

(815 ILCS 375/6) (from Ch. 121 1/2, par. 566)

Sec. 6. (a) Except as provided under subsections (b) and (c), every retail installment contract must provide for a schedule of periodic installment payments from the due date of the first installment payment to the date of the final maturity of the contract.

(b) Retail installment contracts may provide for balloon-note financing. For the purpose of this Section, balloon-note financing shall mean the manner of purchase whereby a consumer agrees to select and perform, at the conclusion of a pre-determined schedule of installment payments made in periodic or monthly amounts, one of the following options:

(1) satisfy the balance of the contractual amount owing;

(2) refinance any balance owing, on the terms previously agreed upon at the time of executing the retail installment contract; or

(3) surrender the vehicle at such time and manner agreed upon at the time of executing the retail installment contract.

(c) Retail installment contracts may provide for deferred payment of a down payment provided any deferred portion of a down payment is payable not later than 10 days prior to the due date of the first regularly scheduled payment and is not subject to a finance charge.

(d) Retail installment contracts may be precomputed or interest bearing.

(Source: P.A. 90-437, eff. 1-1-98.)