples may be destroyed when storage facilities become unavailable except upon approval by a majority of the members of the Board.~~

(Source: Amended at 30 Ill. Reg. _____, effective _____)

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- 1) Heading of the Part: Consumer Installment Loan Act
- 2) Code Citation: 38 Ill. Adm. Code 110
- 3)

<u>Section Numbers</u> :	<u>Adopted Action</u> :
110.1	Amendment
110.10	Amendment
110.15	Amendment
110.20	Amendment
110.30	Amendment
110.40	Amendment
110.50	Amendment
110.60	Amendment
110.65	Amendment
110.70	Amendment
110.80	Amendment
110.90	Amendment
110.100	Amendment
110.110	Amendment
110.120	Amendment
110.130	Amendment
110.140	Amendment
110.150	Amendment
110.160	Amendment
110.170	Amendment
110.180	Amendment
110.190	Amendment
110.200	Amendment
110.210	Amendment
110.215	Amendment
110.220	Amendment
110.225	Amendment
110.230	Amendment
110.235	Amendment
110.236	Amendment
110.240	Amendment
110.250	Amendment
110.260	Amendment
110.265	Amendment
110.270	Amendment

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110.300	Amendment
110.310	Amendment
110.320	Amendment
110.330	Amendment
110.340	Amendment
110.350	Amendment
110.360	Amendment
110.370	Amendment
110.380	Amendment
110.390	Amendment
110.400	Amendment
110.410	Amendment
110.500	Repealed
110.505	Repealed
110.510	Repealed
110.515	Repealed
110.520	Repealed
110.525	Repealed
110.530	Repealed
110.535	Repealed
110.540	Repealed
110.545	Repealed
110.550	Repealed
110.555	Repealed
110.560	Repealed
110.565	Repealed
110.570	Repealed
110.575	Repealed
110.580	Repealed
110.APPENDIX A	Repealed
110.APPENDIX B	Repealed

- 4) Statutory Authority: Consumer Installment Loan Act [205 ILCS 670]
- 5) Effective Date of Rulemaking: July 7, 2006
- 6) Does this rulemaking contain an automatic repeal date? No
- 7) Does this rulemaking contain incorporations by reference? No

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TITLE 38: FINANCIAL INSTITUTIONS

CHAPTER I: DEPARTMENT OF FINANCIAL AND PROFESSIONAL REGULATION

PART 110

CONSUMER INSTALLMENT LOAN ACT

SUBPART A: GENERAL PROVISIONS

Section

110.1	Definitions
110.10	Minimum Requirements for Office Records
110.15	Application for License; Controlling Person
110.20	Loan Register
110.30	Individual Account Records
110.40	File of Original Papers
110.50	Cash Book
110.60	Alphabetical Record of Co-Makers, Obligors <u>or Guarantors</u>
110.65	Permanent File
110.70	Payments
110.80	Simple Interest Loans
110.90	Cancellation and Return of Documents
110.100	Finance Charges – Rebates and Delinquency Charges
110.110	Hypothecation at the Time of the Sale of Obligor's Notes
110.120	Legal Forms
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110.140	Sale of Security
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110.190	Advertising
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110.210	Examination Remittances
110.215	Document Preparation Fee
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110.225	Verification of Amount Owing
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110.235	Relocation
110.236	Name Change
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110.250	Limited Purpose Branch

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110.260	Off-Site Records
110.265	Servicing of Accounts by Contract
110.270	Revocation or Suspension of License

SUBPART B: SHORT TERM LENDING

Section	
110.300	Definitions
110.310	Applicability of Rule
110.320	Application for License
110.330	Renewal of License
110.340	Simple Interest
110.350	Release of Lien
110.360	Availability of Debt Management Services
110.370	Lending Limits and Refinancing
110.380	Second Notice
110.390	Possession of Vehicle
110.400	Loan Proceeds
110.410	Security Interest

SUBPART C: MORTGAGE LENDING

Section	
110.500	Definitions (Repealed)
110.505	Applicability of Rule (Repealed)
110.510	Good Faith Requirements (Repealed)
110.515	Fraudulent or Deceptive Practices (Repealed)
110.520	Prohibited Refinances (Repealed)
110.525	Negative Amortization (Repealed)
110.530	Negative Equity (Repealed)
110.535	Balloon Payments (Repealed)
110.540	Financing of Certain Points and Fees (Repealed)
110.545	Financing of Single Premium Insurance Products (Repealed)
110.550	Lending Without Due Regard to Ability to Repay (Repealed)
110.555	Verification of Ability to Repay (Repealed)
110.560	Payments to Contractors (Repealed)
110.565	Counseling Prior to Perfecting Foreclosure (Repealed)
110.570	Mortgage Awareness Program (Repealed)
110.575	Offer of Mortgage Awareness Program (Repealed)
110.580	Third Party Review (Repealed)

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110.APPENDIX A	Estimated Monthly Income and Expenses Worksheet (Repealed)
110.APPENDIX B	Mortgage Ratio Worksheet (Repealed)
110.TABLE A	Illinois Rule of 78 Fractions Fraction for Rebating Charges According to Number of Months Originally Contracted For and Number of Months Prepaid in Full for Contracts of 2 to 120 Months (Repealed)
110.TABLE B	Rule of 78 Percentage Rebate Table (Repealed)

AUTHORITY: Implementing and authorized by Section 22 of the Consumer Installment Loan Act [205 ILCS 670/22].

SOURCE: Filed and effective June 19, 1970; amended at 3 Ill. Reg. 24, p. 16, effective June 15, 1979; emergency amendment at 4 Ill. Reg. 5, p. 372, effective January 16, 1980, for a maximum of 150 days; amended at 4 Ill. Reg. 36, p. 138, effective September 22, 1980; amended at 5 Ill. Reg. 1352, effective February 3, 1981; codified at 7 Ill. Reg. 11721; amended at 9 Ill. Reg. 1343, effective January 17, 1985; amended at 11 Ill. Reg. 2749, effective January 28, 1987; emergency amendment at 11 Ill. Reg. 14141, effective August 7, 1987, for a maximum of 150 days; amended at 12 Ill. Reg. 10456, effective June 7, 1988; amended at 19 Ill. Reg. 44, effective December 22, 1994; amended at 20 Ill. Reg. 5799, effective April 8, 1996; emergency amendment at 22 Ill. Reg. 1485, effective January 2, 1998, for a maximum of 150 days; emergency expired May 31, 1998; amended at 22 Ill. Reg. 13657, effective July 14, 1998; amended at 25 Ill. Reg. 6227, effective May 17, 2001; amended at 25 Ill. Reg. 7456, effective August 1, 2001; expedited correction at 29 Ill. Reg. 5776, effective August 1, 2001; amended at 26 Ill. Reg. 14232, effective October 1, 2002; amended at 30 Ill. Reg. 12558, effective July 7, 2006.

SUBPART A: GENERAL PROVISIONS

Section 110.1 Definitions

"Act" means the Consumer Installment Loan Act [205 ILCS 670].

"Controlling person" means a person owning or holding the power to vote 25% or more of the outstanding voting securities of a licensee or the power to vote the securities of another controlling person of the licensee. For purpose of determining the percentage of a licensee controlled by a controlling person, the person's interest shall be combined with the interest of any other person controlled, directly or indirectly, by that person or by a spouse, parent, or child of that person.

"Date of the loan" means the date on which the loan agreement is signed or

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accepted by the lender.

"Department" means the Department of Financial [and Professional Regulation](#)~~Institutions~~.

"Director" means the Director of the Department of Financial [and Professional Regulation-Division of Financial Institutions with the authority delegated by the Secretary](#)~~Institutions~~.

"Division" means the [Department of Financial and Professional Regulation-Division of Financial Institutions](#).

"Generally accepted accounting procedures" or "GAAP" means those adopted by the American Institute of Certified Public Accountants and Federal Accounting Standards Board.

"Hypothecate" means to pledge a security instrument without transfer of Title.

"Insurance Code" means 215 ILCS 5.

"Obligor" means the person to whom the proceeds of a loan are delivered or on whose behalf the proceeds of a loan are expended.

"Person" means an individual, partnership, association, joint stock association, corporation, or any other form of business organization.

"Recording fee" is a fee paid to a government agency to record or release a security instrument.

"Sales Finance Agency Act" means 205 ILCS 660.

"Secretary" means the [Secretary of the Department of Financial and Professional Regulation](#).

"Uniform Commercial Code" means 810 ILCS 5.

(Source: Amended at 30 Ill. Reg. 12558, effective July 7, 2006)

Section 110.10 Minimum Requirements for Office Records

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- a) Every licensee shall keep the following records at the licensed location:
 - 1) Loan register.
 - 2) Individual account records, including transaction histories of obligors.
 - 3) File of all original papers.
 - 4) Cash book.
 - 5) Alphabetical record of all co-makers, obligors or sureties.
 - 6) Permanent file.
- b) Records for loans made under the Act shall be kept separate or readily identifiable from other types of business conducted in the office.
- c) Electronic data processing, combination forms and special office systems may be used if in accordance with standard accounting procedures and if they contain the information enumerated in subsection (a) above.

(Source: Amended at 30 Ill. Reg. 12558, effective July 7, 2006)

Section 110.15 Application for License; Controlling Person

- a) An application for a license must be in writing, under oath, and in the form the Director prescribes. The application shall contain the following:
 - 1) The name of the applicant and the address of the proposed place of business;
 - 2) The form of business organization of the applicant, including:
 - A) a copy of its filed articles of incorporation;
 - B) a copy of the filed articles of organization, if the applicant is a limited liability company;
 - C) a certified statement of the ownership of the partnership and any subsequent changes to the ownership thereto, if the applicant is a

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partnership.

- 3) The name, business and home address, credit report (except for a publicly traded company) and a chronological summary of the business experience, material litigation history, and felony convictions over the preceding 10 years of:
 - A) the proprietor, if the applicant is an individual;
 - B) every general partner, if the applicant is a partnership;
 - C) President, Secretary, Executive and Senior Vice Presidents, Directors and individuals owning more than 25% of the corporate stock, if the applicant is a corporation; and
 - D) the manager, if the applicant is a limited liability company.

A licensee shall not submit the information required in subsections (a)(2) and (3) of this Section if the licensee has previously submitted the information to the ~~Division~~Department in a previous license application within the last 5 years and there have been no material changes, unless requested to by the Director.

- 4) The most current year end financial statements, prepared in accordance with generally accepted accounting principles (Miller Comprehensive GAAP Guide, Harcourt Brace & Co., 6277 Sea Harbor Dr., Orlando FL 32877 (1998, no subsequent dates or editions)) and a balance sheet and statement of operations as of the most recent quarterly report before the date of the application.
- 5) A list of all states in which the applicant is licensed as a lender or sales finance agency and whether the licenses of the applicant has ever been withdrawn, refused, cancelled or suspended in any other state, with full details.
- 6) Bond as required by the Act.
- 7) Appointment of Attorney-in-Fact.
- 8) Business Plan, which shall only detail the nature, amount and term of

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loans to be made and types of security that will be taken.

- 9) Photographs of both the inside and outside of the proposed site.
 - 10) Details of any other businesses that will be conducted within the licensed premises.
 - 11) Information Form.
 - 12) The applicable fees as required by the Act.
 - 13) Any additional information the Director considers necessary.
- b) A licensee that is a corporation must notify the Director within 15 days after a person becomes a controlling person. Upon notification, the Director may require all information he or she considers necessary to determine if a new application is required. A licensee that is an entity other than a corporation shall submit a new application to the Director seeking prior approval whenever a person proposes to become a controlling person or acquire an ownership interest.

(Source: Amended at 30 Ill. Reg. 12558, effective July 7, 2006)

Section 110.20 Loan Register

- a) The loan register shall contain the original entry and **shall** be a permanent record, and shall show for every loan the account number, date of loan, amount of loan, name of obligor, nature of security by types, amount of fees, ~~the~~ cost and type of any insurance, ~~and~~**the** amount of the note, including precomputed interest, the simple interest rate contracted for or amount of precomputed interest.
- b) The loan register shall be kept numerically by number of loans in order made, and shall have headings for each of the items required.

(Source: Amended at 30 Ill. Reg. 12558, effective July 7, 2006)

Section 110.30 Individual Account Records

- a) An individual account record shall be kept for each obligor. Such account record shall show the name and address of the obligor, co-makers, or sureties, loan number, date of loan, the number of payments, the amount of payments and

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payment due dates, nature of security by type, type and cost of insurance and name of bank if the note is hypothecated. The record for a simple interest loan shall show the original principal amount of the loan, rates of interest and finance charge where applicable. The record for a precomputed loan shall show the original principal amount of the loan, excluding the precomputed interest and charges, the amount of the finance charge and the face amount of the note including the finance charge. The record shall also show the amount of official fees received and paid out for filing, recording or releasing a financing statement or security agreement, including the fee required by the Secretary of State for perfecting a lien on a motor vehicle title.

- b) The record for a simple interest loan shall show the amount and date of each payment of principal and interest, the balance due on principal, and the date to which interest is paid. If the amount paid is insufficient to meet the entire amount of interest due, the record shall be clearly marked to indicate the extent of credit given for such interest payment and the date to which interest is paid. Upon the [Division's](#)~~Department's~~ or obligor's request involving a specific account or accounts, the licensee shall provide the amount of interest deficient.
- c) The account record for a precomputed loan shall show the amount and date of each payment applied to the loan, the unpaid balance of the loan after applying such payment, and the date and amount of any additional interest collected for delinquency, default or deferment. If deferment interest is collected in whole or in part, the record shall indicate the deferred due date of the final installment and any uncollected portion of the deferment interest. The account record shall also show the original principal of the loan excluding the charge, the amount of the charge, the face amount of the note including the charge, and any additional charge made for extra days in the first installment period.
- d) When a loan is prepaid in full, the account record shall show the date of prepayment, the amount paid to discharge the loan, the amount of the rebate on the finance charge, if any, and any deduction from the rebate for previously earned but uncollected delinquency, default or deferment charges.
- e) When a loan is prepaid in full, the amount of any unearned insurance premium for every policy shall be recorded on the account record.
- f) If payment is made in any other way than in the ordinary course of business, it shall be so designated. (For example, payment by a third party, insurance claim or sale of security.)

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- g) If loan receivables are sold to another person the individual account record for such receivables shall show the name of the authorized person to whom sold and the date of such sale.
- h) No erasures whatsoever shall be made in the payment and charge sections of any account record. In case of error, a line shall be drawn in ink through the improper entry and the correct entry made on the following line. The entries on the record shall correspond with the receipts given the obligor.
- i) Every licensee shall preserve the records of all loans, including the account record, for at least two years after making the final entry for such loan.

(Source: Amended at 30 Ill. Reg. 12558, effective July 7, 2006)

Section 110.40 File of Original Papers

- a) Files
 - 1) A separate file shall be maintained for each obligor and shall contain the note, security agreement, or financing statement, wage assignment, acknowledged copy of the disclosure statement of loan, insurance certificate, a separately signed statement indicating the borrower has received a copy of right to rescind (if required), or waiver, if any, and all other evidence of indebtedness or security pertaining to the loan, except when said documents are in the custody of a court or of an agent for collection, or are hypothecated as herein provided. Evidence of disclosure must be retained for two years from the date of the loan. Where prior written approval has been obtained from the ~~Division~~Department, a licensee may maintain these files in any medium or format which accurately reproduces original documents or papers.
 - 2) When an obligor is also a co-maker or obligor on another loan, the file of such obligor shall be cross-referenced to the other, unless such cross-reference is included on the alphabetical record required by Section 110.60.
- b) All legal instruments bearing evidence of indebtedness taken in connection with a loan and executed by an obligor including the disclosure statement of loan shall bear the loan number.

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- c) No licensee shall offer to or accept from an obligor any instruments that contain blank terms. All spaces or sections not used in the preparation of legal documents shall be ruled out or designated as "none", or "n/a", and any amendments to closed-end contracts shall be signed by the obligor and creditor.
- d) The name and address of the licensee making the loan shall appear on any note, wage assignment, security agreement or other legal instrument taken from an obligor, before the proceeds of the loan are delivered.

(Source: Amended at 30 Ill. Reg. 12558, effective July 7, 2006)

Section 110.50 Cash Book

- a) All receipts and disbursements of any amount whatsoever shall be entered₂ on the day they occur₂ in the cash book or equivalent record. Separate headings shall be provided for payments on principal and interest and for fees collected from obligors for filing, recording and releasing security agreements, financing statement for perfecting a lien on a motor vehicle, or for amounts received for any type of insurance coverage. In the case of precomputed loans, payments applied to the note may be shown as a total sum and need not be itemized between principal and precomputed charges. Additional charges collected for delinquency shall be itemized or otherwise separately indicated.
- b) The cash book shall show all fees paid by the licensee for filing, recording and releasing security agreements, for financing statements or for perfecting a lien on a motor vehicle, and the actual date of payment.
- c) The cash book shall be a permanent record of all details of income and disbursements₂ including all entries to individual accounts of borrowers.

(Source: Amended at 30 Ill. Reg. 12558, effective July 7, 2006)

Section 110.60 Alphabetical Record of Co-Makers, Obligors or Guarantors

The alphabetical record shall show the account number and the name of each co-maker, obligor₂ or guarantor who is currently indebted to the licensee, together with sufficient information to locate the account record.

(Source: Amended at 30 Ill. Reg. 12558, effective July 7, 2006)

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Section 110.65 Permanent File

Each licensee must maintain a permanent file which includes the following:

- a) A copy of all correspondence sent to or received from the ~~Division~~Department within the past 24 months.
- b) A copy of the last two examination exception reports and any related correspondence.
- c) A copy of the Act and a copy of this Part.

(Source: Amended at 30 Ill. Reg. 12558, effective July 7, 2006)

Section 110.70 Payments

- a) All payments shall be credited on the account record as of the date received. Interest charges, as provided by the Act, shall be collected only from the date the proceeds of the loan are delivered to or expended on behalf of the obligor, even though the note shall bear a prior date.
- b) When the finance charge is precomputed, the receipt for each payment shall show the date of payment, the amount applied to the balance of the loan and the amount applied to any other charges permissible under the Act. Payments shall be applied in the order in which they become due.
- c) The receipt for each payment on a simple interest account shall show the date of payment, amount applied to interest, amount applied to insurance, amount applied to principal, ~~the~~ balance due on the account, and any amount of interest earned but not collected.
- d) When a payment is made in cash, the licensee shall give a receipt to the obligor. A receipt is not required for payment by check or money order unless requested by the obligor.

(Source: Amended at 30 Ill. Reg. 12558, effective July 7, 2006)

Section 110.80 Simple Interest Loans

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- a) No payment shall be accepted on the principal balance unless interest is paid to date or is agreed to by the licensee, except a payment may be credited to principal ~~if where~~ the amount ~~of the payment thereof~~ is not sufficient to pay the interest due for one day.
- b) A calendar month is the period from a given date in one month to the same numbered date in the following month, and if there is no same numbered date in the following month, to the last day of the following month.
- c) Interest shall be computed on the basis of one month's interest for each calendar month and ~~1/30 one thirtieth~~ of a month's interest for each day in a fraction of a month or, alternatively, ~~1/365 th~~ of the agreed annual rate for each day actually elapsed.
- d) When a simple interest loan contract is renewed or refinanced, accrued, but uncollected, interest may be included in the principal amount of the new loan contract.
- e) A non-standard payment schedule with irregular times or amounts and varying interest rates is permissible, in accordance with Section 15(e)(3) of the Act, providing there is proper disclosure of an independently verifiable index beyond the control of the licensee.

(Source: Amended at 30 Ill. Reg. 12558, effective July 7, 2006)

Section 110.90 Cancellation and Return of Documents

The contract and promissory note executed by the obligor bearing evidence of indebtedness shall be cancelled and returned to the obligor promptly following the renewal or paid in full date. Where prior written approval has been obtained from the ~~Division~~Department and original documents are not available, a licensee shall substitute copies reproduced from any medium or format which accurately reproduces the original documents. On renewal, continuing security agreements may be retained until subsequent loans are paid in full. If an executed copy of a legal document is retained following payment in full or renewal, it must be clearly marked "PAID", "CANCELLED" or "RENEWED", indicating the date of payment or renewal. Copies clearly identified with the legend "COPY NOT NEGOTIABLE", or similar language, may be used in lieu of this requirement.

(Source: Amended at 30 Ill. Reg. 12558, effective July 7, 2006)

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Section 110.100 Finance Charges – Rebates and Delinquency Charges

- a) Computation of Finance Charge
 - 1) Charges may be computed on the original face amount of the loan contract for the full term of the loan contract at the agreed rate.
 - 2) The maximum charge so computed (or any lesser amount) may be added to the original principal amount of the loan or may be deducted from the face amount of the contract when the loan is made.
- b) A standard payment schedule is one under which a loan is repayable in substantially equal and consecutive monthly installments of principal and ~~charge~~charge(s) combined, and the first installment is due one month from the date of the note, except as provided in subsections (b)(1) and (2) below.
 - 1) The loan contract shall be drawn to reflect a standard payment schedule with payments to be made on a calendar month basis, except that the first installment period may exceed one month by as much as 15 days. If a charge is made for extra days in the first installment period it may be added to the first installment payment. The interest for such period may be increased by $\frac{1}{30}$ ~~th~~ of the agreed monthly rate for each extra day. A charge for extra days in the first installment period does not change the amount of rebate required for prepayment in full on or after the first installment date.
 - 2) If the first installment period is less than one month the loan charge shall be reduced by $\frac{1}{30}$ ~~th~~ of the agreed monthly rate for each day that the first installment period is less than one month, and the amount of the first installment shall be reduced by the same amount. Such adjustment in the first installment period does not change the amount of rebate required for prepayment in full on or after the first installment date.
- c) The obligor shall have the right to prepay a loan in full on any installment due date. When prepayment in full occurs on a date other than a scheduled installment due date, the rebate may be computed as of the next following scheduled installment due date.
- d) When the contract is renewed or refinanced before maturity, or judgment is obtained before maturity, the same rebate is required as for prepayment in full.

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- e) The Rule of 78~~ths~~ shall be the method of rebating precomputed contracts. The rebate shall be that proportion of the original charge for the loan which the sum of the monthly balances scheduled to follow such prepayment in full bears to the sum of all the monthly balances, both sums to be determined according to the originally contracted payment schedule. The required rebate is a fraction (or percentage) of the precomputed interest charge. The fraction differs for each number of months that the contract is prepaid in full.
- f) When a precomputed interest loan contract is renewed or refinanced, accrued but uncollected interest may be included in the principal amount of the new loan contract.
- g) Delinquency or Default Charges
- 1) All delinquency charges (Default Charges) shall comply with the requirements and provisions of the applicable statute under which the contract was made.
 - 2) Delinquency charges may be assessed and collected and added to the balance of the note, but interest shall not be collected on said charge.
 - 3) Earned, but uncollected, delinquency charges shall be recorded on the account record on the date the delinquent payment is received, if the licensee intends to collect the charges at a later date.
- h) If two or more installments are delinquent on any installment date the contract balance may be reduced as of such date by the rebate which would be required for prepayment in full on such date. Thereafter, the agreed contractual rate may be charged on the actual unpaid balances of the loan contract until the contract is fully paid. Interest so received shall be in lieu of the rebated charges and any delinquency charge which would otherwise accrue after the date of which the rebate was made.
- i) When a contract is prepaid in full, a statement or receipt shall be given to the obligor, showing the date of prepayment, the amount of the rebate, if any, and the amount paid to discharge the loan.
- j) Fifteen days after the expiration date of the loan contract interest may be charged at the contractually agreed rate on any balance remaining unpaid. At the time of

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final payment the licensee shall notify the obligor of the balance unpaid.

- k) Deferment
- 1) The maximum amount which may be charged for a one month's deferment is equal to the difference between the rebate that would be required for prepayment in full as of the scheduled due date of the deferred installment and the rebate which would be required for prepayment in full as of one month prior to said date.
 - 2) On a precomputed loan the rebate for prepayment in full after deferment interest has been charged shall be larger than the rebate which otherwise would be required.
 - 3) If a rebate is required one month or more before the deferred due date of the first deferred installment, the licensee, at its option, may make a separate rebate of deferment interest for each unexpired month of the deferment period and then rebate the standard precomputed finance charge for the number of months to the original final installment date, plus one month for each month that deferment is retained.

(Source: Amended at 30 Ill. Reg. 12558, effective July 7, 2006)

Section 110.110 Hypothecation at the Time of the Sale of Obligor's Notes

- a) A licensee may pledge, hypothecate or sell a note made under the provisions of the Act without the prior approval of the Director provided that said transaction is with another licensee under the Act, Sales Finance Agency Act, a bank, savings bank, savings and loan association or credit union created under the laws of this State or the United States and that the following conditions are satisfied:
- 1) the licensee notifies the ~~Division~~Department in writing within ten days of the transaction indicating the name of the purchaser/pledgee, location where the related notes can be examined and that the licensee shall be responsible for all examination costs.
 - 2) the licensee will provide the ~~Division~~Department with an executed agreement entered into by the licensee and the purchaser/pledgee authorizing the Director to conduct an examination of these notes.

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- b) All pledges, hypothecations or sales to entities other than those listed in subsection (a) of this Section require the prior approval of the Director.
- c) Each instrument hypothecated must bear the following endorsement:
- "This instrument is non-negotiable in form but may be pledged as collateral security. If so pledged, any payment made to the payee, either of principal or of interest, upon the debt evidenced by this obligation, shall be considered and construed as a payment on this instrument, the same as though it were still in the possession and under the control of the payee named herein; and the pledgee holding this instrument as collateral security hereby makes said payee its agent to accept and receive payments hereon, either of principal or of interest."
- d) The licensee shall keep in the licensed office a record or list of all account records of all loans sold to another affiliated or non-affiliated licensee at the time of the sale. The account shall be maintained in such file until examined and released by the examiner. This record or list shall indicate the date of transaction, account name and number, and the names of the other buyer in the transaction.

(Source: Amended at 30 Ill. Reg. 12558, effective July 7, 2006)

Section 110.120 Legal Forms

- a) Submission to the [Division](#)~~Department~~
- 1) All forms of notes, security agreements or assignments of wages or other forms used in connection with the making of loans shall be submitted to the [Division](#)~~Department~~ prior to the conduct of the business in the licensed location; provided, however, where the licensee or affiliate is engaged in the same business and licensed by this [Division](#)~~Department~~, the use of forms in the new location identical to those being used in the existing location shall not require filing. Notice of intent to use identical forms (change of name excepted) should be provided the [Division](#)~~Department~~ by the licensee.
- 2) Should the licensees at any time following submission of forms modify the forms previously submitted, the forms as modified shall be submitted to the [Division](#)~~Department~~.

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- b) Standard forms approved by the ~~Division~~Department shall be used in the following cases:
- 1) Application for original license.
 - 2) Application for annual renewal of license.
 - 3) Change of location.
 - 4) Annual Report.
 - 5) Appointment of attorney-in-fact for service of process.
 - 6) Bond.

(Source: Amended at 30 Ill. Reg. 12558, effective July 7, 2006)

Section 110.130 Judgments

- a) When a note has been reduced to judgment, the face of the account record shall show the amount and date of the judgment. When judgment is taken on a precomputed loan before maturity, the same rebate of interest is required that would be required for prepayment in full on the date of the entry of judgment.
- b) All payments received shall be applied to the judgment balance and be properly identified. The rate of interest charged on a judgment balance must comply with current applicable statutes. No higher rate of interest or charge shall be assessed or accepted.
- c) The files of the licensee shall contain statements setting forth the following items:
 - 1) Date of judgment.
 - 2) Copy of the judgment.
 - 3) Date suit was filed.
 - 4) Amount of the judgment.
 - 5) The amount of principal and the amount of interest for which judgment is

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taken.

- 6) In the case of a precomputed loan, the unpaid balance of note, the rebate of interest, subtracted therefrom, the resulting balance, plus the amount of any interest included in the judgment.
- d) Court costs charged to the obligor shall be itemized and verified by receipts.
- e) Where property is foreclosed or sold pursuant to any judgment or judicial process, the file must contain a copy of the decree or judicial sale.
- f) If records related to the judgment are kept off-site, the licensee shall make these documents available from that site or return the records to the licensed location within 72 hours after the ~~Division's~~Department's request.

(Source: Amended at 30 Ill. Reg. 12558, effective July 7, 2006)

Section 110.140 Sale of Security

The following regulations shall be observed in the sale of security:

- a) The account record shall give the following information:
 - 1) When possession of the security was obtained, and whether by voluntary or involuntary action.
 - 2) Public or private sale and date sold.
 - 3) When part or all of the security is sold, the fact must be noted on the account record.
 - 4) All credits from proceeds of the sale must be properly identified (whether by sale of security, etc.).
- b) The files of the licensee shall contain:
 - 1) Evidence of compliance by licensee with all applicable provisions of the Uniform Commercial Code in the sale and disposition by a secured party of collateral after default including copies of all notices directed to the obligor as required therein or as required by any other law, statute or

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regulation, state or federal.

- 2) Copy of notice of intended sale which must contain notice of default, balance owing, date, place and time of public sale or the date after which a private sale may occur. Such notice must be forwarded to the obligor by certified mail to the last known address of the obligor.
- 3) Signed receipts from the purchasers or auctioneer describing the collateral purchased, showing the amount paid for same and the name of the obligor who executed the security agreement, and, if a private sale, copies of any competitive bids.
- 4) Copy of statement of final accounting, original of which shall be sent to the obligor after the sale, which statement shall set forth the sale price of the collateral, itemization of the costs of sale, and the deficiency balance due on the account.
- 5) A report of condition of the collateral at the time of retaking.
- c) No waiver of the provisions of the Uniform Commercial Code safeguarding the rights of the obligor shall be accepted by a licensee prior to default.
- d) When the collateral is abandoned and the address of the obligor is unknown, notice of sale and statement of final accounting shall be sent to the last known address by registered or certified mail, return receipt requested.
- e) The following form or its equivalent shall be used when collateral is sold:

DATE _____

STATE _____ CITY _____

This is to acknowledge that the undersigned did purchase from _____ creditor, under the terms of a certain security agreement executed by _____ and _____ on the _____ day of _____, 2019 _____, the following described goods and collateral:

(enumerate articles)

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Signature of Purchaser

- f) In connection with the sale of collateral given as security for loans after default, the licensee shall make only such charges for expense incurred as are permitted by the applicable provision of the Uniform Commercial code which charges must be reasonable, taking into consideration the nature of the collateral, the circumstances surrounding the sale, the fair market value of the collateral and the amount of the indebtedness. Such charges must be substantiated by paid receipts.

(Source: Amended at 30 Ill. Reg. 12558, effective July 7, 2006)

Section 110.150 Trouble File

A separate and complete file shall be kept containing all records pertaining to judgments, foreclosures, repossessions, death claims and sales. ~~The, which~~ record shall be filed alphabetically under the name of the obligor or by account number.

(Source: Amended at 30 Ill. Reg. 12558, effective July 7, 2006)

Section 110.160 Lien Charges

- a) All official fees paid for the purpose of perfecting or releasing a security interest in property given as collateral for a loan may be collected by a licensee from the obligor.
- b) ~~As a prerequisite for a loan, the~~ The licensee may require the prospective obligor to provide evidence of ownership and condition of title ~~as a prerequisite for a loan.~~

(Source: Amended at 30 Ill. Reg. 12558, effective July 7, 2006)

Section 110.170 Insurance

- a) Licensees may provide insurances to the obligor provided the obligor has indicated in a specific, dated and separately signed statement that he or she desires the insurance coverage. The purchase of any policy of insurance from or through the licensee shall not be a condition precedent to a loan. Such insurance shall comply with the Illinois Insurance Code and all lawful requirements of the Director of [the Department of Financial and Professional Regulation-Division of Insurance](#) related ~~to that insurance~~ [thereto](#).

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- b) The licensee may provide joint credit life or joint credit accident and health insurance if both insureds are obligated for the loan; however, this coverage shall not be a requirement precedent to the extension of credit.
- c) When a loan is prepaid in full the obligor shall receive a refund of the insurance charges. The required refund shall be computed according to the Rule of 78~~ths~~ or the Sum of the Digits Method. When the refund of any insurance premium is less than \$1.00, no refund is required.
- d) It shall be the licensee's responsibility to explain clearly to the obligor the benefits and limitations of any insurance requested in connection with any loan or loan extensions ~~thereof~~.
- e) The licensee shall also deliver or cause to be delivered to the obligor a copy of the policy, or policies, certificate, or other evidence ~~thereof~~ at the time the loan is made, and all obligors shall sign and receive a copy of a separate agreement clearly and conspicuously disclosing the limits of coverage.
- f) No obligor shall be required to purchase any policy of insurance from any certain company, agent, broker or person as a condition precedent to a loan. No licensee shall decline new or existing insurance ~~thatwhich~~ is approved by the Department of Financial and Professional Regulation-Division of Insurance, or prevent any obligor from obtaining ~~thesuch~~ insurance from any other source.
- g) When the loan is made, the insurance charges shall be computed for no more than the term of the loan contract on an amount which does not exceed the total amount required to pay the combined total of principal and interest charges.
- h) The obligor's estate shall be paid the amount due between the unpaid balance and the insurance benefit paid. Evidence of this payment shall be maintained by the licensee.
- i) In the case of a precomputed contract, the amount of the net unpaid balance shall be the unpaid balance of the note unless any required rebate for prepayment in full on the date of the borrower's death, plus accrued but unpaid delinquency charges. In the case of a simple interest contract, the amount of the net unpaid balance shall be the principal balance plus accrued interest to the date of the borrower's death.

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- j) The licensee shall keep in its office a separate record of all accounts on which death claims have been paid. The account records shall indicate the date of death and the refunds of interest or loan charges and unearned insurance premiums paid to the estate. The refund check or voucher shall be available on demand.
- k) Insurance against loss or damage to real or personal property given as security for a loan or liability arising out of ownership may be required of an obligor.
- l) Property insurance provided by a licensee shall be consistent with the amount and term of the loan and shall not extend beyond the maturity of the loan unless the loan is delinquent, when it may be extended 30 days beyond the original expiration date without charge to the obligorobligor(s).
- m) Upon cancellation of the loan by prepayment, renewal or refinancing, the obligorobligor(s) shall be entitled to a refund not less than the unearned premium based on the Rule of 78~~ths~~ in any amount exceeding \$1.00.
- n) The licensee or affiliate may receive compensation for the sale of any insurance or debt cancellation contract or other such product purchased pursuant to the loan made or held by the licensee, provided the licensee discloses to the obligor that either the licensee or an affiliate may receive something of value in connection with the purchase by the obligor. This must be prominently disclosed in the loan contract.

(Source: Amended at 30 Ill. Reg. 12558, effective July 7, 2006)

Section 110.180 Office and Office Hours

Every licensee shall maintain a place of business to which the general public shall have free access and where all obligations entered into shall be payable.

- a) Except as provided in subsection (c) below, or otherwise authorized by the DivisionDepartment, each licensed office shall be open not less three consecutive hours between 8:00 A.M. and 6:00 P.M. on every business day, except Saturdays, Sundays and legal holidays, during the term of the license, and the licensee shall file with the DivisionDepartment a schedule of the hours during which it elects to keep such office open, provided that any licensee may keep its office open for any period it sees fit in addition to the hours listed in such schedule.
- b) Whenever a licensee desires to change the schedule of hours during which its

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office shall remain open then on file with the [DivisionDepartment](#), it may do so upon filing with the [DivisionDepartment](#) a schedule setting forth such change of time at least three days before such change shall go into effect. The schedule of hours shall be prominently displayed in the place of business of the licensee.

- c) If any payment of principal or interest, or both, shall be due on any obligations to such licensee on any closed day, then such payment shall be considered for all purposes, including the computation of interest, as having been received on the closed day, if such payment shall be received, whether through the mail or otherwise, at any time before the close of business on the next regular business day following [thesueh](#) closed day.
- d) The license of each licensee and the Annual License Fee Renewal Certificate shall be prominently displayed and be made available for easy reading by the public in the place of business of the licensee.

(Source: Amended at 30 Ill. Reg. 12558, effective July 7, 2006)

Section 110.190 Advertising

- a) Licensees shall not advertise "No co-makers required", "No endorsers required", "Signature only" loans, "Loans made on your plain note" or the like, unless [thesueh](#) loans constitute at least 50% of all loans made by the licensee.
- b) Licensees shall not make reference in any form of advertising such as newspapers, circulars, letters, radio, or other media, to "Low rates", or "Lower rates", or "Lowest rates", or "Lowest cost", or to indicate by direct or indirect means through such expression as "Low cost", "Lower cost", or "Easier to repay", or by any device that the charges for a loan are low.
- c) Licensees may advertise "New reduced rates" or "Reduced rates", or similar phrases for not more than [60sixty](#) days after the effective date of [thesueh](#) reduction in rates.
- d) Upon specific request by the [DivisionDepartment](#), licensees shall forward to the Supervisor of the Consumer Credit Division the complete text of all advertising copy, whether printed or broadcast, for which questions have been raised concerning compliance with the Act.
- e) A licensee may indicate in advertising and otherwise that its business is

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"regulated" or "examined" or "supervised" or "licensed" by the State of Illinois. A licensee may not advertise in a *false, misleading or deceptive manner* or imply or indicate that the rates or charges for loans made are "approved", "set" or "established" by the Statestate government. [205 ILCS 670/18]

- f) Should any advertisement by a licensee state the amount of any installment payment, dollar amount of any finance charge or number of installments, or period of repayment, the advertisement shall comply with the provisions of the Consumer Credit Protection Act and the regulations applicable to that Actthereto.
- g) Any statement of the payment schedule for a loan in an advertisement must show the proceeds of the loan exclusive of the finance charge and indicate the number and amount of the monthly installments required to pay the loan contract. The total of the installments must be sufficient to pay the total of the proceeds and finance charge for the loan according to the payment schedule. When a payment schedule is used, it must disclose the Annual Percentage Rate for each amount of loan advertised, using that term.
- h) If the advertisement includes an offer of insurance, the advertisement must disclose the type of insurance offered and whether or not the installments include the cost of the insurancethereof.
- i) The licensee shall not advertise the conduct of business other than at the license location or other location approved by the Director.
- j) On a finding that an advertisement is false, misleading or deceptive, the Director may issue a cease and desist order.

(Source: Amended at 30 Ill. Reg. 12558, effective July 7, 2006)

Section 110.200 Other Business

Unless otherwise authorized by the Act, no other business may be conducted at the licensed location unless authorized in writing by the Director. The Director's authorization will be predicated upon the licensee's agreeing to the following:

- a) That the authorization will not conceal nor facilitate concealment of an evasion of the Act;
- b) To comply with any State or federal statute or regulation;

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- c) To obtain any license or registration required by a federal, State or local government agency to engage in the other business authorized;
- d) That the ~~Division~~Department may examine all records and investigate any or all transactions of the licensee;
- e) The Director retains the right, upon notice and opportunity to be heard, to alter, amend or revoke another business authorization;
- f) That, if any federal or State statute or regulation enacted after the authorization thereafter prohibits the activity, the authorization shall become null and void immediately;
- g) At the time of making ~~the such~~ request for the authorization, the licensee shall pay to the Director a nonrefundable Other Business Authorization Request fee of \$100;
- h) At the time of renewing the annual license, the licensee shall pay to the Director the sum of \$25 for each Other Business Authorization. Regardless of the number of licensed locations, only one fee per Other Business Authorization is required to be remitted.

(Source: Amended at 30 Ill. Reg. 12558, effective July 7, 2006)

Section 110.210 Examination Remittances

- a) Licensees shall forward all examination remittances to the ~~Division~~Department of ~~Financial Institutions~~, at any address designated by the Director.
- b) All fees and charges shall be remitted in the form of a check, draft or money order to the ~~Department order of Director of Financial Institutions~~.

(Source: Amended at 30 Ill. Reg. 12558, effective July 7, 2006)

Section 110.215 Document Preparation Fee

A licensee may assess the obligor a document preparation fee not to exceed \$25. This fee may be assessed for consummated loans only and shall be itemized and disclosed in the loan contract as prescribed under ~~the provisions of~~ the Truth-in-Lending Act. In the event of prepayment in

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full, no portion of this fee is required to be refunded.

(Source: Amended at 30 Ill. Reg. 12558, effective July 7, 2006)

Section 110.220 Credit Practices

No licensee, while collecting or attempting to collect an alleged debt, shall engage in any of the following acts:

- a) Using or threatening to use force violence or physical harm to an obligor, his family or his property;
- b) Threatening arrest or criminal prosecution when no basis for ~~that~~ action lawfully exists;
- c) Threatening the seizure, attachment and sale of an obligor's property when ~~that~~ action can only be taken pursuant to court order, unless disclosure is made that prior court proceedings are required;
- d) Disclosing or threatening to disclose information adversely affecting an obligor's reputation for credit worthiness with knowledge or reason to know ~~the~~ information is false;
- e) Threatening to initiate or initiating communication with an obligor's employer unless there has been a default in the payment of the obligation and at least 5 days prior written notice ~~is given~~ to the last known address of the obligor of the intent to communicate with the employer and except as expressly permitted by statute or court order;
- f) Communicating or threatening to communicate with an obligor or his family with such unreasonable frequency as to constitute harassment, or at times reasonably considered to be unusual hours or known to be inconvenient;
- g) Using profane, obscene or abusive language with an obligor or his family;
- h) Disclosing or threatening to disclose information relating to an obligor's indebtedness to any other person, except when ~~the~~ other person has a legitimate business need for the information;
- i) Disclosing or threatening to disclose information concerning the existence of a

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debt ~~which~~ the licensee knows to be reasonably disputed by the obligor without disclosing the fact that the debt is disputed;

- j) Attempting or threatening to attempt enforcement of a right or remedy with knowledge or reason to know that the right or remedy does not exist~~;~~
- k) Use of any form of communication simulating legal or judicial process ~~that~~~~which~~ gives the appearance of being authorized, issued or approved by a governmental agency, official or attorney at law when it is not;
- l) Use of badges, uniforms, or other indicia of any governmental agency or official~~,~~ except as authorized by law;
- m) Misrepresenting the amount of the debt alleged to be owed;
- n) Representing that an alleged debt may be increased by the addition of attorney's fees, investigation fees or any other fees or charges when there is no contractual or statutory authorization for ~~that~~~~such~~ addition.

(Source: Amended at 30 Ill. Reg. 12558, effective July 7, 2006)

Section 110.225 Verification of Amount Owing

- a) Upon written request by either the obligor or the obligor's appointed designee to obtain the amount owing to satisfy the loan in full, the licensee shall provide the following information in writing no later than 3 business days after receiving the request:
 - 1) Net amount owing as of the date of response;
 - 2) For simple interest loans, the per diem interest that will accrue for every day ~~after the response~~~~hereafter~~;
 - 3) For precomputed loans, the date that the amount owing~~,~~ as stated in the response~~,~~ will expire.
- b) The licensee shall only be required to provide this information once every 6 months.

(Source: Amended at 30 Ill. Reg. 12558, effective July 7, 2006)

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Section 110.230 General

- a) A wage assignment may be taken from any employed obligor. An "obligor" as the word is used in this Part, includes co-makers or sureties as well as the person actually receiving the money.
- b) No person who himself is an obligor of a licensee may become a surety or co-maker for one or more obligors of the same licensee, if the obligor's his aggregate direct or contingent liability is in excess of maximum principal amounts specified in Section 15 of the Act.
- c) Notary fees shall not be charged to or collected from the obligor.
- d) Examination of Records
 - 1) The ~~Division~~Department may examine all records and investigate any or all transactions in the office of the licensee and shall charge the licensee \$400 for each examiner day or portion of an examiner day thereof.
 - 2) The examination of the books and records of the licensee may be conducted concurrently with the examination of any other business conducted by the licensee that is regulated or licensed by the ~~Division~~Department. A separate charge shall be made for each examiner day or portion of an examiner day thereof.
 - 3) The ~~Division~~Department may conduct an examination for the purpose of verifying that the licensee has taken necessary actions to correct violations of the Act and/or this Part related rules and shall charge the licensee \$550 for each examiner day or portion of an examiner day thereof, when the Director determines the verification examination must be performed on site at any facility of the licensee.
- e) No penalty charge other than provided by the Act or ~~this Part the rules and regulations under the Act~~ shall be imposed by the licensee in the event of prepayment of the principal of the obligation, in whole or in part.
- f) For the purpose of any reports required by the ~~Division~~Department, expenses of all businesses conducted in the licensed office shall be allocated to each such business at the end of each year. The ~~Division~~Department shall require

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information as to all such business in the licensee's annual report.

- g) Loans secured by real estate made under ~~the~~this Act shall disclose on the face of the contract that the loan is being made pursuant to the Consumer Installment Loan Act.

(Source: Amended at 30 Ill. Reg. 12558, effective July 7, 2006)

Section 110.235 Relocation

- a) Whenever a licensee desires to change the licensed place of business to a location other than that set forth in the license and the proposed site is 15 miles or less from the current location, the licensee shall provide the ~~Division~~Department with the following at least ten days prior to the relocation:
- 1) A written notice providing the complete address of the new location;
 - 2) Photographs of both the exterior and interior of the new location;
 - 3) A written sworn statement that the new location will not share the premises with that of another business and the exact distance in miles between the existing location and new location;
 - 4) A relocation fee of \$300; and
 - 5) The original license for endorsement.
- b) A relocation in excess of 15 miles requires the prior approval of the Director in addition to the information required in subsection (a) of this Section.

(Source: Amended at 30 Ill. Reg. 12558, effective July 7, 2006)

Section 110.236 Name Change

Whenever the licensee desires to amend the name of the licensed business, the licensee shall submit to the ~~Division~~Department, within 15 days after amending the name, the following:

- a) \$300 amended name change fee.
- b) Amended Articles of Incorporation, if the licensee is a corporation.

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- c) Amended organization papers, if the licensee is an entity other than a corporation.

(Source: Amended at 30 Ill. Reg. 12558, effective July 7, 2006)

Section 110.240 Hearing Procedures

- a) Hearings

After receipt of a written request for a hearing, the Director shall send to the respondent requesting the hearing, by certified mail, at least 10 days prior to the date set for ~~the~~^{such} hearing, a Notice of Hearing. The Notice shall include the date and the time and place of the hearing to review the propriety of any administrative actions made pursuant to the Act.

- b) The Director may designate, in writing, a Hearing Officer who shall have the minimum qualification of being licensed to practice law in Illinois. The Hearing Officer may be disqualified for bias or conflict of interest. The Hearing Officer shall have the authority to:

- 1) Examine or permit examination of any witness under oath;
- 2) Determine the order of appearance of all parties;
- 3) Receive all evidence and testimony and rule on its admissibility, as well as require the production of any relevant document or witness;
- 4) Rule on objections to evidence;
- 5) Make a written report with recommendations to the Director, which shall include findings of fact and conclusions of law. Findings of fact shall be based exclusively on the evidence and on matters officially noticed; and
- 6) Require any party or his ~~or her~~ attorney to provide proposed findings of fact or conclusions of law for consideration in ~~the~~^{his} report.

- c) General Provisions

- 1) Delivery of notice shall be deemed complete when the notice is deposited in the United States mail.

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- 2) Continuances
 - A) A continuance shall be granted for good cause by the Hearing Officer, which shall be:
 - i)A) In writing and signed by the respondent or his or her attorney and shall state the reasons for the request.
 - ii)B) Delivered to the Hearing Officer at least three days prior to the scheduled hearing.
 - B) For the purposes of this subsection (c)(2), good cause shall require the respondent to demonstrate real and compelling need for additional time. It shall include but not be limited to illness, service in the armed forces, etc.
 - 3) The respondent shall bear all the costs of the hearing.
 - 4) A court reporter shall~~will~~ be present and considered ~~as~~ part of the costs of the hearing.
- d) Conduct of Hearings
- 1) The Hearing Officer shall open the hearing by presenting for the record his or her letter of authorization from the Director.
 - 2) The rules of evidence and privilege as applied in civil cases in the Circuit Courts of this State shall be followed. The Hearing Officer may admit evidence not admissible under ~~thosesueh~~ rules if ~~thesueh~~ evidence may be relevant to the case.
 - 3) The Hearing Officer may, on his or her own motion or the motion of one of the parties, take notice of matters of which the Circuit Courts of this State may take judicial notice. *Notice may be taken of generally recognized technical or scientific facts within the Department's specialized knowledge if parties are notified, before or during the hearing, and shall be afforded an opportunity to contest the material so noticed.* [\[5 ILCS 100/10-40\(c\)\]](#) The burden of opposing any material admitted upon notice shall be upon the opposing party ~~so opposing~~.

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- 4) Failure of the respondent to attend the hearing shall result in dismissal of the respondent's petition and an entry of a default against the respondent. Within 30 days from dismissal of the respondent's petition, the respondent may petition the Hearing Officer for reconsideration if the respondent can establish that his or her failure to attend was caused by events beyond his or her control and he or she exercised due diligence to attend or seek a continuance.
 - 5) The record of any hearing shall include:
 - A) All pleadings, and evidence received, whether admitted or excluded;
 - B) A statement of all matters officially noticed;
 - C) All offers of proof, objections and rulings on that proof and those objectionsthereon;
 - D) All proposed findings and exceptions;
 - E) Any decision, opinion, or report by the Hearing Officer;
 - F) Any evidence excluded by the Hearing Officer, even though thesuch evidence is not used in the determination of the claim;
 - G) A proceeding transcript thatwhich shall be recorded by such means as-to adequately ensure the preservation of the testimony.
 - 6) Within 60 days after the hearing or the receipt of all necessary documents, the Hearing Officer shall report to the Director as required by subsection (b)(5), pursuant to this section.
 - 7) Within 30 days after receiving the report of the Hearing Officer, the Director shall issue ahis decision that, which shall be served on the respondent by registered or certified mail, return receipt requested. Copies of the Hearing Officer's report to the Director are available upon written request.
- e) Petition to Reconsider

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- 1) Within 30 days after receipt of the Director's decision, the respondent may petition the Director for reconsideration based upon a verified petition. An affidavit shall accompany the petition stating that the decision was against the preponderance of the evidence, was contrary to law, or was arbitrary or capricious, or is affected by newly discovered evidence not in existence at the time of the initial hearing or ~~that~~~~which~~ could not have been discovered using due diligence at that time.
- 2) The Director shall determine within 15 days whether to reconsider the case. If the Director determines after reading the affidavit that one or more of the findings listed in subsection (e)(1) has been alleged by the respondent, a hearing may be held and shall be limited to only those issues raised in the petition to reconsider. If reconsideration is denied, the Director's initial decision shall be the final administrative decision of the Department.

(Source: Amended at 30 Ill. Reg. 12558, effective July 7, 2006)

Section 110.250 Limited Purpose Branch

A licensee applying for a limited purpose branch shall submit to the ~~Division~~~~Department~~ the following:

- a) A written application in the form prescribed by the Director.
- b) Fee as prescribed by the Act.
- c) Photograph of proposed site and a description of the location, including any other business ~~which is~~ conducted there.
- d) Written statements:
 - 1) that no other activity shall be conducted at the site, including but not limited to accepting payments, servicing the accounts, or collections; and
 - 2) that the proposed site shall not be within 1,000 feet of a facility operated by an inter-track wagering licensee or an organization licensee subject to the Illinois Horse Racing Act of 1975, or riverboat subject to the Riverboat Gambling Act, or within 1,000 feet of the location at which the riverboat docks.

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- e) Any additional information that the Director may require.

(Source: Amended at 30 Ill. Reg. 12558, effective July 7, 2006)

Section 110.260 Off-Site Records

With the Director's prior written approval, the licensee may retain records at a location other than the licensed location. The licensee shall make a written request ~~that~~~~which~~ shall include the following:

- a) Address of off-site location.
- b) Contact person and telephone number at the off-site location.
- c) Statement that all books, records and account information shall be made available within 72 hours after the ~~Division's~~~~Department's~~ request at either the licensed location or the off-site location.
- d) At the Director's discretion, the examination may be conducted at either the licensed location or the off-site location.
- e) The licensee will pay for all examination expenses.

(Source: Amended at 30 Ill. Reg. 12558, effective July 7, 2006)

Section 110.265 Servicing of Accounts by Contract

Upon prior approval of the Director, the licensee may contract for servicing of accounts. A request for the Director's approval shall be in writing and include the following:

- a) Name and address of proposed servicer;
- b) Executed contract, conditioned upon approval by the Director, between licensee and servicer;
- c) Contact person and telephone number of the servicer;
- d) A statement that the licensee will make all books, records, and account information readily available for examination by the ~~Division~~~~Department~~;

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- e) A statement that the licensee will pay all examination expenses; and
- f) Written consent of servicer for the ~~Division~~Department to conduct its examination.

(Source: Amended at 30 Ill. Reg. 12558, effective July 7, 2006)

Section 110.270 Revocation or Suspension of License

If it is determined that the Director had the authority to issue the suspension or revocation of a license pursuant to Section 9 of the Act, he or she may issue orders ~~as may be~~ reasonably necessary to correct, eliminate or remedy the situation.

(Source: Amended at 30 Ill. Reg. 12558, effective July 7, 2006)

SUBPART B: SHORT TERM LENDING

Section 110.300 Definitions

~~"Check" shall mean a check, draft or other negotiable instrument used for the payment of money.~~

"Interest bearing loan" shall mean a loan in which interest is charged upon the principal amount borrowed.

"Refinance" shall mean to renew or extend a loan beyond its original term.

"Short-term lender" shall mean any lender engaged in making any short-term loans.

~~"Short-term loan" means a loan upon which interest is charged at an annual percentage rate exceeding 36 percent and for a term of not more than 30 days in the case of a non-title secured loan or for a term not more than 60 days in the case of a title-secured loan.~~

"Title-secured loan" shall mean a loan upon which interest is charged at an annual percentage rate exceeding 36 percent and for a term of not more than 60 days in which wherein, at commencement, an obligor provides to the licensee ~~at that time~~, as security for the loan, physical possession of the obligor's title to a motor

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vehicle.

(Source: Amended at 30 Ill. Reg. 12558, effective July 7, 2006)

Section 110.310 Applicability of Rule

~~This~~The rules contained in this Subpart B, as well as ~~those contained in~~ Subpart A, shall apply to any short-term lender as defined in Section 110.300 of this Part.

(Source: Amended at 30 Ill. Reg. 12558, effective July 7, 2006)

Section 110.320 Application for License

In addition to the licensing requirements of Section 110.15 of this Part, a short-term lender making application for license shall provide, as part of the application submitted to the ~~Division~~Department, a statement certifying compliance with any and all applicable local ordinances pertaining to the applicant's proposed business.

(Source: Amended at 30 Ill. Reg. 12558, effective July 7, 2006)

Section 110.330 Renewal of License

At the time of renewal of a license, and in addition to paying the fees and complying with the other requirements of the Act, a short-term lender must submit a statement certifying compliance with any and all applicable local ordinances pertaining to the licensed business.

(Source: Amended at 30 Ill. Reg. 12558, effective July 7, 2006)

Section 110.340 Simple Interest

A short-term lender must compute interest on all short-term loans as simple interest, as defined in Section 110.80 of this Part.

(Source: Amended at 30 Ill. Reg. 12558, effective July 7, 2006)

Section 110.350 Release of Lien

- a) A short-term lender that secures the loan by a title to a motor vehicle must immediately take into possession the registered title evidencing the obligor's ownership in the motor vehicle and shall note on the face of the loan agreement

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the vehicle's make, model, year of manufacture, and vehicle identification number.

- b) Within 24 hours after payment in full of the amount due under the agreement, the licensee must release any filed or recorded liens, provide evidence of ~~the~~ such release of lien to the obligor, and return the title to the obligor or cause the title to be returned to the obligor. If payment has been made by a personal or business check, the licensee may delay the release of lien or return of title by 5 business days for the purpose of confirming availability of funds.

(Source: Amended at 30 Ill. Reg. 12558, effective July 7, 2006)

Section 110.360 Availability of Debt Management Services

- a) Before entering into a short-term loan agreement, licensee must give to the obligor a pamphlet, approved by the Director, describing the availability of debt management services and the obligor's rights and responsibilities in the transaction.
- b) Each short-term loan agreement and refinancing agreement executed by a licensee shall include a statement, which shall be initialed by the obligor, as follows: "I have received from (name of lender) a toll free number from the Department of ~~Financial and Professional Regulation-Division~~ Financial Institutions that I can call for information regarding debt management services."
- c) At the time a short-term lender conveys any written notice to an obligor indicating the obligor is in arrears or that the obligor is in default, the lender shall include with the notice a statement indicating a toll free number of the ~~Division~~ Department of Financial Institutions that the obligor may contact for the purpose of the obligor receiving information from the ~~Division~~ Department regarding debt management services. The form and method of providing the information shall be subject to approval of the ~~Division~~ Department.

(Source: Amended at 30 Ill. Reg. 12558, effective July 7, 2006)

Section 110.370 Lending Limits and Refinancing

- a) ~~A short-term loan that is not title-secured may not exceed \$400 in principal amount.~~ A short-term title-secured loan may not exceed \$2,000 in principal amount. However, no loan shall be made in such amount that the principal and

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interest payments for the stated duration of the loan exceed 50% of the obligor's gross income for that period.

- b) A short-term loan may be refinanced a maximum number of 2 times, but only when the outstanding balance of the loan has been reduced by at least 20%. ~~If a short-term loan is secured by a post-dated check, the post-dated check must name the lender as payee.~~
- c) No loan, other than the refinancing of an existing short-term loan, may be made to an obligor who has had an outstanding short-term loan within the preceding 15 days.
- d) The loan agreement must include a separate statement signed by the obligor attesting that the obligor has not had an outstanding short-term loan within the preceding 15 days. The lender shall further verify the statement by means of any database created by or approved by the Director for that purpose.
- e) The loan agreement shall advise the obligor that matters involving improprieties in the making of the loan or in loan collection practices may be referred to the ~~Division~~Department and shall prominently disclose the ~~Division's~~Department's address and telephone number.
- f) Each short-term loan refinancing agreement executed by a licensee shall include a statement, which shall be initialed by the obligor, as follows: "I have received from (name of lender) a toll free number from the Department of Financial ~~and Professional Regulation-Division of Financial~~ Institutions that I can call for information regarding debt management service."

(Source: Amended at 30 Ill. Reg. 12558, effective July 7, 2006)

Section 110.380 Second Notice

At the time a short-term lender conveys a second notice to an obligor indicating the obligor is in arrears or any notice that the obligor is in default for a debt issued by the lender under the Act, the licensee shall include with the notice a statement indicating a telephone number of the ~~Division~~Department of Financial Institutions that the obligor may contact for the purpose of the obligor receiving information from the ~~Division~~Department regarding debt management services for assisting the obligor. The form and method of the notice provided by lenders shall be subject to approval by the Director.

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(Source: Amended at 30 Ill. Reg. 12558, effective July 7, 2006)

Section 110.390 Possession of Vehicle

- a) Unless otherwise provided for in the loan agreement, a lender shall not take or retain possession of the keys (or a copy ~~of the keys~~ thereof) to a motor vehicle used to secure a title-secured loan.
- b) No short-term lender may take possession of a vehicle without first giving notice to the obligor; affording the obligor the opportunity to make the vehicle available to the lender at a place, date and time reasonably convenient to the lender and obligor; and permitting the obligor to remove any personal belongings from the vehicle without charge or additional cost to the obligor.
- c) Possession measures shall be in accordance with Section 19.1 of the Act.
- d) No short-term lender may take possession of a motor vehicle for a loan default and lease the vehicle back to the obligor.

(Source: Amended at 30 Ill. Reg. 12558, effective July 7, 2006)

Section 110.400 Loan Proceeds

A lender must issue the proceeds of a short-term loan in the form of a check drawn on the licensee's bank account, in cash, or by money order. When the proceeds are issued in the form of a check drawn on the lender's bank account or by money order, the lender may not charge a fee for cashing the check or money order if cashing service is offered at the location. When the proceeds are issued in cash, the lender must provide the obligor with a written verification of the cash transaction and shall maintain a record of the transaction.

(Source: Amended at 30 Ill. Reg. 12558, effective July 7, 2006)

Section 110.410 Security Interest

A short-term lender shall not take a security interest in any of the obligor's property other than ~~the check or~~ the obligor's motor vehicle title, as tendered to the lender at the time of the making of the loan.

(Source: Amended at 30 Ill. Reg. 12558, effective July 7, 2006)

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SUBPART B: MORTGAGE LENDING

Section 110.500 Definitions (Repealed)

~~"Approved Credit Counselor" means a credit counselor as approved by the Director of the Department of Financial Institutions.~~

~~"Good faith" means honesty in fact in the conduct of the transaction.~~

~~"Home equity loan" means any loan secured by the borrower's primary residence where the proceeds are not used as purchase money for the residence.~~

~~"Points and fees" means:~~

~~all items required to be disclosed as points and fees under 12 CFR 226.32 (2000, no subsequent amendments or editions included);~~

~~the premium of any single premium credit life, credit disability, credit unemployment, or any other life or health insurance that is financed directly or indirectly into the loan;~~

~~all compensation paid directly or indirectly to a mortgage broker, including a broker that originates a loan in its own name in a tablefunded transaction, not otherwise included in 12 CFR 226.4.~~

~~"Subject loan" is the term used to describe any loan to which this Subpart applies pursuant to Section 110.505 of this Part.~~

~~"Total loan amount" is the same as the term used in 12 CFR 226.32, and shall be calculated in accordance with the Federal Reserve Board's Official Staff Commentary to that regulation.~~

(Source: Repealed at 30 Ill. Reg. 12558, effective July 7, 2006)

Section 110.505 Applicability of Rule (Repealed)

~~This Subpart shall apply to a home equity loan in which:~~

- ~~a) At the time of origination, the APR exceeds by more than 6 percentage points in the case of a first lien mortgage, or by more than 8 percentage points in the case~~

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~~of a junior mortgage, the yield on U.S. Treasury securities having comparable periods of maturity to the loan maturity as of the fifteenth day of the month immediately preceding the month in which the application for the loan is received by the lender; or~~

- b) ~~The total points and fees payable by the consumer at or before closing will exceed the greater of 5% of the total loan amount or \$800. The \$800 figure shall be adjusted annually on January 1 by the annual percentage change in the Consumer Price Index.~~

~~However, these rules shall not apply to a loan that is made primarily for a business purpose unrelated to the residential real property securing the loan and to an open end credit plan subject to 12 CFR 226 (2000, no subsequent amendments or editions are included).~~

(Source: Repealed at 30 Ill. Reg. 12558, effective July 7, 2006)

Section 110.510 Good Faith Requirements (Repealed)

- a) ~~Any disclosure or action required by this Subpart shall be made in good faith.~~
- b) ~~No lender shall accept a fee or charge for a subject loan application unless the licensee is able to demonstrate to the Director that, if its subject loan requirements are met, there is a reasonable likelihood that a loan commitment will be issued for such loan for the amount, term, rate, charges and other conditions set forth in the loan application and the applicable disclosures and documents required and that the loan has a reasonable likelihood of being repaid by the applicant.~~
- e) ~~A lender who has accepted an application for a subject loan shall make a good faith effort to process the application within the time specified in the loan application.~~

(Source: Repealed at 30 Ill. Reg. 12558, effective July 7, 2006)

Section 110.515 Fraudulent or Deceptive Practices (Repealed)

- a) ~~No lender shall employ fraudulent or deceptive acts or practices in the making of a subject loan, including deceptive marketing and sales efforts.~~
- b) ~~No lender shall make a subject loan that includes a penalty provision for prepayment made:~~

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- 1) ~~after the expiration of the 36-month period following the date the loan was made; or~~
- 2) ~~that is more than:~~
 - A) ~~3% of the total loan amount, if the prepayment is made within the first 12-month period following the date the loan was made; or~~
 - B) ~~2% of the total loan amount, if the prepayment is made within the second 12-month period after the date the loan was made; or~~
 - C) ~~1% of the total loan amount, if the prepayment is made within the third 12-month period following the date the loan was made.~~

(Source: Repealed at 30 Ill. Reg. 12558, effective July 7, 2006)

Section 110.520 Prohibited Refinances (Repealed)

~~No lender shall refinance any subject loan, where such refinancing charges additional points and fees, within a 12-month period after the original loan agreement was signed, unless the refinancing results in a financial benefit to the borrower.~~

(Source: Repealed at 30 Ill. Reg. 12558, effective July 7, 2006)

Section 110.525 Negative Amortization (Repealed)

~~No lender shall make a subject loan, other than a loan secured only by a reverse mortgage, with terms under which the outstanding balance will increase at any time over the course of the loan because the regular periodic payments do not cover the full amount of the interest due, unless the negative amortization is the consequence of a temporary forbearance sought by the borrower.~~

(Source: Repealed at 30 Ill. Reg. 12558, effective July 7, 2006)

Section 110.530 Negative Equity (Repealed)

~~No lender shall make a subject loan where the loan amount exceeds the value of the property securing the loan, plus reasonable closing costs not to exceed 5% of the total loan amount.~~

(Source: Repealed at 30 Ill. Reg. 12558, effective July 7, 2006)

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Section 110.535 Balloon Payments (Repealed)

~~No lender shall make a subject loan that contains a scheduled final payment that is more than twice as large as the average of earlier scheduled monthly payments unless such balloon payment becomes due and payable at least 15 years after the loan's origination. This prohibition does not apply when the payment schedule is adjusted to account for the seasonal or irregular income of the borrower or if the purpose of the loan is a "bridge" loan connected with the acquisition or construction of a dwelling intended to become the borrower's principal dwelling.~~

(Source: Repealed at 30 Ill. Reg. 12558, effective July 7, 2006)

Section 110.540 Financing of Certain Points and Fees (Repealed)

~~No lender shall make a subject loan that finances points and fees in excess of 6% of the total loan amount.~~

(Source: Repealed at 30 Ill. Reg. 12558, effective July 7, 2006)

Section 110.545 Financing of Single Premium Insurance Products (Repealed)

~~No lender shall make a subject loan, which finances a single premium credit life, credit disability, credit unemployment, or any other life or health insurance, directly or indirectly. Insurance previously calculated and paid on a monthly basis shall not be considered to be financed by the lender.~~

(Source: Repealed at 30 Ill. Reg. 12558, effective July 7, 2006)

Section 110.550 Lending Without Due Regard to Ability to Repay (Repealed)

~~No lender shall make a subject loan if the lender does not believe at the time the loan is consummated that the borrower or borrowers will be able to make the scheduled payments to repay the obligation based upon a consideration of their current and expected income, current obligations, employment status and other financial resources (other than the borrower's equity in the dwelling that secures repayment of the loan). A borrower shall be presumed to be able to repay the loan if, at the time the loan is consummated, or at the time of the first rate adjustment in the case of a lower introductory interest rate, the borrower's scheduled monthly payments on the loan (including principal, interest, taxes, insurance and assessments), combined with the scheduled payments for all other disclosed debts, do not exceed 50% of the borrower's monthly gross income.~~

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(Source: Repealed at 30 Ill. Reg. 12558, effective July 7, 2006)

Section 110.555 Verification of Ability to Repay (Repealed)

~~No lender shall make a subject loan prior to verifying the borrower's ability to repay the loan. Such verification shall require, at a minimum, the following:~~

- ~~a) The borrower prepares and submits to the lender a personal income and expense statement in a form prescribed by the Director.~~
- ~~b) Income is verified by means of tax returns, pay stubs, accounting statements or other prudent means.~~
- ~~c) A credit report is obtained regarding the borrower.~~

(Source: Repealed at 30 Ill. Reg. 12558, effective July 7, 2006)

Section 110.560 Payments to Contractors (Repealed)

~~No lender shall make a payment of any proceeds of a subject loan to a contractor under a home improvement contract other than:~~

- ~~a) by instrument payable to the borrower or jointly to the borrower and the contractor; or~~
- ~~b) at the election of the borrower, by a third party escrow agent in accordance with the terms established in a written agreement signed by the borrower, the lender, and the contractor before the date of payment.~~

(Source: Repealed at 30 Ill. Reg. 12558, effective July 7, 2006)

Section 110.565 Counseling Prior to Perfecting Foreclosure (Repealed)

- ~~a) In the event that a subject loan becomes delinquent by more than 30 days, the lender shall send a notice advising the borrower of the availability of consumer credit counseling.~~
- ~~b) The notice required under subsection (a) shall, at a minimum, include the following language notice:~~

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~~"YOUR LOAN IS OR WAS MORE THAN 30 DAYS PAST DUE. YOU MAY BE EXPERIENCING FINANCIAL DIFFICULTY. IT MAY BE IN YOUR BEST INTEREST TO SEEK APPROVED CONSUMER CREDIT COUNSELING. A LIST OF APPROVED CREDIT COUNSELORS MAY BE OBTAINED FROM THE DEPARTMENT OF FINANCIAL INSTITUTIONS AT 1-888-298-8089."~~

- ~~e) If, within 15 days after mailing the notice provided for under subsection (b), a lender or its agent is notified in writing by an approved consumer credit counselor that the borrower is seeking approved consumer credit counseling, then the lender and its agent shall not institute legal action under Part 15 of Article XV of the Code of Civil Procedure for 30 days from the date of that notice. Only one such 30-day period of forbearance is allowed under this Section per subject loan.~~
- ~~d) If within the 30-day period provided under subsection (c), the lender or its agent, the approved consumer credit counselor, and the borrower agree to a debt management plan, then the lender and its agent shall not institute legal action under Part 15 of the Article XV of the Code of Civil Procedure for so long as the debt management plan is complied with by the borrower.
 - ~~1) The agreed debt management plan must be in writing and signed by the lender or its agent, the approved consumer credit counselor, and the borrower. The lender or its agent, the approved consumer credit counselor, and the borrower may modify the debt management plan.~~
 - ~~2) Upon written notice to the lender or its agent, the borrower may change approved consumer credit counselors.~~~~
- ~~e) If the borrower fails to comply with the agreed debt management plan, then nothing in this Subpart shall be construed to impair the legal right of the lender or its agent to enforce contracts or mortgage agreements.~~
- ~~f) This Section applies only to subject loans as defined in Section 110.500.~~

(Source: Repealed at 30 Ill. Reg. 12558, effective July 7, 2006)

Section 110.570 Mortgage Awareness Program (Repealed)

- ~~a) The Mortgage Awareness Program is a counseling and educational program that~~

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~~is provided by the Director.~~

- b) ~~The minimum requirements for the core curriculum of the Mortgage Awareness Program shall include:~~
- ~~1) Explanation of the amount financed;~~
 - ~~2) Explanation of the finance charge;~~
 - ~~3) Explanation of the annual percentage rate;~~
 - ~~4) Explanation of the total payments;~~
 - ~~5) Explanation of the loan costs including broker's fees, finance charges, points, origination fees and all other charges and fees;~~
 - ~~6) Explanation of any right of rescission;~~
 - ~~7) Explanation of foreclosure procedures;~~
 - ~~8) Explanation of the debt ratio, including total debt to income ratio, loan debt to income ratio, and loan debt to value of residence;~~
 - ~~9) Explanation of adjustable rate mortgage;~~
 - ~~10) Explanation of balloon payments;~~
 - ~~11) Explanation of credit options;~~
 - ~~12) Explanation of each item that appears on the good faith estimate;~~
 - ~~13) Explanation of pre-payment penalties.~~
- e) ~~Counseling session attendees must also complete a personal income and expense statement, as well as a balance sheet, on forms provided by the Director.~~
- d) ~~Prior to issuing a certificate of completion, counselors shall privately meet and discuss with each attendee that attendee's income and expense statement and balance sheet, as well as the terms of any loan the attendee currently has or its contemplating.~~

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- e) ~~Counseling session attendees must also be provided with a brochure that contains information covered by the Mortgage Awareness Program.~~

(Source: Repealed at 30 Ill. Reg. 12558, effective July 7, 2006)

Section 110.575 Offer of Mortgage Awareness Program (Repealed)

- a) ~~Any lender, prior to making a subject loan, shall inform the borrower in writing of the right to participate in the Mortgage Awareness Program.~~
- b) ~~No lender shall offer less favorable loan terms to a borrower due to a borrower's participation in a Mortgage Awareness Program.~~
- e) ~~The borrower may waive participation in the program, provided that such waiver occurs no less than 2 business days after the day that the borrower receives the written notice required by subsection (a) and that such waiver is in writing in a form approved by the Director.~~

(Source: Repealed at 30 Ill. Reg. 12558, effective July 7, 2006)

Section 110.580 Third Party Review (Repealed)

~~In the case of each subject loan, upon approval of the loan application, the lender shall advise the borrower in writing of the opportunity to seek independent review of the loan terms in order to determine affordability of the loan. When and if the General Assembly appropriates adequate funding to the Department of Financial Institutions specifically for this program:~~

- a) ~~Every borrower who chooses to participate in the independent review provided in this subpart shall submit information requested on the worksheets outlined in Appendix A and B.~~
- b) ~~The Department shall provide the borrower with a review of the worksheets and inform the borrower of the amount the borrower has available for a monthly mortgage payment based upon the borrower's budget. The Department shall also provide a projection of the payments required under the terms of the loan based upon a review of loan information pertaining to balloon payments, adjustable interest rates and other items disclosed by the loan documents affecting the amount of payment.~~

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- e) ~~The borrower shall receive a copy of the completed forms and shall sign the forms acknowledging receipt. A copy of the written and signed forms shall be submitted to the lender prior to the closing of the loan and shall become a part of the permanent file for the loan.~~
- d) ~~If, based upon the review, the borrower determines that the loan is not in his or her best economic interest, the reviewer shall so note this in the completed forms sent to the lender. This determination shall enable the borrower to withdraw from the contemplated loan with no financial penalty.~~

(Source: Repealed at 30 Ill. Reg. 12558, effective July 7, 2006)

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Section 110.APPENDIX A Estimated Monthly Income and Expenses Worksheet
(Repealed)

~~ESTIMATED MONTHLY INCOME:~~

1.	Paycheck (Net/"Take Home")	\$	_____
2.	Interest/Dividends		_____
3.	Social Security/Pension		_____
4.	Alimony/Child Support		_____
5.	Other		_____
6.	Total Estimated Monthly Income (Add Lines 1 through 5)	\$	_____

~~ESTIMATED MONTHLY EXPENSES:~~

7.	Mortgages/Rent	\$	_____
8.	Homeowner's/Renter's Insurance		_____
9.	Real Estate Taxes		_____
10.	Water & Sewer		_____
11.	House Repairs		_____
12.	Groceries		_____
13.	Telephone		_____
14.	Gas (House)		_____
15.	Electric		_____
16.	Credit Cards		_____
17.	Car Payments		_____
18.	Car Insurance		_____
19.	Licenses (Car)		_____
20.	Gas (Car)		_____
21.	Car Repairs/Maintenance		_____
22.	Clothing		_____
23.	Medical/Dental		_____
24.	Medical Insurance		_____
25.	Prescriptions		_____
26.	Loan Payments		_____
	(Not included in Line 2 or 17)		
27.	Tuition		_____
28.	Contribution		_____

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29.	Cellular Telephone	_____	
30.	Pager	_____	
31.	Recreation/Vacation	_____	
32.	Other Insurance (Life, etc.)	_____	
33.	Income Taxes	_____	
34.	Alimony/Child Support	_____	
35.	Transportation	_____	
36.	Miscellaneous	_____	
37.	Other	_____	
38.	Total Estimated Monthly Expenses (Add Lines 7 through 37)	_____	\$ _____
39.	*Excess/Deficit (Subtract Line 38 from Line 6)		\$ _____

~~*If Line 38 is greater than Line 6, your estimated monthly expenses exceed your estimated monthly income.~~

~~_____
Borrower's Signature~~

(Source: Repealed at 30 Ill. Reg. 12558, effective July 7, 2006)

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Section 110.APPENDIX B Mortgage Ratio Worksheet (Repealed)**Part I**~~LOAN TO VALUE RATIO~~

1. ~~Mortgage Amount(s)~~ \$ _____
2. ~~Appraised Value~~ \$ _____
3. ~~Line 1 divided by Line 2~~ _____

~~Note: This is the Percentage of the purchase price appraised value of your home that will be allocated to your total mortgage. A percentage rate over 80% may result in you incurring additional costs.~~

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~~Part II~~

~~INCOME RATIO~~

~~MONTHLY HOUSING EXPENSES:~~

1.	Principal and Interest Payment	\$	_____
2.	Homeowner's Insurance		_____
3.	Real Estate Tax		_____
4.	Mortgage Insurance Premium		_____
5.	Homeowner's Assoc. Fee		_____
6.	Ground Rents		_____
7.	Payments on Existing or Proposed 2nd Mortgage		_____
8.	Total Housing Expense (Add Lines 1 through 7)	\$	_____
9.	Gross Salary	\$	_____
10.	Dividend/Interest		_____
11.	Social Security/Pension		_____
12.	Alimony/Child Support		_____
13.	Other		_____
14.	Total Gross Income	\$	_____
15.	Divide Line 8 by Line 14		_____

~~Note: This is the percentage of your gross monthly income that will be allocated~~

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~~to your mortgage expenses.~~

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~~Part III~~

~~LONG TERM DEBT RATIO~~

~~MONTHLY EXPENSES:~~

- ~~1. Total Housing Expenses (Part II, Line 8) \$ _____~~
- ~~2. Credit Cards _____~~
- ~~3. Car Payments _____~~
- ~~4. Loans _____
(Not Included on Line 1 or Line 3)~~
- ~~5. Alimony/Child Support _____~~
- ~~6. Total Expenses _____
(Lines 1 through 5) \$ _____~~

~~MONTHLY INCOME:~~

- ~~7. Total Gross Income _____
(Part II, Line 14) \$ _____~~
- ~~8. Divided Line 6 by Line 7 _____~~

~~Note: This is the percentage of your gross monthly income that will be allocated to your mortgage expenses and other debt that you pay on a monthly basis.~~

~~_____
Borrower's Signature~~

(Source: Repealed at 30 Ill. Reg. 12558, effective July 7, 2006)

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NOTICE OF EMERGENCY REPEAL OF EMERGENCY AMENDMENT

- 1) Heading of the Part: Bonding Guidelines
- 2) Code Citation: 71 Ill. Adm. Code 50
- 3)

<u>Section Numbers:</u>	<u>Emergency Action:</u>
50.110	Repeal of Emergency Amendment
50.120	Repeal of Emergency Amendment
50.140	Repeal of New Section
- 4) Statutory Authority: Implementing and authorized by Section 9.06 of the Capital Development Board Act [20 ILCS 3105/9.06].
- 5) Effective Date of Repealer: July 10, 2006
- 6) If this emergency repealer is to expire before the end of the 150-day period, please specify the date on which it is to expire: This rulemaking will not expire sooner than 150 days from filing.
- 7) Date Filed with the Index Department: July 10, 2006
- 8) A copy of the emergency repealer, including any material incorporated by reference, is on file in the agency's principal office and is available for public inspection.
- 9) Reason for Emergency: The emergency rulemaking has been made unnecessary by the availability and sufficiency of alternative sources of funding for the purchase of special purpose vehicles for the Illinois State Police. This action is taken following extensive discussion among interested parties and experienced bond counsel. While bond counsel determined that the subject guidelines are appropriate for the purposes intended, the Attorney General discouraged the use of General Obligation bond proceeds to fund the purchase of ISP special purpose vehicles. CDB appreciates and accepts the AG's advice and, while continuing efforts to craft appropriate guidelines, the State determined to proceed in accord with the AG's recommendations regarding the purchase of ISP special purpose vehicles. As the State has no current need to proceed pursuant to the proposed rule, there is no utility in implementing such rule on an emergency basis at the present time.
- 10) A Complete Description of the Subjects and Issues Involved: Repeals the emergency rule that redefined durable equipment to include new ISP vehicles that are acquired from the proceeds of General Obligation Bonds, as well as also repeals the standards and guidelines for that equipment.

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- 11) Are there any proposed amendments to this Part Pending? No
- 12) Statement of Statewide Policy Objectives: With this repeal, the rulemaking will no longer affect units of local government.
- 13) Information and questions regarding this emergency amendment shall be directed to:

Fredrick W. Hahn, Chief Counsel
Capital Development Board
3rd Floor Wm. G. Stratton Bldg.
Springfield, Illinois 62706

217/782/0700

The full text of the Emergency Repealer begins on the next page:

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TITLE 71: PUBLIC BUILDINGS, FACILITIES, AND REAL PROPERTY
CHAPTER I: CAPITAL DEVELOPMENT BOARD
SUBCHAPTER a: RULESPART 50
BONDING GUIDELINES

Section

50.110 General Standards and Guidelines for the Appropriate Utilization of Bond Proceeds

EMERGENCY

50.120 Standardized Definitions and Guidelines

EMERGENCY

50.130 Limitations on Expenditures of Bond Proceeds

~~50.140 General Standards and Guidelines for Durable Equipment Funded from Bond Proceeds~~

EMERGENCY

AUTHORITY: Implementing and authorized by Section 9.06 of the Capital Development Board Act [20 ILCS 3105/9.06].

SOURCE: Adopted at 2 Ill. Reg. 30, p. 140, effective July 27, 1978; amended at 4 Ill. Reg. 9, p. 233, effective February 14, 1980; amended at 5 Ill. Reg. 1890, effective February 17, 1981; amended and codified at 8 Ill. Reg. 20247, effective October 1, 1984; amended at 12 Ill. Reg. 9845, effective May 27, 1988; old Part repealed and new Part adopted at 25 Ill. Reg. 67, effective December 22, 2000; emergency amendment at 30 Ill. Reg. 11397, effective June 13, 2006, for a maximum of 150 days; emergency amendment repealed by emergency rulemaking at 30 Ill. Reg. 12615, effective July 10, 2006, for the remainder of the 150 days.

Section 50.110 General Standards and Guidelines for the Appropriate Utilization of Bond ProceedsEMERGENCY

- a) General. The general uses of Capital Development Bond, School Construction Bond, General Obligation Bond and Build Illinois Bond proceeds appropriated to the Board shall always be and remain consistent with the provisions expressed in Article VIII, Section 1 and Article IX, Section 9 of the 1970 Constitution of the State of Illinois, and with the provisions of the Capital Development Bond Act of 1972 [30 ILCS 420], the School Construction Bond Act [30 ILCS 390], General Obligation Bond Act [30 ILCS 330] and the Build Illinois Bond Act [30 ILCS

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425].

- b) Bondable Capital Improvements. Bondable capital improvements and related expenditure purposes generally include, but are not limited to, the following:
- 1) Planning expenses for architectural and engineering design;
 - 2) Real property;
 - 3) Buildings, additions, and/or structures (including required site development or preparation and associated fixed equipment that is required for functional effectiveness);
 - 4) Utilities;
 - 5) ~~Initial durable~~ Durable movable equipment as defined in Section 50.120(e), Durable Movable Equipment, ~~or durable equipment as defined in Section 50.140 of this Part;~~
 - 6) Site improvements;
 - 7) Remodeling and/or Rehabilitation;
 - 8) Direct costs associated with the issuance of State General Obligation Bonds.
- c) General Obligation Bond Proceeds.
- 1) In general, any expenditure purpose shall be considered appropriate for financing from proceeds provided that such expenditure purposes:
 - A) are not recurring. In this context, recurring expenses are defined as those costs that are incurred at frequent or regular intervals within the initial term of financing, and that would cause pyramiding accumulation of costs for the same expenditure purpose before the expenses initially incurred for such purpose are completely amortized;
 - B) can be characterized as durable or not readily consumed in use;

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- C) reflect an extended useful life or longevity that confers long-term (non-transitory) benefits on the citizens of the State of Illinois;
 - D) are not subject to inherent risk of failure or rapid technological obsolescence, or primarily intended to fulfill temporary requirements;
 - E) reflect a direct interest of the State of Illinois, including its legally constituted subdivisions, in any real property to be improved, as evidenced by valid title to the real property on which the proposed improvement is to be made, or an easement interest of record that at least encompasses the proposed term of bond financing;
 - F) appreciably increase, improve, or enhance the equitable interests of the State of Illinois in capital facilities, land, permanent improvements, and related assets;
 - G) are considered as internal components of a project, which if considered separately may not reflect an extended useful life, but will be bondable provided that such components are initially required for and appreciably contribute to effective functioning, or are otherwise incapable of separation from a more complex unit that in itself is bondable.
- 2) All seven factors must be present in order for an expenditure purpose to be bondable.
 - 3) Notwithstanding the above prescribed purposes, a nonconforming expenditure may yet be considered bondable if it is deemed to be in the public interest as evidenced by a substantive enactment of the General Assembly. Only Public Acts specifying a project shall be deemed a substantive enactment.

(Source: Emergency amendment adopted at 30 Ill. Reg. 11397; repealed by emergency rulemaking at 30 Ill. Reg. 12615, effective July 10, 2006, for the remainder of the 150 days)

Section 50.120 Standardized Definitions and Guidelines**EMERGENCY**

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The following standardized definitions and guidelines enumerate the appropriate utilization of Capital Development, School Construction, General Obligation and Build Illinois Bond proceeds appropriated to the Board to finance bondable capital improvements as listed in Section 50.110(b) above.

- a) **Planning.** Bondable planning costs include those expenditures that are related to architectural and engineering design required for planning the construction or installation of bondable capital improvement projects. Included are costs for schematic design development, which refers to preliminary studies developed from program statements that reflect the general functional characteristics and architectural requirements of a bondable capital improvement project; costs for definitive design development, which means the refinement of schematic design into final detailed design requirements; and costs incurred for the completion of construction documents and detailed working drawings required for bidding and construction, including any allowable reimbursables provided within an executed contract for professional and technical services.
- b) **Land.** Land includes expenditures for the acquisition of real property (including easements of record with an extended term, but excluding any leasehold interests obtained through rental of real property), whether obtained by purchase or by condemnation under the applicable eminent domain laws of the State of Illinois, and for all expenses directly and necessarily related to such purchase or condemnation. All necessary and reasonable expenses incurred in the acquisition of real property qualify for bond financing. Such expenditures may include but are not limited to the following:
 - 1) land costs
 - 2) appraisal fees
 - 3) title opinions
 - 4) surveying fees
 - 5) real estate fees
 - 6) title transfer taxes
 - 7) condemnation costs and related legal expenses.

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- c) Buildings, Additions, and/or Structures. Buildings, additions and/or structures shall mean and include those facilities with a roof and/or walls that have a foundation. This category also includes site developments necessarily required or related to the preparation of a site for construction purposes; and required built-in, special-purpose, or other fixed equipment, which is permanently affixed or connected to real property in such a manner that removal would cause consequent damage to the real property to which it is affixed. All expenditures that may be classified within the category defined shall be bondable.
- d) Utilities. In general, the category utilities shall mean and include expenditures for the acquisition, construction, replacement, modernization, and/or extension of systems for distributing or disbursing utility services. Bondable utility costs may include but are not limited to the following items:
- 1) provisions for potable water, high-temperature water for sanitary or other related purposes, domestic hot or chilled water;
 - 2) systems and associated components for disbursing or distributing electricity or providing telecommunications service, including underground or overhead distribution cables for television, computers, or other modes of communication;
 - 3) steam and condensate returns;
 - 4) storm and/or sanitary sewers;
 - 5) fire hydrants and stand pipes;
 - 6) central fire and security alert systems;
 - 7) exterior lighting;
 - 8) tap-ons or extensions related to existing utility systems;
 - 9) automated temperature/environmental control systems, and air and water pollution control systems;
 - 10) provisions for the disposal of scientific contaminated waste and surgical waste;

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- 11) solar heating or other approved energy systems;
 - 12) sewage and water treatment facilities, equipment and related distribution systems;
 - 13) earth moving to create artificial lakes or reservoirs for utility or related conservation purposes;
 - 14) restoration of natural and/or man-made features of the site of any utilities installation to its original condition;
 - 15) trenches or ditches dug for the purpose of laying tile or providing ducts to remove excessive rainfall and prevent erosion.
- e) Durable movable equipment
- 1) Durable movable equipment shall mean:~~A) durable equipment as vehicles for the Illinois State Police, when purchased new and having a specialized purpose as defined in Section 50.140 of this Part; and~~B) initial durable movable equipment, including all items of initial equipment, other than built-in equipment, that are necessary and appropriate for the functioning of a particular facility for its specific purpose, and that will be used solely or primarily in the rooms or areas covered in the subject project. Further, ~~such initial durable movable~~ equipment is defined as manufactured items that have an extended useful life, are not affixed to a building and are capable of being moved or relocated from room to room or building to building, are not consumed in use, and have an identity and function that will not be lost through incorporation into a more complex unit.
 - 2) In applying the above definition, reference should be made to the State Finance Act [30 ILCS 105], and the distinction between commodities (Section 15b of that Act) and equipment (Section 20) as defined by that Act. Within the context of that Act, the following guidelines should be applied in defining durable movable equipment:
 - A) Bondable
 - i) Office/household equipment and furniture will be bondable.

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- ii) Machinery, implements and major tools will be bondable.
- iii) Scientific instruments and apparatus will be bondable when they have a useful life similar to office equipment.
- iv) Transportation and installation costs incurred with an outside source will be considered part of the equipment cost for items funded by the Board.
- v) Equipment not otherwise classified will be considered bondable provided it meets all other guidelines.
- vi) Significant useful life ~~for initial durable movable equipment described in subsection (e)(1)(B) of this Section~~ should be considered a minimum of 10 years.
- ~~vii) Significant useful life of durable equipment as described in Section 50.140 of this Part, purchased new as required by Section 50.140(e)(4) and (e)(5) of this Part, shall be a minimum of five years. Debt incurred for such purpose of this paragraph shall be repaid within a five year term as required by Section 50.140(d) of this Part.~~

B) Non-bondable

- i) Scientific apparatus items that are subject to short useful life, such as glassware, tubing, crockery and light bulbs are not bondable. These items are more correctly defined as commodities.
- ii) Library books, maps, and paintings other than those purchased in the Art in Architecture program [20 ILCS 3105/14] are not fundable from bond funds.
- iii) Livestock, for any use, is not fundable from bond funds.
- iv) ~~Rolling Standard rolling~~ stock, including boats, ~~passenger cars, trucks and related items intended to provide common carriage or commercial transport,~~ are not fundable from bond funds.

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- v) Spare and replacement parts should be considered commodities.
 - vi) No commodities shall be purchased from bond funds.
- f) Site Improvements. Site Improvements means and includes expenditures for all improvements to real property that are not otherwise included within the category of buildings, additions and/or structures (subsection (c) of this Section). Bondable site improvement expenditures shall include all above costs incidental to demolition, rough and final grading of a site, and the construction or replacement of sidewalks, road and driveway pavement surfaces, bridges, ramps, curbs, overpasses, underpasses, pedestrian bridges and tunnels, surface parking areas, campground development, building terraces, retaining walls, exterior lighting, and seeding or sodding for erosion control only if related to a bondable capital improvement project.
- g) Remodeling and Rehabilitation
 - 1) Bondable remodeling and rehabilitation means and includes expenditures for all capital improvements that have the primary objective of altering the functional capabilities of a structure or facility.
 - 2) Remodeling shall include all capital improvement projects that have the primary objective of changing the functional character of areas, modifying capacity for the number of persons who can be accommodated, and/or altering spatial relationships.
 - 3) Rehabilitation shall include all non-recurring capital improvement expenditures having the primary purpose of restoring or upgrading an existing area to original operating condition. Recurring expenditures for repairs and/or maintenance that are predictable or reflect regular attention in preserving or keeping a facility in ordinarily efficient operating condition or arresting deterioration without appreciably upgrading, improving, or increasing the value of a facility, shall be considered non-bondable repair and maintenance expenditures.
- h) Direct Costs Associated with the Issuance of State General Obligation Bonds. Costs of this nature shall include expenses associated with advertising, printing, bond rating, security, delivery, legal and financial services, and all other expenses

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necessary and incident to the issuance of State General Obligation Bonds.

- i) ~~The acquisition of specialized purpose vehicles for the Illinois State Police from the proceeds of General Obligation Bonds shall be governed by the provisions of Section 50.140 of this Part.~~

(Source: Emergency amendment adopted at 30 Ill. Reg. 11397; repealed by emergency rulemaking at 30 Ill. Reg. 12615, effective July 10, 2006, for the remainder of the 150 days)

~~**Section 50.140—General Standards and Guidelines for Durable Equipment Funded from Bond Proceeds (Repealed)**~~
EMERGENCY

- a) ~~The use of General Obligation Bond proceeds appropriated to the Capital Development Board to fund the acquisition of new, specialized purpose vehicles for the Illinois State Police is consistent with the provisions of the General Obligation Bond Act at 30 ILCS 330.~~
- b) ~~Notwithstanding any provision to the contrary set forth in this Part, expenditure for the purpose of purchasing new, specialized purpose vehicles for the Illinois State Police constitutes the acquisition of capital purpose assets as Durable Equipment and shall be considered appropriate for financing from proceeds of General Obligation Bonds. Such Durable Equipment shall be deemed to reflect an extended useful life or longevity, conferring long term benefits as described in Section 50.110 c) 1) C of this Part, of not less than the five year period described in d) 1) below.~~
- e) ~~For purposes of this Section, Durable Equipment shall be defined as that equipment which is described in Section 50.120 of this Title 71 of the Illinois Administrative Code, and which demonstrates the following attributes:~~
- 1) ~~May be funded with the proceeds of bonds exempt from federal income taxation as permitted under federal law;~~
 - 2) ~~Is not consumed by use;~~
 - 3) ~~Is suitable for collateral assignment pursuant to alternative lease financing arrangements;~~

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- ~~4) Is acquired as new equipment without prior ownership or use by another person or entity;~~
- ~~5) Is reasonably expected to have a useful life of not less than 5 years and have a salvage value as of the end of its use for a particular purpose.~~
- ~~6) Shall be substantially specialized and specifically suited to the purposes for which such Durable Equipment is acquired, and not of a common personal or commercial nature such as a passenger or motor vehicle intended to provide passenger, common carriage or commercial transport use.~~
- ~~7) Relates to the delivery of fundamental State services and functions including the preservation and enhancement of public safety and law enforcement;~~
- d) Requirements for General Obligation Bonds issued from which Durable Equipment will be funded:
 - ~~1) All general obligation bonds issued to finance the acquisition of specialized purpose vehicles for the Illinois State Police shall mature within five years of their date of issuance. General Obligation Bonds issued for Durable Equipment pursuant to this Section shall be of a separately identified five year equal principal repayment period.~~
 - ~~2) Proceeds of General Obligation Bonds issued for the purposes described in this Section may be used to fund other eligible capital purposes for which General Obligation Bonds with longer periods would otherwise be issued.~~

(Source: Emergency amendment adopted at 30 Ill. Reg. 11397; repealed by emergency rulemaking at 30 Ill. Reg. 12615, effective July 10, 2006, for the remainder of the 150 days)

ATTORNEY GENERAL

JULY 2006 REGULATORY AGENDA

a) Part (Heading and Code Citation): Statewide Automated Victim Notification System, 20 Ill. Adm. Code 2000

1) Rulemaking: Proposed rules

A) Description: The proposed rules will address the implementation of and participation in a statewide automated victim notification system to assist public officials in carrying out their duties to notify and inform crime victims and witnesses. The rules will set out the scope and design of the system and the procedures, requirements, and standards for participation.

B) Statutory Authority: Rights of Crime Victims and Witness Act (725 ILCS 120/8.5).

C) Scheduled meeting/hearing date: None

D) Date agency anticipates First Notice: January, 2007

E) Effect on small businesses, small municipalities or not for profit corporation: The rules should not affect small businesses, small municipalities or not for profit corporations.

F) Agency contact person for information:

Name: Jennifer Kuhn, Chief
Crime Victim Services Division
Address: Office of the Attorney General
100 West Randolph Street, 11th floor
Chicago, Illinois 60601
Telephone: (312) 814-1427

G) Related rulemakings and other pertinent information: None

b) Part (Heading and Code Citation): This will be a new part to be headed "Crime Victims Compensation" and assigned to 74 Ill. Adm. Code 500.

1) Rulemaking: Proposed rules

A) Description: The Attorney General intends to propose rules to implement the Crime Victims Compensation Act (740 ILCS 45). The rules will cover

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such matters as applications, extensions, claim investigation and approval, appeals, representation, subrogation, and enforcement.

B) Statutory Authority: Section 4.1 of the Crime Victims Compensation Act (740 ILCS 45/4.1).

C) Scheduled meeting/hearing date: None

D) Date agency anticipates First Notice: January, 2007

E) Effect on small businesses, small municipalities or not for profit corporation: Allows not for profit legal agencies to fully understand the Attorney General's investigative process when such agencies represent claimants under the Act.

F) Agency contact person for information:

Name: Jennifer Kuhn, Chief
Crime Victim Services Division

Address: Office of the Attorney General
100 West Randolph Street, 11th floor
Chicago, Illinois 60601

Telephone: (312) 814-1427

G) Related rulemakings and other pertinent information: None

c) Part (Heading and Code Citation): Tobacco Products Manufacturers' Escrow Enforcement Act of 2003, 14 Ill. Adm. Code 250

1) Rulemaking: Proposed amendments

A) Description: The Attorney General's Office is considering revisions to the way in which tobacco product manufacturers, both participating and non-participating manufacturers under the Master Settlement Agreement, may dispute the Attorney General's determination to remove or not list a TPM or brand families on the Illinois Directories. Also under consideration are possible amendments that would be designed to clarify terms used, and procedures prescribed, by the authorizing statute.

B) Statutory Authority: Tobacco Products Manufacturers' Escrow Enforcement Act of 2003 [30 ILCS 167].

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- C) Scheduled meeting/hearing date: None
- D) Date agency anticipates First Notice: July, 2006
- E) Effect on small businesses, small municipalities or not for profit corporation: The rules would only affect the procedures available to small manufacturers of tobacco products that wish to contest determinations that they have not met the requirements to be included on the Illinois Directory of Participating Manufacturers or the Directory of Compliant NPMs.
- F) Agency contact person for information:
- Name: Marilyn A. Kueper
Tobacco Enforcement Bureau
- Address: Office of the Attorney General
500 South Second Street
Springfield, Illinois 62706
- Telephone: (217) 785-8541
- G) Related rulemakings and other pertinent information: None
- d) Part (Heading and Code Citation): This will be a new part to be headed "Economic Protection of Military Personnel" and assigned to 95 Ill. Adm. Code 300.
- 1) Rulemaking: Proposed rules
- A) Description: Effective May 26, 2006, Public Act 94-802, amended several statutes to authorize the Attorney General to impose fines against providers of things such as utilities, life insurance, motor vehicle leases, and cellular telephone service, who cut off services to service members who are deployed on active duty. The Attorney General may do so only after notice and opportunity for hearing, and the contemplated rules would prescribe the procedures for the conduct of those hearings.
- B) Statutory Authority: Section 10-30 of the Illinois Administrative Procedure Act (5 ILCS 100/10-30).
- C) Scheduled meeting/hearing date: None
- D) Date agency anticipates First Notice: October, 2006

ATTORNEY GENERAL

JULY 2006 REGULATORY AGENDA

- E) Effect on small businesses, small municipalities or not for profit corporation: The effect of the rules is to establish a fair and impartial set of procedures to allow small municipalities or businesses that may be accused of violations of the rights of active duty service members to contest the imposition of fines.
- F) Agency contact person for information:
- Name: James Capparelli, Deputy Chief
Veterans Rights Bureau
- Address: Office of the Attorney General
100 West Randolph Street, 12th floor
Chicago, Illinois 60601
- Telephone: (312) 814-2515
- G) Related rulemakings and other pertinent information: None

JOINT COMMITTEE ON ADMINISTRATIVE RULES
ILLINOIS GENERAL ASSEMBLY

SECOND NOTICES RECEIVED

The following second notice was received by the Joint Committee on Administrative Rules during the period of July 4, 2006 through July 10, 2006 and has been scheduled for review by the Committee at its August 8, 2006 meeting in Chicago. Other items not contained in this published list may also be considered. Members of the public wishing to express their views with respect to a rulemaking should submit written comments to the Committee at the following address: Joint Committee on Administrative Rules, 700 Stratton Bldg., Springfield IL 62706.

<u>Second Notice Expires</u>	<u>Agency and Rule</u>	<u>Start Of First Notice</u>	<u>JCAR Meeting</u>
8/23/06	<u>Department of Financial and Professional Regulation – Division of Financial Institutions, Predatory Lending Database (38 Ill. Adm. Code 346)</u>	4/14/06 30 Ill. Reg. 6226	8/8/06

PROCLAMATIONS

2006-230**ASIAN LONGHORNED BEETLE DEREGULATION DAY**

WHEREAS, the Asian Long-horned Beetle is an invasive species that originated in Asia and poses a tremendous threat to the trees and forest resources of North America; and

WHEREAS, the Asian Long-horned Beetle was first detected in the United States in New York City and has also been found in Illinois and New Jersey; and

WHEREAS, infested trees numbering 1,551 have been found and removed from Northeastern Illinois and over 2,682 non-host trees have been replanted; and

WHEREAS, over the last several years, 290,991 potential host trees have been treated with insecticide as a protective measure against infestation development; and

WHEREAS, various groups and organizations including the United States Department of Agriculture's Animal & Plant Health Inspection Service and Forest Service, the Illinois Department of Agriculture, the City of Chicago, the Morton Arboretum, and other towns and villages in Northeastern Illinois have worked tremendously well together to detect, control, and eradicate this pest from our state; and

WHEREAS, two quarantined areas referred to as Summit and Addison were deregulated in 2004, several other quarantined areas known as Ravenswood, Kilbourne Park, Park Ridge, Bensenville, and Loyola were deregulated in 2005, and the final remaining quarantined area in and around Oz Park located in the City of Chicago has experienced over two years of negative beetle survey results and is being deregulated by the State of Illinois' Director of Agriculture on July 12, 2006:

THEREFORE, I, Rod R. Blagojevich, Governor of the State of Illinois, do hereby proclaim July 12, 2006 as **ASIAN LONGHORNED BEETLE DEREGULATION DAY** in Illinois, and urge all citizens to recognize the tremendous work put forth by these groups involved and join in their efforts in the complete eradication of this pest.

Issued by the Governor on July 7, 2006.

Filed by the Secretary of State July 7, 2006.

ILLINOIS ADMINISTRATIVE CODE Issue Index - With Effective Dates

Rules acted upon in Volume 30, Issue 29 are listed in the Issues Index by Title number, Part number, Volume and Issue. Inquires about the Issue Index may be directed to the Administrative Code Division at (217) 782-7017/18.

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