



SUPPORT
[SB 3392 \(Koehler\)](#)
Protecting Religious and Cultural Lending Practices

There are certain communities of people in Illinois that for religious or cultural reasons do not believe in taking out loans that include interest payments.

To serve these customers, banks have developed alternative products where the bank will purchase a home and set up a payment plan for the customer that includes an administrative fee but does not technically qualify as interest.

For many Illinois residents who follow these specific religious and cultural practices these types of financial arrangements are one of the few paths to home ownership open to them.

Last year, the General Assembly approved the Installment Sales Contract Act which includes important protections for consumers. Unfortunately, it's also created confusion for banks over the use specialty loan products for religious and cultural reasons.

SB 3392 is simply an initiative to draw a distinction between these specific loans and installment sales contracts.

This exemption is limited to only state and nationally chartered banks and credit unions.

The Community Bankers Association of Illinois
Respectfully Urges You to Please Vote YES!