November 4, 2026

Secretary Alexi Giannoulias
Office of the Secretary of State
213 State Capitol
Springfield, IL 62756

Director Francisco Menchaca
Division of Financial Institutions
Illinois Department of Financial and Professional Regulation
320 West Washington Street
3rd Floor
Springfield, IL 62786

Re: Publicly Accessible List of Licensed Vehicle Dealers

Secretary Giannoulis and Director Menchaca,

The American Financial Services Association[1] (AFSA) respectfully requests that the Illinois Secretary of State's Office ("Office") create and give our members access to a searchable list of Illinois' roughly 6,000 licensed vehicle dealers. We further request that the Division of Financial Institutions officially deem our members' proper use and reliance on this list a safe harbor for compliance with the recent amendments to the Sales Finance Agency Act ("Act"). [2]

Though our members have long complied with law requiring purchase of motor vehicle retail installment contracts from only licensed dealers, the new law's standard holds us responsible on something akin to a 'strict liability' standard, to borrow a concept from tort law, where we could be deemed in violation in spite of our best efforts. That in addition to increased fines that include a separate penalty three times the maximum for other violations has driven us to this unusual request to seek the coordinated help of the Office and the Department of Financial and Professional Regulation ("Department")**.**

Our members who purchase retail installment sales contracts from auto dealers in Illinois are licensed by the Department and "*may not purchase a retail installment contract … from a person who is not licensed under the Illinois Vehicle Code*, not licensed under this Act, and

[1] Founded in 1916, the American Financial Services Association (AFSA), based in Washington, D.C., is the primary trade association for the consumer credit industry, protecting access to credit and consumer choice. AFSA members provide consumers with many kinds of credit, including traditional installment loans, direct and indirect vehicle financing, mortgages, and payment cards. AFSA members include national banks and non-bank state licensed financial institutions. AFSA does not represent payday lenders, title lenders, or credit unions.
[2] Pub. Act 104-0516, § 5 (Ill. 2026)

not exempt from licensure under this Act (emphasis added)."[3]

Although our members have always maintained comprehensive internal compliance controls and procedures to confirm, to the best of their ability, that each dealer they work with is licensed by the Office, a database overseen by the Office to verify their status is necessary to comply with the new standard.

We note that Illinois' five neighboring states offer either a publicly accessible database or a regularly updated document identifying licensed vehicle dealers in their state. AFSA does not endorse any approach, and we have no opinion on whether this database is public as long as our members licensed by the Department have access to it and may rely upon it for safe harbor compliance.

The Illinois Vehicle Code further provides that dealer licenses issued by the Office expire on December 31 of the year granted.[4] Unless a dealer timely completes the renewal process and receives confirmation, its license lapses on January 1. This annual cycle creates added uncertainty for our members during the first several weeks of each year.

Accordingly, we respectfully request that the Department account for the state's vehicle dealer licensing cycle and establish a safe harbor from violation of law citations for sales finance companies that verify through the Office's database, within one month before purchasing a retail installment sales contract, that the dealer's license is valid. Without such safe harbor, the vehicle finance industry may be subject to Illinois violation of law penalties by your office if they purchase a vehicle from a dealer whose license appeared to be current as of December 31 of the year they were granted, but may not be valid on January 1st of any given year.

Thank you for considering our comments. If we can provide any additional context or other information, please do not hesitate to contact me at 585-953-9624 or coconnor@afsamail.org.

Sincerely,

Christian O'Connor
State Legislative and Regulatory Counsel
American Financial Services Association
1750 H Street, NW, Suite 650
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[3] 205 ILCS 660/6.4(d). There are three different entities our members are prohibited from purchasing retail installment contracts from. The first one is licensed and regulated solely by the Office.
[4] 625 ILCS 5/5-102(h)