

(815 ILCS 505/2B) (from Ch. 121 1/2, par. 262B)

Sec. 2B. Where a sale of merchandise involving \$25 or more is made or contracted to be made whether under a single contract or under multiple contracts, to a consumer by a seller who is physically present at the consumer's residence, that consumer may avoid the contract or transaction by notifying the seller within 3 full business days following that day on which the contract was signed or the sale was made and by returning to the person, in its original condition, any merchandise delivered to the consumer under the contract or sale. At the time the transaction is made or the contract signed, the person shall furnish the consumer with a fully completed receipt or contract pertaining to the transaction, in substantially the same language as that principally used in the oral presentation to the consumer, containing a "Notice of Cancellation" informing the consumer that he may cancel the transaction at any time within 3 days and showing the date of the transaction with the name and address of the person, and in immediate proximity to the space reserved in the contract for the consumer's signature or on the front page of the receipt if a contract is not used, a statement which shall be in bold face type, in at least 10-point type and in substantially the following form:

"YOU, THE CONSUMER, MAY CANCEL THIS TRANSACTION AT ANY TIME PRIOR TO MIDNIGHT OF THE THIRD BUSINESS DAY AFTER THE DATE OF THIS TRANSACTION. SEE THE ATTACHED NOTICE OF CANCELLATION FORM FOR AN EXPLANATION OF THIS RIGHT."

Attached to the receipt or contract shall be a completed form in duplicate, captioned "NOTICE OF CANCELLATION" which shall be easily detachable and which shall contain in 10 point bold face type the following information and statements in the same language as that used in the contract:

NOTICE OF CANCELLATION

(enter date of transaction)

.....

(Date)

YOU MAY CANCEL THIS TRANSACTION, WITHOUT ANY PENALTY OR OBLIGATION, WITHIN 3 BUSINESS DAYS FROM THE ABOVE DATE.

IF YOU CANCEL, ANY PROPERTY TRADED IN, ANY PAYMENTS MADE BY YOU, AND ANY NEGOTIABLE INSTRUMENT EXECUTED BY YOU UNDER THE CONTRACT OR TRANSACTION WILL BE RETURNED WITHIN 10 BUSINESS DAYS FOLLOWING RECEIPT BY THE SELLER OF YOUR CANCELLATION NOTICE, AND ANY SECURITY INTEREST ARISING OUT OF THE TRANSACTION WILL BE CANCELLED.

IF YOU CANCEL, YOU MUST MAKE AVAILABLE TO THE SELLER AT YOUR RESIDENCE IN SUBSTANTIALLY AS GOOD A CONDITION AS WHEN RECEIVED, ANY GOODS DELIVERED TO YOU UNDER THIS CONTRACT OR TRANSACTION, OR YOU MAY IF YOU WISH, COMPLY WITH THE INSTRUCTIONS OF THE SELLER REGARDING THE RETURN SHIPMENT OF THE GOODS AT THE SELLER'S EXPENSE AND RISK.

IF YOU MAKE THE GOODS AVAILABLE TO THE SELLER AND THE SELLER DOES NOT PICK THEM UP WITHIN 20 DAYS OF THE DATE OF YOUR NOTICE OF CANCELLATION, YOU MAY RETAIN OR DISPOSE OF THE GOODS WITHOUT ANY FURTHER OBLIGATION. IF YOU FAIL TO MAKE THE GOODS AVAILABLE TO THE SELLER, OR IF YOU AGREE TO RETURN THE GOODS TO THE SELLER AND FAIL TO DO SO, THEN YOU REMAIN LIABLE FOR PERFORMANCE OF ALL OBLIGATIONS UNDER THE CONTRACT.

TO CANCEL THIS TRANSACTION, MAIL OR DELIVER A SIGNED AND DATED COPY OF THIS CANCELLATION NOTICE OR ANY OTHER WRITTEN NOTICE, OR SEND A TELEGRAM, TO (Name of seller), AT (address of seller's place of business) NOT LATER THAN MIDNIGHT OF (date).

I HEREBY CANCEL THIS TRANSACTION.

(Date)

.....

(Buyer's signature)

Such written "Notice of Cancellation" may be sent by the consumer to the person to cancel the contract. The 3 day period provided for in this Section does not commence until the consumer is furnished a "Notice of Cancellation", and the address at which such notice to the seller can be given. If those conditions are met, the seller must return to the consumer the full amount of any payment made or consideration given under the contract or for the merchandise. It is an unlawful practice within the meaning of this Act for any person to

(a) Fail, before furnishing copies of the "Notice of Cancellation" to the consumer, to complete the copies by entering the name of the person, the address of the person's place of business, the date of the transaction, and the date, not earlier than the third business day following the date of the transaction, by which the consumer may give notice of cancellation;

(b) Include in any contract or receipt under this Section any confession of judgment or any waiver of any of the rights to which the consumer is entitled under this Section including specifically his right to cancel the transaction in accordance with the provisions of this Section;

(c) Fail to inform each consumer orally, at the time he signs the contract or purchases or leases the goods or services, of his right to cancel;

(d) Misrepresent in any manner the consumer's right to cancel;

(e) Use any undue influence, coercion or any other wilful act or representation to interfere with the consumer's exercise of his rights under this Section;

(f) Fail or refuse to honor any valid notice of cancellation by a consumer and within 10 business days after the receipt of such notice, to

(i) refund all payments made under the contract or sale,

(ii) return any goods or property traded in, in substantially as good a condition as when received by the person, or

(iii) cancel and return any negotiable instrument executed by the consumer in connection with the contract or transaction and take any action necessary or appropriate to terminate promptly any security interest created in the transaction;

(g) Negotiate, transfer, sell, or assign any note or other evidence of indebtedness to a finance company or other third party prior to midnight of the fifth business day following the day the contract was signed or the goods or services were purchased or leased; or

(h) Fail, within 10 business days of receipt of the consumer's notice of cancellation, to notify him whether the seller intends to repossess or to abandon any shipped or delivered goods.

For the purposes of this Section, the word "sale" includes a sale, lease or rental.

This Section does not apply to any transaction

(a) made pursuant to prior negotiations in the course of a visit by the consumer to a retail business establishment having a fixed permanent location where the goods are exhibited, or the services are offered, for sale or lease on a continuing basis;

(b) in which the consumer is accorded the right of rescission by the provisions of the Consumer Credit Protection Act (15 U.S.C. 1635) or regulations issued pursuant thereto;

(c) in which the consumer has initiated the contact and the goods or services are needed to meet a bona fide immediate personal emergency of the consumer, and the consumer furnishes the person with a separate dated and signed personal statement in the consumer's handwriting describing the situation requiring immediate remedy and expressly acknowledging and waiving the right to cancel the sale within 3 business days;

(d) conducted and consummated entirely by mail or telephone without any other contact between the consumer and the person or its representative prior to delivery of the goods or performance of the services;

(e) in which the consumer has initiated the contact and specifically requested the person to visit his home for the purpose of repairing or performing maintenance upon the consumer's personal property, on the condition that if, in the course of such a visit, the person sells the consumer the right to receive additional services or goods other than replacement parts necessarily used in performing the maintenance or in making the repairs, the sale of those additional goods or services does not fall within this exclusion;

(f) pertaining to the sale or rental of real property, to the sale of insurance or to the sale of securities or commodities by a broker-dealer registered with the Securities and Exchange Commission; or

(g) between a consumer and a loan broker licensed under the Residential Mortgage License Act of 1987 when (i) the transaction involves obtaining a mortgage loan on real estate and (ii) the first contact respecting the transaction is initiated by the consumer or by another person at the request of the consumer.

(Source: P.A. 90-764, eff. 1-1-99.)

