



Rep. Kelly M. Cassidy

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10400HB3352ham001

LRB104 09840 BAB 24869 a

1 AMENDMENT TO HOUSE BILL 3352

2 AMENDMENT NO. _____. Amend House Bill 3352 by replacing
3 everything after the enacting clause with the following:

4 "Section 5. The Collection Agency Act is amended by
5 changing Section 2 and by adding Section 9.6 as follows:

6 (205 ILCS 740/2) (was 225 ILCS 425/2)

7 (Section scheduled to be repealed on January 1, 2026)

8 Sec. 2. Definitions. In this Act:

9 "Address of record" means the designated address recorded
10 by the Department in the applicant's or licensee's application
11 file or license file as maintained by the Department's
12 licensure maintenance unit.

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

15 "Charge-off balance" means an account principal and other
16 legally collectible costs, expenses, and interest accrued

1 prior to the charge-off date, less any payments or settlement.

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

4 "Coerced debt" means any debt as defined by this Act or a
5 portion of the debt, except for debt secured by real property,
6 that was incurred by the debtor because of fraud, duress,
7 intimidation, threat, force, coercion, undue influence, or the
8 non-consensual use of the debtor's personal identifying
9 information between family or household members as defined in
10 Section 103 of the Illinois Domestic Violence Act of 1986, as a
11 result of abuse or exploitation as defined in Section 103 of
12 the Illinois Domestic Violence Act of 1986, or due to human
13 trafficking as defined in subsections (b), (c), and (d) of
14 Section 10-9 of the Criminal Code of 2012.

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

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

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

26 "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 person to
7 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 "Debtor" means a person from whom a collection agency
15 seeks to collect a consumer or commercial debt that is due and
16 owing or alleged to be due and owing from such person.

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

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

23 "Perpetrator of coerced debt" or "perpetrator" means an
24 individual who caused coerced debt to be incurred by another.

25 "Person" means a natural person, partnership, corporation,
26 limited liability company, trust, estate, cooperative,

1 association, or other similar entity.

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

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

8 "Secretary" means the Secretary of Financial and
9 Professional Regulation or his or her designee.

10 (Source: P.A. 102-975, eff. 1-1-23.)

11 (205 ILCS 740/9.6 new)

12 Sec. 9.6. Coerced debt.

13 (a) A debtor is not liable for any coerced debt, as defined
14 in this Act, and may assert that the debtor has incurred a
15 coerced debt by providing to a collection agency a written
16 statement of coerced debt. The statement of coerced debt
17 shall:

18 (1) contain enough information about the debt or
19 portion of the debt to allow a collection agency to
20 identify any account associated with the debt;

21 (2) inform the collection agency that the debtor did
22 not willingly authorize the use of the debtor's name,
23 account, or personal information for incurring the debt or
24 portion of the debt or to claim that a debt or portion of
25 the debt is a coerced debt;

1 (3) provide facts describing how the debt was
2 incurred;

3 (4) include the debtor's preferred contact methods and
4 information such as a phone number, email address,
5 physical address, or safe address for either the debtor or
6 a qualified third party whom the debtor designates to
7 receive information about the coerced debt;

8 (5) be supported by at least one of the following:

9 (A) a police report that identifies the coerced
10 debt, or a portion of the debt, and describes the
11 circumstances under which the coerced debt was
12 incurred;

13 (B) an order from a court setting forth findings
14 of coerced debt;

15 (C) written verification on letterhead or on a
16 form published by the Department, verified by
17 certification under Section 1-109 of the Code of Civil
18 Procedure of 1963, from a qualified third party to
19 whom the debtor reported the coerced debt that
20 identifies the name, organization, address, and
21 telephone number of the qualified third party,
22 identifies the coerced debt or a portion of the debt,
23 and attests that the debtor sought the qualified third
24 party's assistance related to the coerced debt, abuse
25 or exploitation under the Illinois Domestic Violence
26 Act of 1986, or because they are a victim of human

1 trafficking under Section 10-9 of the Criminal Code of
2 2012. Provision of a written verification under this
3 Section does not waive any privilege or
4 confidentiality between the third party and the debtor
5 under federal, State, or local law; or

6 (D) any other document that individually, or in
7 combination with other documents, demonstrates that a
8 person was subject to coerced debt, including, but not
9 limited to, text messages, email messages, phone
10 records, voicemail messages, social media posts,
11 letters, credit card applications, or orders of
12 protection under Article 2 of the Illinois Domestic
13 Violence Act of 1986 or protective orders under
14 Section 112A of the Code of Criminal Procedure of
15 1963.

16 (6) be verified by signing the following attestation:

17 "By signing below, I am certifying that the information
18 provided on this form is true and correct to the best of my
19 knowledge and recollection, and that one or more members
20 of my household is or has been a victim of human
21 trafficking, domestic violence, dating violence, sexual
22 assault, or stalking."

23 As used in this Section, "qualified third party" means any
24 law enforcement officer; attorney; physician, physician
25 assistant, psychiatrist, psychologist, social worker, nurse,
26 therapist, clinical professional counselor, or other medical

1 professional; person who advises or provides services to
2 persons regarding domestic violence, family violence, sexual
3 assault, human trafficking, or abuse of children, the elderly,
4 or dependent adults; or member of the clergy of a church,
5 religious society, or denomination.

6 (b) A debtor shall submit a statement of coerced debt and
7 accompanying materials either electronically or by certified
8 mail, overnight delivery, completion of an online form, or by
9 any other delivery method that confirms the date on which the
10 documentation was delivered.

11 (1) A statement of coerced debt and accompanying
12 materials submitted by first class mail, certified mail,
13 or overnight delivery must be sent to the address
14 published by the collection agency on its materials as the
15 address at which the collection agency receives
16 correspondence.

17 (2) A statement of coerced debt and accompanying
18 materials submitted electronically must be sent to the
19 email address provided by the collection agency on its
20 collection letters, emails, or website and a hard copy of
21 the emailed materials must also be sent to the collection
22 agency by first class mail.

23 (3) A statement of coerced debt and accompanying
24 materials may be submitted by completing an online form on
25 the website provided by the collection agency on its
26 collection letters or emails. The collection agency is not

1 required to offer an online form on its website for the
2 submission of a statement of coerced debt.

3 (c) If a debtor notifies a collection agency orally that
4 the debt it is pursuing is coerced debt or is partially coerced
5 debt, the collection agency shall notify the debtor orally or
6 in writing, within 14 days after receiving oral notice, that
7 the debtor's claim must be in writing and refer the debtor to
8 any model statement that is posted by the Department on its
9 website. A collection agency receiving an oral notice of
10 coerced debt must notify any consumer reporting agency to
11 which the collection agency furnished adverse information
12 about the debtor that the debtor disputes the adverse
13 information.

14 (d) If the statement of coerced debt is incomplete in any
15 respect, the collection agency shall notify the debtor using
16 the debtor's preferred contact method within 21 days after
17 receipt that the statement is incomplete and the type of
18 additional information needed to complete the statement of
19 coerced debt. If the collection agency provides this notice
20 orally, the collection agency shall also provide notice to the
21 debtor in writing via email or first-class mail if the debtor
22 identifies an email address or mailing address as a preferred
23 contact method on the statement of coerced debt. A debtor
24 shall have 21 days after receipt that the statement is
25 incomplete to respond with the additional information
26 required. The collection agency may resume collection

1 activities if a complete statement of coerced debt has not
2 been provided by the debtor to the collection agency on or
3 before 30 days after notice of an incomplete statement of
4 coerced debt was provided to the debtor.

5 (e) Upon receiving the debtor's complete statement of
6 coerced debt and supporting information described in
7 subsection (a), the collection agency shall review and
8 consider all the information received from the debtor as well
9 as any other information available in the collection agency's
10 file or from the creditor related to the alleged coerced debt
11 within 90 days after receipt.

12 (1) Within 10 days after receipt of the complete
13 statement of coerced debt and supporting information, the
14 collection agency shall (i) cease any pre-judgment
15 attempts to collect the coerced debt from the debtor,
16 including refraining from filing any lawsuit or
17 arbitration to collect the coerced debt; and (ii) notify
18 any consumer reporting agency to which the collection
19 agency or creditor furnished adverse information about the
20 debtor that the debtor disputes the adverse information.

21 (2) If, after review, the collection agency makes a
22 good faith determination that the debt or any portion of
23 the debt does not qualify as coerced debt, the collection
24 agency shall provide the debtor with a written statement
25 setting forth the determination, along with any evidence
26 relied upon in forming this determination. A collection

1 agency may only resume collection activities after
2 providing debtor with a copy of this written statement and
3 supporting evidence at the debtor's preferred email or
4 mailing address from the statement of coerced debt or, if
5 not provided as part of the statement, at their last known
6 mailing address.

7 (3) If, after its review of the statement of coerced
8 debt and accompanying materials, the collection agency
9 makes a good faith determination that the debt qualifies
10 as coerced debt, it shall: (i) refrain from any further
11 collection activities, including the filing of any lawsuit
12 or arbitration, to collect the coerced debt from the
13 debtor who submitted the statement of coerced debt; (ii)
14 notify the debtor through their preferred contact method
15 that it is ceasing all attempts to collect the debt from
16 the debtor based on the debtor's claim of coerced debt;
17 and (iii) contact any consumer reporting agency to which
18 it furnished information about the coerced debt and
19 request they delete such information.

20 (4) Upon the collection agency's request, the debtor
21 shall provide the identity of the alleged perpetrator and
22 the individual's contact information to the collection
23 agency, if known.

24 (5) A collection agency shall not provide the contact
25 information of debtor or a copy of the statement of
26 coerced debt or supporting information to an alleged

1 perpetrator of coerced debt or another person but may
2 summarize the allegations about how the coerced debt was
3 incurred in order to collect the debt from the
4 perpetrator.

5 (f) In any lawsuit or arbitration to collect a debt, it
6 shall be an affirmative defense that the debt is or is
7 partially coerced debt. A debtor establishes a prima facie
8 affirmative defense to any action by a collection agency to
9 collect a debt by submitting a complete statement of coerced
10 debt as set forth in subsection (a) to the collection agency
11 and the court or arbitrator. A collection agency has the
12 burden to disprove the debtor's defense by a preponderance of
13 the evidence.

14 (g) A person found by a court or arbitrator to be a
15 perpetrator of coerced debt shall be civilly liable to (1) the
16 collection agency for the full amount of the debt, less any
17 portion that has been satisfied by the debtor or otherwise,
18 and (2) the debtor for any actual damages incurred for
19 payments, garnishments, or any other costs related to the
20 coerced debt.

21 (h) A qualified third party who fraudulently certifies
22 that the debtor sought assistance from the qualified third
23 party related to the coerced debt, abuse, exploitation, or
24 human trafficking shall be liable to the collection agency for
25 actual damages, court costs, and reasonable attorney's fees.

26 (i) Any statute of limitation that may apply to a debt that

1 is alleged to be coerced debt shall be tolled for the duration
2 of any time period during which the collection agency is
3 temporarily prevented from commencing legal action related to
4 the debt or any portion of the debt.

5 (j) During any court action or arbitration under
6 subsections (f) and (g), the presiding official shall take
7 appropriate steps necessary to protect the debtor or any
8 immediate family member or household member of the debtor from
9 an alleged perpetrator of coerced debt, including, but not
10 limited to, sealing court records, redacting personally
11 identifiable information about the debtor and any immediate
12 family member or household member of the debtor, and directing
13 that any deposition or evidentiary hearing be conducted
14 remotely.

15 (k) A debtor who receives a good faith determination under
16 paragraph (2) of subsection (e) that the debt or portion of the
17 debt does not constitute coerced debt may not submit a second
18 or subsequent statement of coerced debt to the collection
19 agency for the same debt or portion of the debt prior to any
20 lawsuit or arbitration to collect that debt and the collection
21 agency is not required to respond to the debtor regarding such
22 second or subsequent statement of coerced debt.

23 (l) No agreement between a debtor and any other person may
24 contain any provision that constitutes a waiver of any right
25 conferred or cause of action created by this Section, and any
26 such waiver is void.

1 (m) Any collection agency who fails to comply with any
2 provision of this Section is liable to the debtor for the
3 greater of actual damages or damages of up to \$2,500 as the
4 court may allow for each debt, court costs, and reasonable
5 attorney's fees.

6 (n) Within 180 days after the effective date of this
7 amendatory Act of the 104th General Assembly, the Department
8 shall design and publish a model statement of coerced debt and
9 a model third-party written verification form in English and
10 any other language it determines, within its discretion, is
11 the first language of a significant number of consumers in the
12 State. The model statement of coerced debt shall include the
13 verification language required under paragraph (6) of
14 subsection (a). The model third-party verification form shall
15 require verification under Section 1-109 of the Code of Civil
16 Procedure. The design and publication of the model statement
17 of coerced debt and third-party written verification form is a
18 prescription of a standardized form and shall not constitute a
19 rule subject to the Illinois Administrative Procedure Act.

20 (o) Nothing in this Section shall reduce or eliminate any
21 other rights or defenses available at law.

22 (p) The provisions of this Section are severable under
23 Section 1.31 of the Statute on Statutes."