OFFICE OF THE ATTORNEY GENERAL
STATE OF ILLINOIS

Illinois Know Before You Owe Private Education Loan Act: Annual Reporting Information Guide for Private Educational Lenders

Illinois law requires private educational lenders provide an Annual Report to the Illinois Student Loan Ombudsman and the Illinois Department of Financial and Professional Regulation with information about private education loans ("private education loans" or "loans") disbursed annually pursuant to the Know Before You Owe Private Education Loan Act (the "Act" or "Know Before You Owe"). *See* 110 ILCS 983/1 *et seq*.[1] Annual Reporting requirements are mandatory and failing to submit a report, or submitting an incomplete report, is a violation of state law.

This document provides instructions on how private educational lenders covered by the Act ("Lenders"), who make more than 10 private education loans per year, should prepare and submit the required Annual Report spreadsheet. The Illinois Student Loan Ombudsman prepared this information guide in accordance with its duties under the Act to help Lenders comply with this law. Unless otherwise specified, all terminology shall have the meaning set forth in the Act.[2]

I. Introduction

Signed into law on August 26, 2021, and amended in 2026, the Act provides potential student loan borrowers with critical information about their eligibility for federal financial assistance, before they take out a private education loan to attend an Institution of Higher Education ("Institution of Higher Education" or "Institution").

Under the Act, and unless as otherwise provided in Section 10(b), Lenders must request, and Institutions must provide and certify, information about a potential borrower's federal financial assistance prior to the Lender issuing a student loan. Lenders shall obtain, from the relevant Institution where such loan is to be used on the behalf of the borrower, three discrete pieces of information certified by the Institution:

1. the enrollment status of the borrower;
2. the borrower's cost of attendance at the institution as determined by the institution under Title IV, Part F, of the Higher Education Act of 1965 as amended; and
3. the difference between: (A) such cost of attendance; and (B) the borrower's estimated financial assistance, including such assistance received under Title IV of the Higher Education Act of 1965 (20 U.S.C. 1070 *et seq*.) and other financial assistance known to the institution, as applicable.

[1] All Section references herein are to the Act.
[2] Definitions relevant to completing the Annual Report are included in Appendix A of this Information Guide and in the "Definitions" tab of the Annual Report spreadsheet.

II. Annual Report and Model Document Instructions Generally

Unless otherwise announced on the Illinois Attorney General's website, Annual Reports are due November 1st of each year. Lenders should use September 1st to August 31st as their reporting period (i.e. 2025 Annual Reports encompass September 1, 2024 to August 31, 2025; 2026 Annual Reports encompass September 1, 2025, to August 31, 2026, etc.). Annual Reports should be submitted as attachments via email to loan.reports@ilag.gov with the email's subject line "Annual Report from [Lender]". No other information should be included in the body of the email[3].

It is requested that Lenders use the locked and protected Annual Report spreadsheet provided on the Illinois Attorney General's website[4]. Lenders will fill in all cells applicable to their loans. If a cell does not apply to a Lender, the Lender will input "n/a" or "0" as appropriate. Lenders should not attempt to format or modify any formulas, cell descriptions, workbook qualities or attributes. Explanatory qualifications or other parentheticals are unnecessary. Section 10(e) addresses the minimum amount of information to be reported and instructs that Annual Reports shall contain information to be determined by the Student Loan Ombudsman. So that Annual Reports may be compared across Lenders, it is requested that Lenders:

1. only report loans that were made to student borrowers with Illinois addresses at origination; and
2. use the definitions for Delinquency and Default that are provided in Appendix A of this Information Guide and in the spreadsheets "Definitions" tab. ***These definitions should not be construed as having any meaning beyond the Annual Report and should not be construed to trigger other obligations under Know Before You Owe or any other law or regulation.***

In addition to Annual Reports, pursuant to Subsection 10(e)(8), Lenders shall submit copies of each model or template promissory note, agreement, contract or other instrument used by the Lender during the reporting period to substantiate that a private education loan has been extended to the borrower or that a borrower owes a debt to the Lender. Lenders may submit blank template documents or executed copies. Submissions pursuant to the Act should not be considered confidential and are subject to the Illinois Freedom of Information Act (5 ILCS 140) and any other applicable open records laws. If executed copies are used, borrowers' personally identifying information should be redacted before submission. Lenders should send a copy of each of the documents described in Section 10(e)(8) to Loan.reports@ilag.gov using the subject line "Section 10(e)(8) documentation for [name of Lender]" and include the required documents as PDF attachments. Files shall be labeled with the name of the Lender and the document type (Example: [Lender] [Billing Statement].pdf).

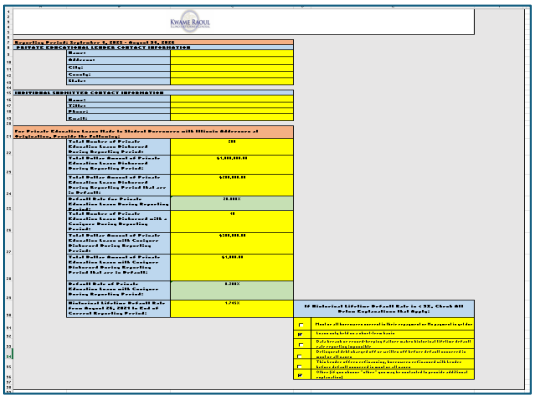
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[3] If file size restrictions or other technical issues arise, contact loan.reports@ilag.gov to request an upload link.
[4] https://www.illinoisattorneygeneral.gov/Consumer-Protection/Student-Loan-Debt-Assistance/Know-Before-You-Owe/

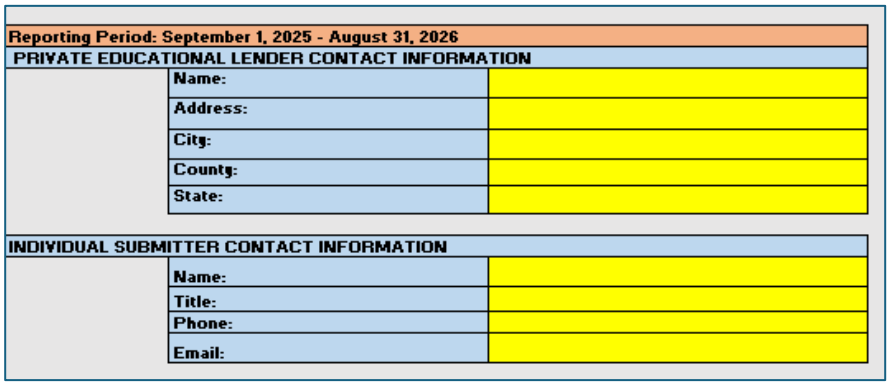
Annual Report Instructions by Spreadsheet Tab:

A. "Current Reporting" tab

Lenders should input data, or check the appropriate box, for all yellow cells.
Green cells will auto-populate.

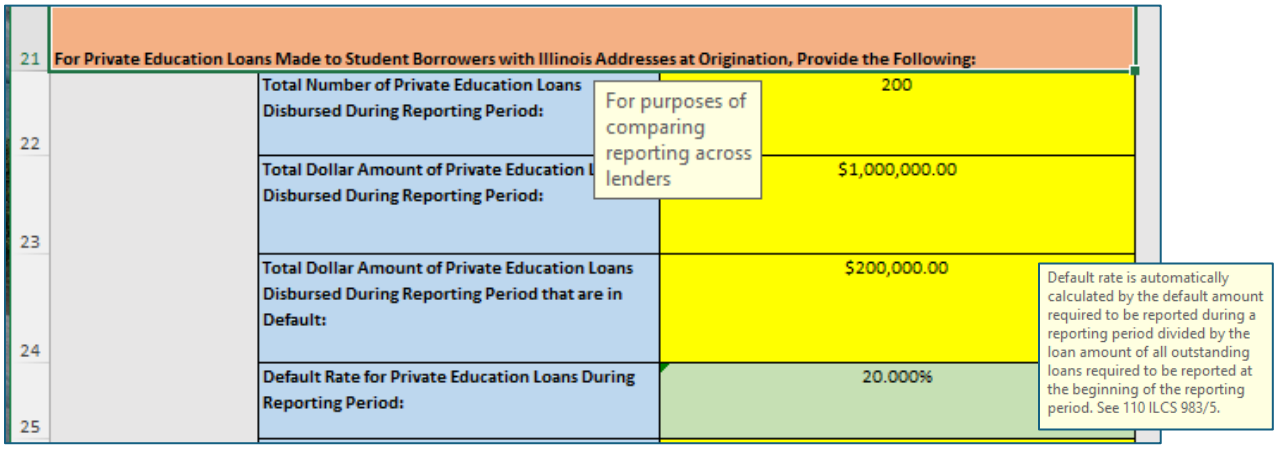


In the Current Reporting tab, Lenders will provide both their contact information, and the contact information of the individual submitting the report.



Reporting Period: September 1, 2025 - August 31, 2026		
PRIVATE EDUCATIONAL LENDER CONTACT INFORMATION		
	Name:	
	Address:	
	City:	
	County:	
	State:	
INDIVIDUAL SUBMITTER CONTACT INFORMATION		
	Name:	
	Title:	
	Phone:	
	Email:	

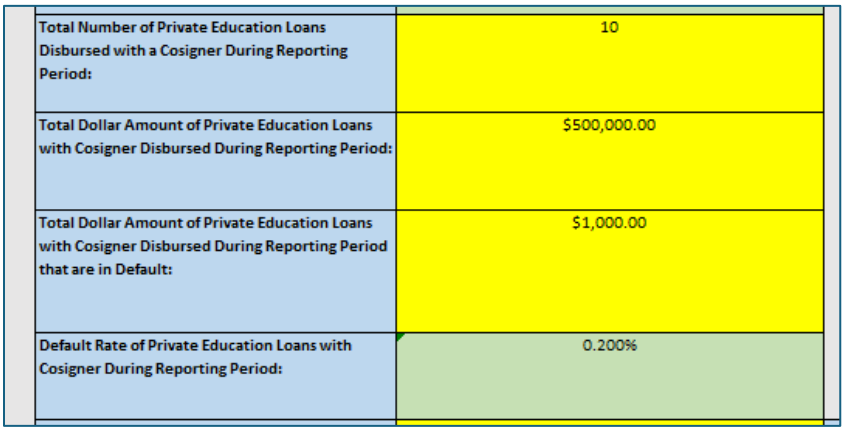
For the relevant loans made during the reporting period, Lenders should report the total: number of loans (C22), dollar amount of loans (C23), and dollar amount of loans that are in Default (C24). The Default Rate for private education loans made during the reporting period (C25) is a green cell that will automatically fill a percentage based on the inputs in cells C24 and C23[5].



21	For Private Education Loans Made to Student Borrowers with Illinois Addresses at Origination, Provide the Following:		
22	Total Number of Private Education Loans Disbursed During Reporting Period:	200	For purposes of comparing reporting across lenders
23	Total Dollar Amount of Private Education L Disbursed During Reporting Period:	$1,000,000.00	
24	Total Dollar Amount of Private Education Loans Disbursed During Reporting Period that are in Default:	$200,000.00	
25	Default Rate for Private Education Loans During Reporting Period:	20.000%	Default rate is automatically calculated by the default amount required to be reported during a reporting period divided by the loan amount of all outstanding loans required to be reported at the beginning of the reporting period. See 110 ILCS 983/5.

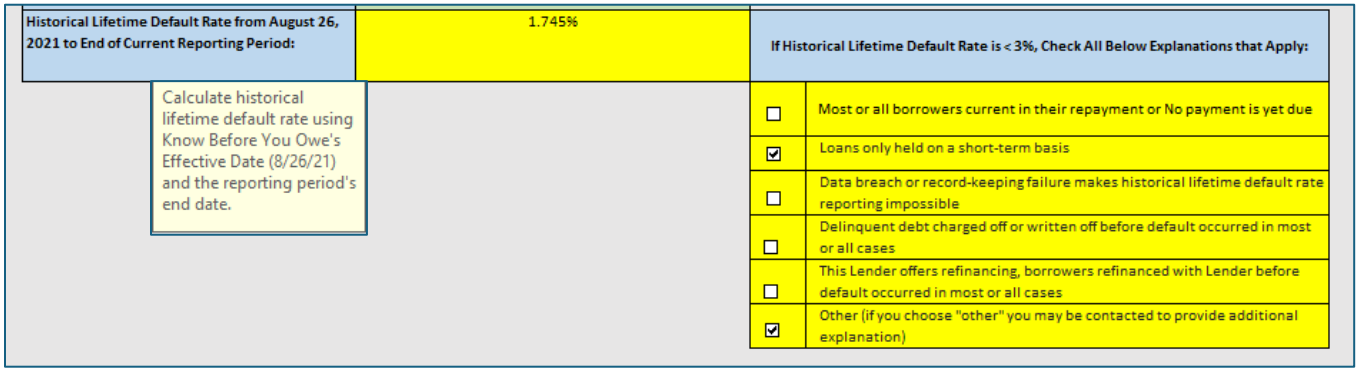
[5]Default Amount ÷ Loan Amount = Default Rate

Lenders will then provide information for the loans disbursed to student borrowers with Illinois addresses at origination that *also* included a Cosigner.



Total Number of Private Education Loans Disbursed with a Cosigner During Reporting Period:	10
Total Dollar Amount of Private Education Loans with Cosigner Disbursed During Reporting Period:	$500,000.00
Total Dollar Amount of Private Education Loans with Cosigner Disbursed During Reporting Period that are in Default:	$1,000.00
Default Rate of Private Education Loans with Cosigner During Reporting Period:	0.200%

To complete the Current Reporting tab, Lenders will provide the Historical Lifetime Default Rate as calculated from the date of the Act's enactment (August 26, 2021) through the end of the current reporting period. The Historical Lifetime Default Rate should be provided as a percentage. If the Historical Lifetime Default Rate is less than 3%, Lenders should use the checkboxes to check all explanations that apply.

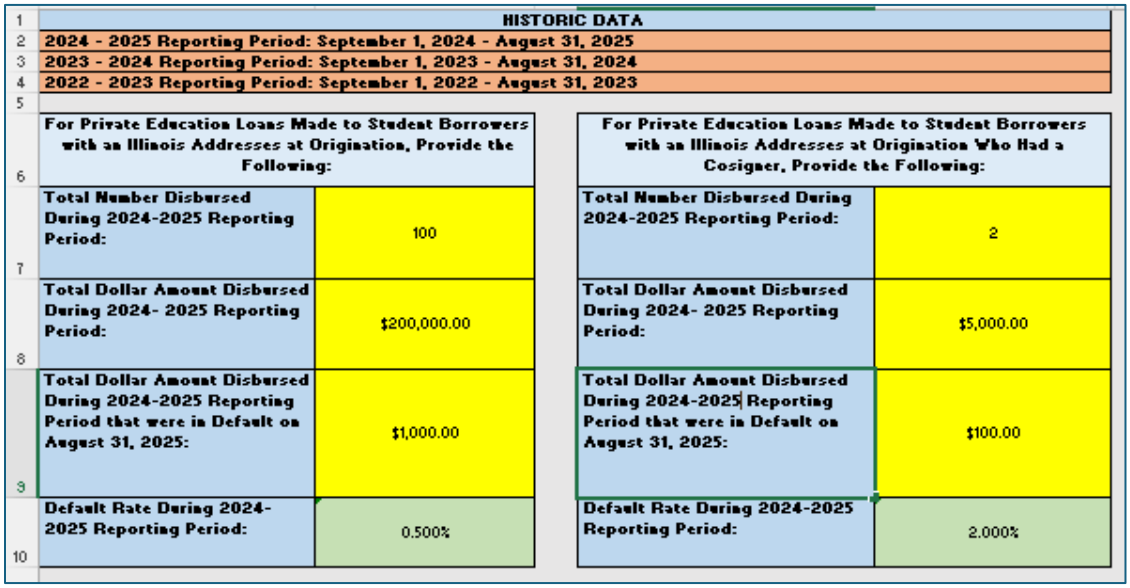


Historical Lifetime Default Rate from August 26, 2021 to End of Current Reporting Period:	1.745%	If Historical Lifetime Default Rate is < 3%, Check All Below Explanations that Apply:	
Calculate historical lifetime default rate using Know Before You Owe's Effective Date (8/26/21) and the reporting period's end date.		☐	Most or all borrowers current in their repayment or No payment is yet due
		☑	Loans only held on a short-term basis
		☐	Data breach or record-keeping failure makes historical lifetime default rate reporting impossible
		☐	Delinquent debt charged off or written off before default occurred in most or all cases
		☐	This Lender offers refinancing, borrowers refinanced with Lender before default occurred in most or all cases
		☑	Other (if you choose "other" you may be contacted to provide additional explanation)

B. "Historic Data" tab

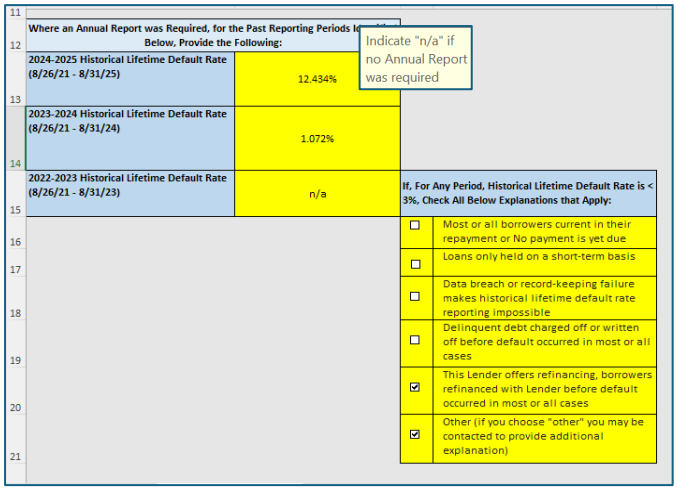
Lenders should input data, or check the appropriate box, for all yellow cells. Green cells will auto-populate. The requests in the Historic Data tab mirror the requests made in the Current Reporting tab, but for previous reporting periods.

Lenders will report, for the previous year's reporting period, the total number of loans disbursed, total dollar amount disbursed, and total dollar amount disbursed for both loans made to student borrowers with Illinois addresses at origination, and loans made to those same students where a Cosigner was also used. The relevant Default Rate will automatically fill as a percentage in the green cells.



HISTORIC DATA			
2024 - 2025 Reporting Period: September 1, 2024 - August 31, 2025			
2023 - 2024 Reporting Period: September 1, 2023 - August 31, 2024			
2022 - 2023 Reporting Period: September 1, 2022 - August 31, 2023			
For Private Education Loans Made to Student Borrowers with an Illinois Addresses at Origination, Provide the Following:		For Private Education Loans Made to Student Borrowers with an Illinois Addresses at Origination Who Had a Cosigner, Provide the Following:	
Total Number Disbursed During 2024-2025 Reporting Period:	100	Total Number Disbursed During 2024-2025 Reporting Period:	2
Total Dollar Amount Disbursed During 2024- 2025 Reporting Period:	$200,000.00	Total Dollar Amount Disbursed During 2024- 2025 Reporting Period:	$5,000.00
Total Dollar Amount Disbursed During 2024-2025 Reporting Period that were in Default on August 31, 2025:	$1,000.00	Total Dollar Amount Disbursed During 2024-2025 Reporting Period that were in Default on August 31, 2025:	$100.00
Default Rate During 2024-2025 Reporting Period:	0.500%	Default Rate During 2024-2025 Reporting Period:	2.000%

For the previous three reporting periods, if an Annual Report was required, Lenders should provide the Historical Lifetime Default Rate for that reporting period. If no Annual Report was required, Lenders should input "n/a". If any of the previous Historical Lifetime Default Rates were less than 3%, Lenders should use the check boxes to check all explanations that apply.



Where an Annual Report was Required, for the Past Reporting Periods Identified Below, Provide the Following:		Indicate "n/a" if no Annual Report was required
2024-2025 Historical Lifetime Default Rate (8/26/21 - 8/31/25)	12.434%	
2023-2024 Historical Lifetime Default Rate (8/26/21 - 8/31/24)	1.072%	
2022-2023 Historical Lifetime Default Rate (8/26/21 - 8/31/23)	n/a	

If, For Any Period, Historical Lifetime Default Rate is < 3%, Check All Below Explanations that Apply:	
☐	Most or all borrowers current in their repayment or No payment is yet due
☐	Loans only held on a short-term basis
☐	Data breach or record-keeping failure makes historical lifetime default rate reporting impossible
☐	Delinquent debt charged off or written off before default occurred in most or all cases
☑	This Lender offers refinancing, borrowers refinanced with Lender before default occurred in most or all cases
☑	Other (if you choose "other" you may be contacted to provide additional explanation)

C. "Loan Volume" tab

The Loan Volume tab consists of Columns A-N. Not all columns will be applicable to all Lenders. If a cell is not applicable to a Lender, the Lender will indicate such by inputting "n/a".

Column	Column Title
A	Institution of Higher Education Disbursed To (Name) [dropdown menu]
B	Number of Private Educational Loans Disbursed to the Institution of Higher Education
C	Number of Unique Borrowers for Whom Private Educational Loans Were Disbursed to the Institution of Higher Education
D	Dollar Value of Private Educational Loans Disbursed to Institution of Higher Education
E	For the Private Educational Loans Identified in Column B, Provide the Number of Loans Made with a Cosigner
F	Provide the Dollar Value of Loans Made with a Cosigner
G	Provide the Number of Loans Made as Income Share Agreements, as Defined in 110 ILCS 983/5, for the Private Educational Loans Identified in Column B
H	Provide the Number of Loans Made as Income Share Agreements, as Defined in 110 ILCS 983/5, for the Unique Borrowers Identified in Column C
I	Provide the Dollar Value of Loans Made as Income Share Agreement
J	Number of Loans Disbursed to Institution of Higher Education Without Section 10(a) Certification
K	Dollar Value of Loans Disbursed to Institution of Higher Education Without Section 10(a) Certification
L	Number of Loans Disbursed to Institution of Higher Education where Institution Refused to Certify Request pursuant to Section 10(b)(1)
M	Number of Loans Disbursed to Institution Before Provision of Certification when Institution Provided Notification pursuant to Section 10(b)(2)
N	Institution of Higher Education if not Listed in Column A (include name and address)

For private education loans originated by the Lender in the relevant period, please use the dropdown menu in Column A to identify each Institution of Higher Education[6] the loans were distributed to. If an Institution does not appear in Column A, manually input the Institution's name and address[7] into Column N.

For loans disbursed by the Lender during the relevant period, identify the number of loans disbursed to student borrowers with Illinois addresses at origination, the number of unique borrowers for whom private educational loans were disbursed, and the dollar value of the loans disbursed in Columns B-D of the Loan Volume tab. Please repeat for loans made with Cosigners and loans made as Income Share Agreements in Columns E-I.

[6] This is a non-exhaustive list. An Institution's inclusion in this list is not an endorsement or indication of good standing with any Illinois agency or licensing body; nor does it signify a duty to report.
[7] This request is made to minimize confusion among similarly named Institutions.

Section 10(a) requires Lenders to receive certification from an Institution of Higher Education of certain borrowers' information prior to disbursing funds to that Institution on behalf of the borrower. However, under certain circumstances, the Act provides a process for Lenders to disburse these funds without receiving those institutional certifications. Section 10(c) of the Act requires Lenders to report the disbursement of funds on a borrower's behalf without the required certification from Institutions. Columns J-M seek information relating to such disbursements. Column J seeks the total number of loans disbursed to an Institution in the reporting period pursuant to Section 10(b). Column K seeks the dollar value of the loans identified in Column J.

Lenders can disburse funds without the required certification in limited circumstances, namely if the Institution fails to provide the certification within 15 business days of the request and the Institution has provided one of the following:

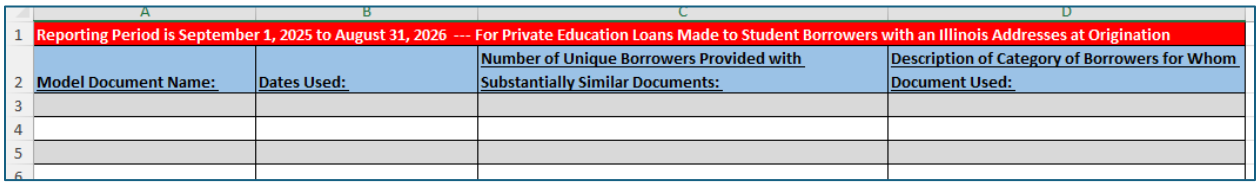
1. A refusal to certify the request, Section 10(b)(1); or
2. A notification that the institution needs additional time to comply with the certification request, Section 10(b)(2).

Columns L and M seek the number of loans disbursed without Section10(a) certification pursuant to these two permissible bases.

D. "Document Identification" tab

Lenders will provide copies of each model or template promissory note, agreement, contract or other instrument used by a Lender during the reporting period to substantiate that a private education loan has been extended to the borrower or that a borrower owes a debt to the Lender.

In the Document Identification tab, Lenders will provide, for each document: the model document name; the dates the model document was used; the number of unique borrowers provided with substantially similar documents; and a description of the category of borrowers for whom the document was used (Example: a billing statement used for delinquent private education loan borrowers).



	A	B	C	D
1	Reporting Period is September 1, 2025 to August 31, 2026 --- For Private Education Loans Made to Student Borrowers with an Illinois Addresses at Origination			
2	Model Document Name:	Dates Used:	Number of Unique Borrowers Provided with Substantially Similar Documents:	Description of Category of Borrowers for Whom Document Used:
3				
4				
5				
6				

E. "Definitions" tab

The Definitions tab provides all definitions believed necessary for completion of the Annual Report. These definitions are also included in Appendix A of this Instruction Guide.

Appendix A - Definitions

Annual percentage rate	the percentage rate calculated according to the Federal Reserve Board's methodology as set forth under Regulation Z, 12 CFR Part 1026. 110 ILCS 983/5.
Cosigner	any individual who is liable for the obligation of another without compensation, regardless of how the individual is designated in the contract or instrument with respect to that obligation, including an obligation under a private education loan extended to consolidate a borrower's preexisting student loans. The term includes any individual whose signature is requested, as a condition, to grant credit or to forbear on collection. The term does not include a spouse of an individual if the spouse's signature is needed solely to perfect the security interest in a loan. 110 ILCS 983/5.
Default	occurs following 90-days of delinquency (see cell B7). *Default, as defined herein, is used for the sole purpose of comparing KBYO reports across lenders. It should not be construed as having any other meaning beyond this report and should not be construed to trigger other obligations under Know Before You Owe or any other law or regulation.*
Default amount	the loan amount of each outstanding loan at the time the loan is declared in default. 110 ILCS 983/5.
Default rate	the default amount required to be reported during a reporting period divided by the loan amount of all outstanding loans required to be reported at the beginning of the reporting period. 110 ILCS 983/5.
Delinquency	first date of nonpayment of a monthly payment that is not a result of a forbearance, deferment, or other agreement between borrower and lender to postpone payment. *Delinquency, as defined herein, is used for the sole purpose of comparing KBYO reports across lenders. It should not be construed as having any other meaning beyond this report and should not be construed to trigger other obligations under Know Before You Owe or any other law or regulation.*
Educational expense	any expense, in whole or in part, expressly used to finance postsecondary education, regardless of whether the debt incurred by a student to pay that expense is owed to the provider of postsecondary education whose school, program, or facility the student attends. 110 ILCS 983/5.
Income share agreement	an agreement under which a borrower commits to pay a percentage of his or her future income in exchange for money, payments, or credits applied to or on behalf of a borrower. An income share agreement constitutes a loan and debt within the meaning of this Act. 110 ILCS 983/5.
Income share agreement provider	(1) a person that provides money, payments, or credits to or on behalf of a borrower pursuant to the terms of an income share agreement; or (2) any other person engaged in the business of soliciting, making, funding, or extending income share agreements. 110 ILCS 983/5.

Institution of higher education	includes, but is not limited to, institutions falling under the Private Business and Vocational Schools Act of 2012, the Private College Act, and public institutions of higher education as defined in Section 1 of the Board of Higher Education Act. "Institution of higher education" also includes a person engaged in the business of providing postsecondary education, via correspondence, online, or in this State, to a person located in this State, regardless of whether the person has obtained authorization from the Illinois Board of Higher Education to operate in this State or is accredited. 110 ILCS 983/5.
Loan amount	the total outstanding balance on each loan owed by a borrower to a lender at any given time. 110 ILCS 983/5.
Private educational lender and private education loan	have the meanings ascribed to the terms in Section 140 of the Truth in Lending Act (15 U.S.C. 1650). In addition, "private educational lender" includes an income share agreement provider and a student financing company and "private education loan" includes an income share agreement and student financing. 110 ILCS 983/5.
Student financing company	means a person engaged in the business of securing, making, or extending student financing. "Student financing company" does not include the following persons, only to the extent that State regulation is preempted by federal law: (1) a federally chartered bank, savings bank, savings and loan association, or credit union; (2) a wholly owned subsidiary of a federally chartered bank or credit union; and (3) an operating subsidiary where each owner of the operating subsidiary is wholly owned by the same federally chartered bank or credit union. 110 ILCS 983/5.
Student financing	an extension of credit that: (1) is not made, insured, or guaranteed under Title IV of the Higher Education Act of 1965 (20 U.S.C. 1070 et seq.); (2) is extended to a consumer expressly, in whole or in part, for postsecondary educational expenses, regardless of whether the extension of credit is provided by the institution of higher education that the student attends; (3) does not include a private education loan; (4) does not include an income share agreement; and (5) does not include a loan that is secured by real property or a dwelling. 110 ILCS 983/5.