



104TH GENERAL ASSEMBLY

State of Illinois

2025 and 2026

HB4814

by Rep. Daniel Didech

SYNOPSIS AS INTRODUCED:

205 ILCS 665/4	from Ch. 17, par. 5304
205 ILCS 665/12	from Ch. 17, par. 5312

Amends the Debt Management Service Act. Provides that every applicant for a license to engage in the debt management service business in the State shall submit to the Secretary, at the time of the application for a license, a bond to be approved by the Secretary in which the applicant shall be the obligor, in the sum of \$50,000 (rather than \$25,000) or the specified amount. In provisions concerning fees or penalties that may be charged by a debt management service provider, permits the charging of additional fees at the completion of the initial counseling services, which shall not exceed: (A) 15% of the amount disbursed monthly to creditors or \$75, whichever is less, if there are fewer than 6 creditors enrolled in the debt management plan; or (B) 15% of the amount disbursed monthly to creditors or \$100, whichever is less, if there are 6 or more creditors enrolled in the debt management plan.

LRB104 16531 BAB 29927 b

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 Debt Management Service Act is amended by
5 changing Sections 4 and 12 as follows:

6 (205 ILCS 665/4) (from Ch. 17, par. 5304)

7 Sec. 4. Application for license. Application for a license
8 to engage in the debt management service business in this
9 State shall be made to the Secretary and shall be in writing,
10 under oath, and in the form prescribed by the Secretary.

11 Each applicant, at the time of making such application,
12 shall pay to the Secretary the sum of \$30.00 as a fee for
13 investigation of the applicant, and the additional sum of
14 \$100.00 as a license fee.

15 Every applicant shall submit to the Secretary, at the time
16 of the application for a license, a bond to be approved by the
17 Secretary in which the applicant shall be the obligor, in the
18 sum of \$50,000 ~~\$25,000~~ or such additional amount as required
19 by the Secretary based on the amount of disbursements made by
20 the licensee in the previous year, and in which an insurance
21 company, which is duly authorized by the State of Illinois, to
22 transact the business of fidelity and surety insurance shall
23 be a surety.

1 The bond shall run to the Secretary for the use of the
2 Department or of any person or persons who may have a cause of
3 action against the obligor in said bond arising out of any
4 violation of this Act or rules by a license. Such bond shall be
5 conditioned that the obligor will faithfully conform to and
6 abide by the provisions of this Act and of all rules,
7 regulations and directions lawfully made by the Secretary and
8 will pay to the Secretary or to any person or persons any and
9 all money that may become due or owing to the State or to such
10 person or persons, from said obligor under and by virtue of the
11 provisions of this Act.

12 (Source: P.A. 96-1420, eff. 8-3-10.)

13 (205 ILCS 665/12) (from Ch. 17, par. 5312)

14 Sec. 12. Fees and charges of debt management service
15 providers. A debt management service provider may not charge a
16 debtor any fees or penalties except the following:

17 (1) an initial counseling fee not to exceed \$75 ~~\$50~~
18 per debtor counseled; and

19 (2) additional fees at the completion of the initial
20 counseling services, which shall not exceed: (A) 15% of
21 the amount disbursed monthly to creditors or \$75,
22 whichever is less, if there are fewer than 6 creditors
23 enrolled in the debt management plan; or (B) 15% of the
24 amount disbursed monthly to creditors or \$100, whichever
25 is less, if there are 6 or more creditors enrolled in the

1 debt management plan ~~\$50 per month.~~

2 (Source: P.A. 96-1420, eff. 8-3-10.)