

1 AN ACT concerning regulation.

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

4 Section 5. The Collection Agency Act is amended by changing
5 Section 2 and by adding Sections 8.5 and 8.6 as follows:

6 (225 ILCS 425/2) (from Ch. 111, par. 2002)

7 (Section scheduled to be repealed on January 1, 2016)

8 Sec. 2. Definitions. In this Act:

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

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

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

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

23 "Creditor" means a person who extends consumer credit to a

1 debtor.

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

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

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

14 "Debt collection" means any act or practice in connection
15 with the collection of consumer debts.

16 "Debt collector", "collection agency", or "agency" means
17 any person who, in the ordinary course of business, regularly,
18 on behalf of himself or herself or others, engages in debt
19 collection.

20 "Debtor" means a natural person from whom a debt collector
21 seeks to collect a consumer debt that is due and owing or
22 alleged to be due and owing from such person.

23 "Department" means Division of Professional Regulation
24 within the Department of Financial and Professional
25 Regulation.

26 "Director" means the Director of the Division of

1 Professional Regulation within the Department of Financial and
2 Professional Regulation.

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

6 (Source: P.A. 95-437, eff. 1-1-08.)

7 (225 ILCS 425/8.5 new)

8 Sec. 8.5. Debt buyers. A debt buyer shall be subject to all
9 of the terms, conditions, and requirements of this Act, except
10 as otherwise provided for in subsection (b) of Section 8.6 of
11 this Act.

12 (225 ILCS 425/8.6 new)

13 Sec. 8.6. Debt buyer activities.

14 (a) Debt buyers initiating actions upon an obligation
15 arising out of a consumer debt shall be commenced within the
16 applicable statute of limitations period.

17 (b) With respect to its activities as a debt buyer in
18 pursuing the collection of accounts it owns, a debt buyer shall
19 be subject to all of the terms, conditions, and requirements of
20 this Act, except that a debt buyer shall not be required to (i)
21 file and maintain in force a surety bond under Section 8 of
22 this Act; (ii) maintain a trust account under Section 8c of
23 this Act; (iii) procure written authorization to refer the
24 account to an attorney for suit under Section 8a-1 of this Act;

1 or (iv) adhere to the assignment for collection criteria under
2 Section 8b of this Act.

3 (c) The Attorney General may enforce against debt buyers
4 the provisions identified in Section 9.7 of this Act as an
5 unlawful practice under the Consumer Fraud and Deceptive
6 Business Practices Act.

7 Section 99. Effective date. This Act takes effect January
8 1, 2013.