

# SB1533



## 104TH GENERAL ASSEMBLY

State of Illinois

2025 and 2026

SB1533

Introduced 2/4/2025, by Sen. Patrick J. Joyce

### SYNOPSIS AS INTRODUCED:

815 ILCS 375/18

from Ch. 121 1/2, par. 578

Amends the Motor Vehicle Retail Installment Sales Act. Provides that each person, other than a seller or holder, who signs a retail installment contract may be held liable only to the extent that he actually receives the motor vehicle described or identified in the contract, except that a parent or spouse or any other person who co-signs such retail installment contract (rather than any other person listed as an owner of the motor vehicle on the Certificate of Title issued for the motor vehicle who co-signs such retail installment contract) may be held liable to the full extent of the deferred payment price notwithstanding such parent or spouse or any other person listed as an owner has not actually received the motor vehicle described or identified in the contract and except to the extent such person other than a seller or holder, signs in the capacity of a guarantor of collection.

LRB104 09584 SPS 19647 b

A BILL FOR

1 AN ACT concerning business.

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

4 Section 5. The Motor Vehicle Retail Installment Sales Act  
5 is amended by changing Section 18 as follows:

6 (815 ILCS 375/18) (from Ch. 121 1/2, par. 578)

7 Sec. 18. Each person, other than a seller or holder, who  
8 signs a retail installment contract may be held liable only to  
9 the extent that he actually receives the motor vehicle  
10 described or identified in the contract, except that a parent  
11 or spouse or any other person ~~listed as an owner of the motor~~  
12 ~~vehicle on the Certificate of Title issued for the motor~~  
13 ~~vehicle~~ who co-signs such retail installment contract may be  
14 held liable to the full extent of the deferred payment price  
15 notwithstanding such parent or spouse or any other person  
16 listed as an owner has not actually received the motor vehicle  
17 described or identified in the contract and except to the  
18 extent such person other than a seller or holder, signs in the  
19 capacity of a guarantor of collection.

20 The obligation of such guarantor is secondary, and not  
21 primary. The obligation arises only after the seller or holder  
22 has diligently taken all ordinary legal means to collect the  
23 debt from the primary obligor, but has not received full

1 payment from such primary obligor or obligors, or after the  
 2 primary obligor has become insolvent, or service of summons  
 3 cannot be obtained on the primary obligor, or it is otherwise  
 4 apparent that it is useless to proceed against the primary  
 5 obligor.

6 No provisions in a retail installment contract obligating  
 7 such guarantor are valid unless:

8 (1) there appears below the signature space provided  
 9 for such guarantor the following:

10 "I hereby guarantee the collection of the above  
 11 described amount upon failure of the seller named herein  
 12 to collect said amount from the buyer named herein."; and

13 (2) the guarantor, in addition to signing the retail  
 14 installment contract, signs a separate instrument in the  
 15 following form:

16 "EXPLANATION OF GUARANTOR'S OBLIGATION

17 You ..... (name of guarantor) by signing the  
 18 retail installment contract and this document are agreeing  
 19 that you will pay \$..... (total deferred payment  
 20 price) for the purchase of ..... (description of  
 21 goods or services) purchased by ..... (name of  
 22 buyer) from ..... (name of seller).

23 Your obligation arises only after the seller or holder  
 24 has attempted through the use of the court system to  
 25 collect this amount from the buyer.

26 If the seller cannot collect this amount from the

1           buyer, you will be obligated to pay even though you are not  
2           entitled to any of the goods or services furnished. The  
3           seller is entitled to sue you in court for the payment of  
4           the amount due."

5           The instrument must be printed, typed, or otherwise  
6           reproduced in a size and style equal to at least 8 point bold  
7           type, may contain no other matter (except a union printing  
8           label) than above set forth and must bear the signature of the  
9           co-signer and no other person. The seller must give the  
10          co-signer a copy of the retail installment contract and a copy  
11          of the co-signer statement.

12          (Source: P.A. 91-357, eff. 7-29-99.)