

INTERPRETIVE LETTER 92-9 (JUNE 24, 1992)

Out-of-state credit card issuer that does not offer credit to Illinois residents is not required to comply with the disclosure and filing requirements of the Illinois Credit Card Issuance Act.

This letter is in reply to your correspondence dated * to the Commissioner of Banks and Trust Companies regarding the Credit Card Issuance Act ("Act"), Ill. Rev. Stat. ch. 17, par. 6000 et seq. (1991).

The Act requires each entity that issues credit cards to Illinois residents to comply with certain disclosures and to file certain reports. Section 6(b) of the Act provides that each credit card solicitation, application and periodic billing statement, or literature accompanying the periodic billing statement mailed or otherwise presented to Illinois residents, must contain a statement informing Illinois residents of their right to receive comparative credit information from the Commissioner. Section 7 of the Act provides that if a credit card issuer issues cards to residents of Illinois, then the issuer shall file with the Commissioner a statement of its current annual percentage rate or rates for credit card accounts, any membership or participation fees, and the number of days allowed for a grace period.

A credit card issuer is required to comply with the Act if Illinois residents could apply for credit and their applications would not be denied because they are outside the issuer's intended market. The Act was passed to provide comparative information to Illinois residents on credit plans that are generally available to them. If your client has card holders residing in Illinois and would extend credit to other applicants who are Illinois residents, then compliance with the Act would be mandatory. If your client does not generally offer credit to Illinois residents and, in fact, would deny applications from Illinois residents based on their residency, then your client does not come within the purpose of the Act.