

AN ACT concerning regulation.

**Be it enacted by the People of the State of Illinois,  
represented in the General Assembly:**

Section 5. The Collection Agency Act is amended by changing Sections 2, 5, 7, 8a, 8c, 9.22, 13.1, 13.2, 16, 17, 27, and 30 and by adding Sections 2.5 and 4.6 as follows:

(225 ILCS 425/2) (from Ch. 111, par. 2002)

(Section scheduled to be repealed on January 1, 2026)

Sec. 2. Definitions. In this Act:

"Address of record" means the designated address recorded by the Department in the applicant's or licensee's application file or license file as maintained by the Department's licensure maintenance unit. ~~It is the duty of the applicant or licensee to inform the Department of any change of address and those changes must be made either through the Department's website or by contacting the Department.~~

"Board" means the Collection Agency Licensing and Disciplinary Board.

"Charge-off balance" means an account principal and other legally collectible costs, expenses, and interest accrued prior to the charge-off date, less any payments or settlement.

"Charge-off date" means the date on which a receivable is treated as a loss or expense.

"Collection agency" means any person who, in the ordinary course of business, regularly, on behalf of himself or herself or others, engages in the collection of a debt.

"Consumer debt" or "consumer credit" means money or property, or their equivalent, due or owing or alleged to be due or owing from a natural person by reason of a consumer credit transaction.

"Credit transaction" means a transaction between a natural person and another person in which property, service, or money is acquired on credit by that natural person from such other person primarily for personal, family, or household purposes.

"Creditor" means a person who extends consumer credit to a debtor.

"Current balance" means the charge-off balance plus any legally collectible costs, expenses, and interest, less any credits or payments.

"Debt" means money, property, or their equivalent which is due or owing or alleged to be due or owing from a person to another person.

"Debt buyer" means a person or entity that is engaged in the business of purchasing delinquent or charged-off consumer loans or consumer credit accounts or other delinquent consumer debt for collection purposes, whether it collects the debt itself or hires a third-party for collection or an attorney-at-law for litigation in order to collect such debt.

"Debtor" means a person from whom a collection agency seeks

to collect a consumer or commercial debt that is due and owing or alleged to be due and owing from such person.

"Department" means the Department of Financial and Professional Regulation.

"Email address of record" means the designated email address recorded by the Department in the applicant's application file or the licensee's license file, as maintained by the Department's licensure maintenance unit.

"Person" means a natural person, partnership, corporation, limited liability company, trust, estate, cooperative, association, or other similar entity.

"Licensed collection agency" means a person who is licensed under this Act to engage in the practice of debt collection in Illinois.

"Multi-state licensing system" means a web-based platform that allows licensure applicants to submit their applications and renewals to the Department online.

"Secretary" means the Secretary of Financial and Professional Regulation.

(Source: P.A. 99-227, eff. 8-3-15; 99-500, eff. 1-29-16.)

(225 ILCS 425/2.5 new)

Sec. 2.5. Address of record; email address of record. All applicants and licensees shall:

(1) provide a valid address and email address to the Department, which shall serve as the address of record and

email address or record, respectively, at the time of application for licensure or renewal of a license; and

(2) inform the Department of any change of address of record or email address of record within 14 days after such change either through the Department's website or through a multi-state licensing system as designated by the Secretary.

(225 ILCS 425/4.6 new)

Sec. 4.6. Multi-state licensing system. The Secretary may require participation in a third-party, multi-state licensing system for licensing under this Act. The multi-state licensing system may share regulatory information and maintain records in compliance with the provisions of this Act. The multi-state licensing system may charge the applicant an administration fee.

(225 ILCS 425/5) (from Ch. 111, par. 2008)

(Section scheduled to be repealed on January 1, 2026)

Sec. 5. Application for original license. Application for an original license shall be made to the Secretary on forms provided by the Department or through a multi-state licensing system as designated by the Secretary, shall be accompanied by the required fee and shall state:

(1) the applicant's name and address;

(2) the names and addresses of the officers of the

collection agency and, if the collection agency is a corporation, the names and addresses of all persons owning 10% or more of the stock of such corporation, if the collection agency is a partnership, the names and addresses of all partners of the partnership holding a 10% or more interest in the partnership, if the collection agency is a limited liability company, the names and addresses of all members holding 10% or more interest in the limited liability company, and if the collection agency is any other legal business entity, the names and addresses of all persons owning 10% or more interest in the entity; and

(3) such other information as the Department may deem necessary.

(Source: P.A. 99-227, eff. 8-3-15.)

(225 ILCS 425/7) (from Ch. 111, par. 2010)

(Section scheduled to be repealed on January 1, 2026)

Sec. 7. Qualifications for license. In order to be qualified to obtain a license or a renewal license under this Act, a collection agency's officers shall:

(a) be of good moral character and of the age of 18 years or more;

(b) (blank); and

(c) have an acceptable credit rating, have no unsatisfied judgments; and not have been officers and owners of 10% or more interest of a former licensee ~~or~~

~~registrant~~ under this Act whose license was ~~licenses or~~  
~~certificates were~~ suspended or revoked without subsequent  
restoration ~~reinstatement~~.

(Source: P.A. 99-227, eff. 8-3-15.)

(225 ILCS 425/8a) (from Ch. 111, par. 2011a)

(Section scheduled to be repealed on January 1, 2026)

Sec. 8a. Fees.

(a) The fees for the administration and enforcement of this Act, including but not limited to original licensure, renewal, and restoration, shall be set by the Department by rule. All fees are ~~The fees shall be~~ nonrefundable.

(b) All fees collected under this Act by the Department shall be deposited into the General Professions Dedicated Fund and shall be appropriated to the Department for the ordinary and contingent expenses of the Department in the administration of this Act.

(c) The administration fee charged by the multi-state licensing system shall be paid directly to the multi-state licensing system.

(Source: P.A. 99-227, eff. 8-3-15.)

(225 ILCS 425/8c) (from Ch. 111, par. 2011c)

(Section scheduled to be repealed on January 1, 2026)

Sec. 8c. (a) Each licensed collection agency shall at all times maintain a separate bank account in which all monies

received on debts shall be deposited, referred to as a "Trust Account", except that negotiable instruments received may be forwarded directly to a creditor if such procedure is provided for by a writing executed by the creditor. Monies received shall be so deposited within 5 business days after posting to the agency's books of account.

There shall be sufficient funds in the trust account at all times to pay the creditors the amount due them.

(b) The trust account shall be established in a bank, savings and loan association, or other recognized depository which is federally or State insured or otherwise secured as defined by rule. Such account may be interest bearing. The licensee shall pay to the creditor interest earned on funds on deposit after the sixtieth day.

(c) Notwithstanding any contractual arrangement, every client of a licensee shall within 60 days after the close of each calendar month, account and pay to the licensee collection agency all sums owed to the collection agency for payments received by the client during that calendar month on debts in possession of the collection agency. If a client fails to pay the licensee any sum due under this Section, the licensee shall, in addition to other remedies provided by law, have the right to offset any money due the licensee under this Section against any moneys due the client.

(d) Each collection agency shall keep on file the name of the bank, savings and loan association, or other recognized

depository in which each trust account is maintained, the name of each trust account, and the names of the persons authorized to withdraw funds from each account.

The collection agency, within 30 days of the time of a change of depository or person authorized to make withdrawal, shall update its files to reflect such change.

An examination and audit of an agency's trust accounts may be made by the Department as the Department deems appropriate.

~~A trust account financial report shall be submitted annually on forms provided by the Department.~~

(Source: P.A. 99-227, eff. 8-3-15.)

(225 ILCS 425/9.22) (from Ch. 111, par. 2034)

(Section scheduled to be repealed on January 1, 2026)

Sec. 9.22. Administrative Procedure Act. The Illinois Administrative Procedure Act is hereby expressly adopted and incorporated herein as if all of the provisions of that Act were included in this Act, except that the provision of subsection (d) of Section 10-65 of the Illinois Administrative Procedure Act that provides that at hearings the licensee has the right to show compliance with all lawful requirements for retention, continuation or renewal of the license is specifically excluded. For the purposes of this Act the notice required under Section 10-25 of the Administrative Procedure Act is deemed sufficient when mailed or emailed to the applicant or licensee at the address of record or email address



of record ~~of a party.~~

(Source: P.A. 99-227, eff. 8-3-15.)

(225 ILCS 425/13.1) (from Ch. 111, par. 2038.1)

(Section scheduled to be repealed on January 1, 2026)

Sec. 13.1. Collection Agency Licensing and Disciplinary Board; members; qualifications; duties.

(a) There is created in the Department the Collection Agency Licensing and Disciplinary Board composed of 7 members appointed by the Secretary. Five members of the Board shall be employed in a collection agency licensed under this Act and 2 members of the Board shall represent the general public, shall not be employed by or possess an ownership interest in any collection agency licensed under this Act, and shall have no family or business connection with the practice of collection agencies.

(b) Each of the members appointed to the Board, except for the public members, shall have at least 5 years of active collection agency experience.

(c) The Board shall annually elect a chairperson from among its members. The members of the Board shall receive no compensation for their services, but shall be reimbursed for their necessary expenses as authorized by the Department while engaged in their duties.

(d) Members shall serve for a term of 4 years and until their successors are appointed and qualified. No Board member

shall be appointed to more than 2 full consecutive terms. A partial term of more than 2 years shall be considered a full term. Appointments to fill vacancies for the unexpired portion of a vacated term shall be made in the same manner as original appointments. All members shall serve until their successors are appointed and qualified.

(e) The Secretary may remove any member of the Board for cause at any time before the expiration of his or her term. The Secretary shall be the sole arbiter of cause.

(f) The majority of the Board shall constitute a quorum. A vacancy in the membership of the Board shall not impair the right of a quorum to exercise all the duties of the Board.

(g) Members of the Board shall have no liability in any action based upon any disciplinary proceeding or other activity performed in good faith as a member of the Board. ~~Members of the Board shall be immune from suit in any action based upon disciplinary proceedings or other acts performed in good faith as members of the Board.~~

(Source: P.A. 99-227, eff. 8-3-15.)

(225 ILCS 425/13.2) (from Ch. 111, par. 2038.2)

(Section scheduled to be repealed on January 1, 2026)

Sec. 13.2. Powers and duties of Department. The Department shall exercise the powers and duties prescribed by the Civil Administrative Code of Illinois for the administration of licensing Acts and shall exercise such other powers and duties

necessary for effectuating the purposes of this Act.

Subject to the provisions of this Act, the Department may:

(1) Conduct hearings on proceedings to refuse to issue or renew or to revoke licenses or suspend, place on probation, or reprimand persons licensed under this Act.

(2) Formulate rules required for the administration of this Act.

(3) Obtain written recommendations from the Board regarding standards of professional conduct, formal disciplinary actions and the formulation of rules affecting these matters. Notice of proposed rulemaking shall be transmitted to the Board and the Department shall review the response of the Board ~~Board's responses~~ and any recommendations made in the response ~~therein~~. The Department may solicit the advice of the Board on any matter relating to the administration and enforcement of this Act.

(4) (Blank). ~~Maintain rosters of the names and addresses of all licensees and all persons whose licenses have been suspended, revoked, or denied renewal for cause within the previous calendar year. These rosters shall be available upon written request and payment of the required fee as established by rule.~~

(Source: P.A. 99-227, eff. 8-3-15.)

(Section scheduled to be repealed on January 1, 2026)

Sec. 16. Investigation; notice and hearing. The Department may investigate the actions or qualifications of any applicant or of any person rendering or offering to render collection agency services or any person holding or claiming to hold a license as a collection agency. The Department shall, before refusing to issue or renew, revoking, suspending, placing on probation, reprimanding, or taking any other disciplinary action under Section 9 of this Act, at least 30 days before the date set for the hearing, (i) notify the accused in writing of the charges made and the time and place for the hearing on the charges, (ii) direct him or her to file his or her written answer to the charges with the Department under oath within 20 days after the service on him or her of the notice, and (iii) inform the accused that if he or she fails to file an answer default will be taken against him or her or his or her license may be suspended, revoked, or placed on probation, or other disciplinary action may be taken with regard to the license, including limiting the scope, nature, or extent of his or her practice, as the Department may consider proper. At the time and place fixed in the notice, the Department shall proceed to hear the charges. The parties or their counsel shall be accorded ample opportunity to present any pertinent statements, testimony, evidence, and arguments. The Department may continue the hearing from time to time. Nothing in this Section shall be construed to require that a hearing be

commenced and completed in one day. At the discretion of the Secretary, after having first received the recommendation of the Board, the accused person's license may be suspended or revoked, if the evidence constitutes sufficient grounds for such action under this Act. If the person fails to file an answer after receiving notice, his or her license may, in the discretion of the Department, be suspended, revoked, or placed on probation, or the Department may take whatever disciplinary action it considers proper, including limiting the scope, nature, or extent of the person's practice or the imposition of a fine, without a hearing, if the act or acts charged constitute sufficient grounds for such action under this Act. Written or electronic ~~This written~~ notice may be served by personal delivery, ~~or certified mail,~~ or email to the applicant or licensee ~~respondent~~ at the address of record or email address of record.

(Source: P.A. 99-227, eff. 8-3-15.)

(225 ILCS 425/17)

(Section scheduled to be repealed on January 1, 2026)

Sec. 17. Record of hearing; transcript. The Department, at its expense, shall preserve a record of all proceedings at the formal hearing of any case. The notice of hearing, complaint, all other documents in the nature of pleadings, written motions filed in the proceedings, the transcript of testimony, the report of the Board, and orders of the Department shall be in

~~the record of the proceedings. If the respondent orders from the reporting service and pays for a transcript of the record within the time for filing a motion for rehearing under Section 20, the 20 calendar day period within which a motion may be filed shall commence upon the delivery of the transcript to the respondent.~~

(Source: P.A. 99-227, eff. 8-3-15.)

(225 ILCS 425/27)

(Section scheduled to be repealed on January 1, 2026)

Sec. 27. Certifications of record; costs. The Department shall not be required to certify any record to the court or file any answer in court or otherwise appear in any court in a judicial review proceeding, unless and until the Department has received from the plaintiff payment of the costs of furnishing and certifying the record, which costs shall be determined by the Department. Exhibits shall be certified without cost. Failure on the part of the plaintiff to file a receipt in court shall be grounds for dismissal of the action.

(Source: P.A. 99-227, eff. 8-3-15.)

(225 ILCS 425/30)

(Section scheduled to be repealed on January 1, 2026)

Sec. 30. Expiration, renewal, and restoration of license. The expiration date and renewal period for each license shall be set by rule. A collection agency whose license has expired

may restore ~~reinstate~~ its license at any time within 5 years after the expiration thereof, by making a renewal application and by paying the required fee.

However, any licensed collection agency whose license has expired while the individual licensed or while a shareholder, partner, or member owning 50% or more of the interest in the collection agency whose license has expired while he or she was (i) on active duty with the Armed Forces of the United States or called into service or training by the State militia; or (ii) in training or education under the supervision of the United States preliminary to induction into the military service, may have his or her license renewed or restored, ~~or reinstated~~ without paying any lapsed renewal fee or restoration fee, ~~or reinstatement fee~~ if, within 2 years after termination of the service, training, or education, he or she furnishes the Department with satisfactory evidence of service, training, or education and it has been terminated under honorable conditions.

Any collection agency whose license has expired for more than 5 years may have it restored by applying to the Department, paying the required fee, and filing acceptable proof of fitness to have the license restored as set by rule.

(Source: P.A. 99-227, eff. 8-3-15.)

Section 99. Effective date. This Act takes effect upon becoming law.

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Statutes amended in order of appearance

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225 ILCS 425/2.5 new	
225 ILCS 425/4.6 new	
225 ILCS 425/5	from Ch. 111, par. 2008
225 ILCS 425/7	from Ch. 111, par. 2010
225 ILCS 425/8a	from Ch. 111, par. 2011a
225 ILCS 425/8c	from Ch. 111, par. 2011c
225 ILCS 425/9.22	from Ch. 111, par. 2034
225 ILCS 425/13.1	from Ch. 111, par. 2038.1
225 ILCS 425/13.2	from Ch. 111, par. 2038.2
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