

AN ACT concerning government.

**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, 9.1, 9.2, and 9.3 and by adding Section 60 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(Section scheduled to be repealed on January 1, 2026)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.

"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.

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

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

(225 ILCS 425/9.1)

(Section scheduled to be repealed on January 1, 2026)

Sec. 9.1. Communication with persons other than debtor. Any collection agency communicating with any person other than the debtor for the purpose of acquiring location information about the debtor shall:

- (1) identify himself or herself, state that he or she is confirming or correcting location information concerning the consumer, and, only if expressly requested, identify his or her employer;
- (2) not state that the consumer owes any debt;
- (3) not communicate with any person more than once

unless requested to do so by the person or unless the collection agency reasonably believes that the earlier response of the person is erroneous or incomplete and that the person now has correct or complete location information;

(4) not communicate by postcard;

(5) not use any language or symbol on any envelope or in the contents of any communication effected by mail or telegram that indicates that the collection agency is in the debt collection business or that the communication relates to the collection of a debt; and

(6) not communicate with any person other than the attorney after the collection agency knows the debtor is represented by an attorney with regard to the subject debt and has knowledge of or can readily ascertain the attorney's name and address, unless the attorney fails to respond within a reasonable period of time, not less than 30 days, to communication from the collection agency.

This Section applies to a collection agency or debt buyer only when engaged in the collection of consumer debt.

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

(225 ILCS 425/9.2)

(Section scheduled to be repealed on January 1, 2026)

Sec. 9.2. Communication in connection with debt collection.

(a) Without the prior consent of the debtor given directly to the collection agency or the express permission of a court of competent jurisdiction, a collection agency may not communicate with a debtor in connection with the collection of any debt in any of the following circumstances:

(1) At any unusual time, place, or manner that is known or should be known to be inconvenient to the debtor. In the absence of knowledge of circumstances to the contrary, a collection agency shall assume that the convenient time for communicating with a debtor is after 8:00 a.m. and before 9:00 p.m. local time at the debtor's location.

(2) If the collection agency knows the debtor is represented by an attorney with respect to such debt and has knowledge of or can readily ascertain, the attorney's name and address, unless the attorney fails to respond within a reasonable period of time to a communication from the collection agency or unless the attorney consents to direct communication with the debtor.

(3) At the debtor's place of employment, if the collection agency knows or has reason to know that the debtor's employer prohibits the debtor from receiving such communication.

(b) Except as provided in Section 9.1 of this Act, without the prior consent of the debtor given directly to the collection agency, the express permission of a court of competent jurisdiction, or as reasonably necessary to

effectuate a post judgment judicial remedy, a collection agency may not communicate, in connection with the collection of any debt, with any person other than the debtor, the debtor's attorney, a consumer reporting agency if otherwise permitted by law, the creditor, the attorney of the creditor, or the attorney of the collection agency.

(c) If a debtor notifies a collection agency in writing that the debtor refuses to pay a debt or that the debtor wishes the collection agency to cease further communication with the debtor, the collection agency may not communicate further with the debtor with respect to such debt, except to perform any of the following tasks:

(1) Advise the debtor that the collection agency's further efforts are being terminated.

(2) Notify the debtor that the collection agency or creditor may invoke specified remedies that are ordinarily invoked by such collection agency or creditor.

(3) Notify the debtor that the collection agency or creditor intends to invoke a specified remedy.

If such notice from the debtor is made by mail, notification shall be complete upon receipt.

(d) For the purposes of this Section, "debtor" includes the debtor's spouse, parent (if the debtor is a minor), guardian, executor, or administrator.

(e) This Section applies to a collection agency or debt buyer only when engaged in the collection of consumer debt.

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

(225 ILCS 425/9.3)

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

Sec. 9.3. Validation of debts.

(a) Within 5 days after the initial communication with a debtor in connection with the collection of any debt, a collection agency shall, unless the following information is contained in the initial communication or the debtor has paid the debt, send the debtor a written notice with each of the following disclosures:

(1) The amount of the debt.

(2) The name of the creditor to whom the debt is owed.

(3) That, unless the debtor, within 30 days after receipt of the notice, disputes the validity of the debt, or any portion thereof, the debt will be assumed to be valid by the collection agency.

(4) That, if the debtor notifies the collection agency in writing within the 30-day period that the debt, or any portion thereof, is disputed, the collection agency will obtain verification of the debt or a copy of a judgment against the debtor and a copy of the verification or judgment will be mailed to the debtor by the collection agency.

(5) That upon the debtor's written request within the 30-day period, the ~~The~~ collection agency will provide the

debtor with the name and address of the original creditor, if different from the current creditor. If the disclosures required under this subsection (a) are placed on the back of the notice, the front of the notice shall contain a statement notifying debtors of that fact.

(b) If the debtor notifies the collection agency in writing within the 30-day period set forth in paragraph (3) of subsection (a) of this Section that the debt, or any portion thereof, is disputed or that the debtor requests the name and address of the original creditor, the collection agency shall cease collection of the debt, or any disputed portion thereof, until the collection agency obtains verification of the debt or a copy of a judgment or the name and address of the original creditor and mails a copy of the verification or judgment or name and address of the original creditor to the debtor.

(c) The failure of a debtor to dispute the validity of a debt under this Section shall not be construed by any court as an admission of liability by the debtor.

(d) This Section applies to a collection agency or debt buyer only when engaged in the collection of consumer debt.

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

(225 ILCS 425/60 new)

Sec. 60. Liability; federal compliance. A collection agency or a debt buyer shall not be subject to civil liability for its failure to comply with Section 2, 9.1, 9.2, or 9.3 of

Public Act 099-0500

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this Act, as amended by Public Act 99-227, if the collection agency or the debt buyer can demonstrate compliance with comparable provisions of the federal Fair Debt Collection Practices Act.

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