

A look at the Illinois Transmission of Money Act

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“Money transmitter” means a person who...

(1) Sells or issues payment instruments.

(2) **Engages in the business of receiving money for transmission or transmitting money.**

(3) Engages in the business of exchanging, for compensation, money of the United State Government or a foreign government to or from money of another government.

(205 ILCS 657/5)

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“Transmitting money” means the **transmission of money by any means**, including transmissions to or from locations within the United States or to and from locations outside of the United States by payment instrument, facsimile or electronic transfer, or otherwise, and includes bill payment services.

(205 ILCS 657/5)

License required

Sec. 10. License required. **No person may engage in this State in the business of** selling or issuing payment instruments, **transmitting money**, or exchanging, for compensation, payment instruments or money of the United States government or a foreign government to or from money of another government **without first obtaining a license under this Act**. Separate licenses shall not be required, however, for persons acting as authorized sellers of licensees under this Act. (205 ILCS 657/10)

Penalties for unlicensed money transfer = 4 x volume

(i) The Director is authorized to compromise, settle, and collect civil penalties and administrative penalties, as set by rule, with any person for violations of this Act or of any rule or order issued or promulgated under this Act. Any person who, without the required license, engages in conduct requiring a license under this Act shall be liable to the Department in an amount equal to the greater of

- (i) \$5,000 or
- (ii) ***an amount of money accepted for transmission plus an amount equal to 3 times the amount accepted for transmission.*** (205 ILCS 657/90(i))

Administrative Complaints – Illinois Department of Financial and Professional Regulation

- Consumer complaint or application for license made or competitor blows whistle to IDFPR
- UNLICENSED ACTIVITY
- Director issues notice of a Cease and Desist Order
 - This includes a request for production
 - Assessment of an administrative fine
 - 30 days within which to file request for hearing (mail box rule applies TO C&D – Fax or e-mail the request)
 - Good time to negotiate or
 - Administrative hearing set
 - Class 3 Felony (rarely brought as criminal action)

Enumerated consumer laws

- [U.S. Code](#) › [Title 12](#) › [Chapter 53](#) › [Subchapter V](#) › § 5481
- **12 U.S. CODE § 5481 - DEFINITIONS**
- (12) **Enumerated consumer laws** Except as otherwise specifically provided in section [5519](#) of this title, subtitle G or subtitle H, the term “enumerated consumer laws” means—
- (A) the Alternative Mortgage Transaction Parity Act of 1982 ([12 U.S.C. 3801](#) et seq.);
- (B) the Consumer Leasing Act of 1976 ([15 U.S.C. 1667](#) et seq.);
- (C) the Electronic Fund Transfer Act ([15 U.S.C. 1693](#) et seq.), except with respect to section 920 of that Act [[15 U.S.C. 1693o–2](#)];
- (D) the Equal Credit Opportunity Act ([15 U.S.C. 1691](#) et seq.);
- (E) the Fair Credit Billing Act ([15 U.S.C. 1666](#) et seq.);
- (F) the Fair Credit Reporting Act ([15 U.S.C. 1681](#) et seq.), except with respect to sections 615(e) and 628 of that Act ([15 U.S.C. 1681m \(e\)](#), [1681w](#));
- (G) the Home Owners ^[2]Protection Act of 1998 ([12 U.S.C. 4901](#) et seq.);
- (H) the Fair Debt Collection Practices Act ([15 U.S.C. 1692](#) et seq.);
- (I) subsections (b) through (f) of section [43](#) of the Federal Deposit Insurance Act ([12 U.S.C. 1831t \(c\)\[\(b\)\]–\(f\)](#));
- (J) sections 502 through 509 of the Gramm-Leach-Bliley Act ([15 U.S.C. 6802–6809](#)) except for section [505](#) [[15 U.S.C. 6805](#)] as it applies to section [501 \(b\)](#) [[15 U.S.C. 6801 \(b\)](#)];
- (K) the Home Mortgage Disclosure Act of 1975 ([12 U.S.C. 2801](#) et seq.);
- (L) the Home Ownership and Equity Protection Act of 1994 ([15 U.S.C. 1601 note](#));
- (M) the Real Estate Settlement Procedures Act of 1974 ([12 U.S.C. 2601](#) et seq.);
- (N) the S.A.F.E. Mortgage Licensing Act of 2008 ([12 U.S.C. 5101](#) et seq.);
- (O) the Truth in Lending Act ([15 U.S.C. 1601](#) et seq.);
- (P) the Truth in Savings Act ([12 U.S.C. 4301](#) et seq.);
- (Q) section 626 of the Omnibus Appropriations Act, 2009 (Public Law 111–8) [[12 U.S.C. 5538](#)]; and
- (R) the Interstate Land Sales Full Disclosure Act ([15 U.S.C. 1701](#)).

(d) Abusive

The Bureau shall have no authority under this section to declare an act or practice abusive in connection with the provision of a consumer financial product or service, unless the act or practice—

(1) materially interferes with the ability of a consumer to understand a term or condition of a consumer financial product or service; or

(2) takes unreasonable advantage of—

(A) a lack of understanding on the part of the consumer of the material risks, costs, or conditions of the product or service;

(B) the inability of the consumer to protect the interests of the consumer in selecting or using a consumer financial product or service; or

(C) the reasonable reliance by the consumer on a covered person to act in the interests of the consumer.