



# Illinois Department of Financial and Professional Regulation

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## Office of the Secretary

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## Gov. Pritzker Signs Equity-Centric Legislation Expanding Economic Access and Opportunity Across Illinois

*Legislation Advances Core Administration Priorities in Equitable Economic Recovery;  
Stronger Anti-Discrimination Regulations for Employers Enacted to Protect Justice  
Impacted Individuals*

**SPRINGFIELD** - Building on efforts to create more equitable access to economic growth and recovery, Governor JB Pritzker today signed four pieces of landmark legislation that expand economic opportunity in Illinois. The legislative package further advances the administration's priorities of establishing strong economic policies and programs for all Illinoisans, with a heightened equity focus on communities and residents that have been disproportionately impacted by longstanding disinvestment.

This package is comprised of four bills: Senate Bill (SB) 1480, SB 1608, SB 1792, and SB 1980. The legislation includes measures that aim to prevent employers from discriminating against people with criminal records, expand access to state contracts for minority-owned businesses, women, and individuals with disabilities, reduce interest on payday loans, and improve access to public housing.

"Together, these four bills mark significant progress in our efforts to close the racial gaps and eliminate barriers that have for too long unfairly held Black and Brown Illinoisans back," **said Governor JB Pritzker**. "This pillar advances our common vision of equity and inclusion by recognizing and addressing communities that have historically been cut out of the conversation. I want to recognize the extraordinary work of those who helped shape these bills: the entire Illinois Legislative Black Caucus, the Illinois Department of Human Rights and Department of Labor, and the many advocates engaged in the fight for economic justice. While there is more work to do, we are a better state for what's in this legislation today."

"Communities of color have waited for far too long for this kind of economic equity reform. It is long overdue," **said House Speaker Chris Welch (D-Westchester)**. "This is a monumental step toward our mission of addressing systemic racism by expanding economic access and opportunity. I applaud Governor Pritzker and the advocates who fought for this critical legislation and I look forward to continue to work on bringing about economic equity in the lives of all Illinoisans."

"Since this nation's inception, there's been a massive disparity in access to economic opportunity in America. This imbalance affects all aspects of life, especially housing and access to capital," **said Sen. Chris Belt (D-Centreville)**. "If the federal government won't take the lead, Illinois will. It's time our state reaches its full potential, giving Middle America a beacon to strive toward."

"These measures are a major step forward not only for the residents of undeserved and disadvantaged communities, but the state as a whole. This package will help give a pathway to opportunity for Illinoisans who have had obstacles in their path due to systemic problems facing communities including disinvestment and racism," **said ILBC Joint Caucus Chairperson State Rep. Sonya Harper (D-Chicago)**.

### **Extended Human Rights Protections**

The Employee Background Fairness Act, Senate Bill 1480, extends protections outlined in the Illinois Human Rights Act (IHRA) to any Illinois resident with a conviction record. Under this new law, Illinois employers can no longer disqualify a job applicant or employee with a conviction record unless it is substantially related to the job.

Illinois currently has measures in place to protect justice impacted individuals, including barring discrimination based on arrest records and inquiring about an applicant's criminal history until later stages of the application process. SB 1480 adds another layer of protection for anyone who has come into contact with public law enforcement. Any person who believes they are experiencing discrimination at work or with a potential job because of their conviction record can now file a charge of discrimination with the Illinois Department of Human Rights (IDHR).

"The IDHR is proud to have supported this fundamental, long-overdue piece of legislation," **said IDHR Director Jim Bennett**. "Today's SB 1480 signing is a major step in ensuring anyone - no matter their past - is treated with dignity and respect when searching for work in Illinois. The IDHR is looking forward to working with Illinois employers as we implement these changes."

**Gregory Chambers from Restoring Rights and Opportunities Coalition of Illinois said**, "I just want a fair chance to be a productive member of society. This bill gives me a fair chance to get a job and provide for my family."

To assist Illinois employers and jobseekers, the IDHR has developed a comprehensive FAQ. For more information, please visit [IDHR's website](#).

Senate Bill 1480 also strengthens the Illinois Equal Pay Act, requiring private-sector employers of more than 100 employees to obtain equal pay registration certificates from

the Illinois Department of Labor (IDOL). The legislation requires qualifying employers to provide proof of the total wages paid each employee during the prior year as well as the gender, race and ethnicity of the employees.

The law also contains audit provisions and whistleblower protections, and provides for a civil penalty in an amount equal to 1 percent of the business's gross profits for a business that does not obtain a certificate, or if a business's certificate is suspended or revoked after an investigation by the Illinois Department of Labor.

Businesses subject to the new law are required to recertify with the Illinois Department of Labor every two years.

"The Department of Labor is in the process of implementing the new requirements of the law. We continue to meet with stakeholders on this new law and will be communicating instructions for registration," **said Illinois Department of Labor Director Michael Kleinik.**

The legislation takes effect immediately.

### **Expanded Economic Opportunity**

The Economic Opportunity Bill (SB 1608) creates the Illinois Community Reinvestment Act (CRA). This new act sets state standards for the Illinois Department of Financial and Professional Regulation (IDFPR) to examine low- and moderate-income lending by state-chartered banks, credit unions and non-bank mortgage lenders. The Act aims to incentivize more safe lending into low- and moderate-income communities by Illinois financial institutions. Illinois becomes the first state in the Midwest to pass a state level CRA and is just the second state in the country to include non-bank mortgage lenders-institutions that are not covered in the federal CRA.

"The Illinois Community Reinvestment Act gives IDFPR the authority to ensure that the financial institutions of this state, including state banks, credit unions, and non-mortgage lenders, are incentivized to provide lending and general banking services to economically disadvantaged communities," **said Chasse Rehwinkel, IDFPR Acting Director of Banking.**

Senate Bill 1608 also amends the existing Business Enterprise for Minorities, Women, and Persons with Disabilities Act (BEP Act), updates the state's procurement code to increase the diversity of businesses contracting with the State and establishes policies and commissions that strive to increase economic opportunity for all Illinois residents, regardless of race or background. The legislation grants the BEP Council the ability to review contracts granted by state agencies or public institutions if the contract has a history of disparities and establish a strategy to remove the root-causes for the disparity.

To ensure state contractors are reflective of Illinois' communities, the legislation amends the Illinois Procurement Code to include diversity for consideration during the request for proposal (RFP) process. The bill also establishes new criteria for the evaluation of RFPs, requiring 20 percent of points given during the scoring of state contracts to be

awarded based on the vendor's commitment to diversity and additional equity measures.

Other provisions outlined in the legislation include, but are not limited to: creation of a Commission on Equity and Inclusion, the establishment of an African Descent Citizens Reparations Commission by the Illinois Central Management Services (CMS), a new annual required report from all state agencies and public higher-education institutions on race and gender that includes salary information, and the development of a new community development loan program that will guarantee small business loans and consumer loans to borrowers of color or who reside in low-income communities and would not otherwise qualify.

"Our nation's systems were designed to keep Black people from owning businesses, buying homes and fostering economically prosperous communities. To achieve real equity in Illinois, we must dismantle these systems and rebuild them in a way that gives African Americans the chance to succeed," **Senate Majority Leader Kimberly A. Lightford (D-Maywood) said.** "This package of legislation is a critical step toward leveling the playing field and empowering Black Illinoisans to rise to their full potential as entrepreneurs, homeowners, company executives and more."

"CMS is proud to support the realization of SB 1608 which expands economic development opportunities and greater representation and participation of historically disinvested communities of color. The agency is also eager to work with the Commission to review and develop additional measures that ensure equity and equality," **said Janel L. Forde, CMS Director.**

SB 1608 takes effect immediately except for Articles one and 40, which take effect January 1, 2022.

### **Predatory Loan Prevention**

The Predatory Loan Prevention Act (SB 1792), would directly address long-standing inequities by prohibiting lenders from charging more than 36 percent APR (annual percentage rate) on consumer loans. High-cost, small-dollar loans heighten the racial wealth gap, and stopping high interest payday lending is a significant step toward immediate relief for consumers.

In Illinois, the average APR on a payday loan is 297 percent, and the average APR on a title loan is 179 percent. While the existing federal law already protects active-duty military with a 36 percent APR cap, this legislation would extend the same protection to Illinois veterans and all other consumers.

Illinois families pay over \$500 million per year in payday and title loan fees, which is the fourth highest in the nation. With this legislation, Illinois will join a bipartisan, nationwide trend that provides families with more economic stability. Currently, 17 states in addition to the District of Columbia have caps of 36 percent or lower.

"Just as it is with redlining, with bias in insurance rates, and with the ongoing disparity in home lending, this is not just about financial ethics. It's about racial justice," **said Sen.**

**Jaqueline Collins (D-Chicago).** "There is a growing understanding among Illinoisans that these financial systems target people of color and entrench racial poverty. When we have honest, hard conversations, we can topple barriers."

"Providing access to affordable, small loans to assist families during times of economic stress, such as vehicle breakdowns and unexpected medical bills, is an important and just way to lift families out of debt, particularly in communities of color that have historically been disproportionately impacted by high cost loans," **said Deborah Hagan, Secretary of the Illinois Department of Financial and Professional Regulation.** "I applaud the historic work of Governor Pritzker and the Black Caucus and look forward to implementing this new law to benefit of Illinois consumers."

"Some lenders charge 179%-297% interest. That is just criminal. I commend the Illinois Legislative Black Caucus and Governor Pritzker for making this legislation a reality at such a critical time as more people are struggling to make ends meet and turning to payday and auto title lenders," **said Comptroller Susana A. Mendoza.**

"We applaud Governor Pritzker and the Illinois Legislative Black Caucus for championing the passage of the Predatory Loan Prevention Act," **said Rachel Ruttenberg, Director of Policy at Heartland Alliance.** "This important law provides financial security and stops predatory, high-cost lending practices, which have widened the racial wealth gap and disproportionately targeted communities of color with payday and car title lending."

"Today is the culmination of over 20 years of advocacy," **said Brent Adams, Senior Vice President of Policy & Communication at Woodstock Institute.** "Thanks to the leadership of the Legislative Black Caucus, Illinois will go from being home to some of the worst abuses in the industry to setting a new bar in consumer financial protection."

SB 1792 takes effect immediately.

### **Equity in Public Housing Access**

The Public Housing Access Bill (SB 1980 HFA2) allows an individual with a felony conviction to live in federally assisted housing, helping to end the cycle of recidivism. While there are more than 100 Illinois Public Housing Authorities (PHAs) in Illinois, too many families are unable to access these resources. Currently, each PHA sets their own admissions criteria, with varying regulations for granting housing to individuals with criminal records.

To create more housing stability and address the risk of homelessness, SB 1980 HFA2 creates standards for PHAs to use in the criminal background screening process. A few provisions in this screening process includes limiting PHAs from considering records that did not lead to a finding of guilt, expunged or sealed records, or juvenile records. It would require each PHA to keep records of the number of individuals who were in the criminal legal system who apply for public housing. Additionally, the process would establish an internal reviewer to examine criminal history reports, identify eligible offenses for consideration, and only share the relevant records with the decision-makers in the public housing authority.

"Everyone deserves a place to lay their head at night without the shame of their past following them," **said Josephine Horace-Jackson, a Restoring Rights and Opportunities Coalition of Illinois member.** "Increasing access to public housing is a vital step in ending homelessness and ensuring formerly incarcerated individuals have a fair opportunity for a better future. We would like to thank Governor Pritzker, Senator Christopher Belt, Senator Jacqueline Collins, Representative Sonya Harper, Representative Delia Ramirez, and all the members of the Illinois General Assembly for supporting this legislation."

SB 1980 takes effect immediately.