



## 104TH GENERAL ASSEMBLY

### State of Illinois

2025 and 2026

SB1685

Introduced 2/5/2025, by Sen. Christopher Belt

#### SYNOPSIS AS INTRODUCED:

New Act

30 ILCS 105/6z-26

20 ILCS 1205/6

205 ILCS 665/2

225 ILCS 429/Act rep.

815 ILCS 505/2JJJ

from Ch. 17, par. 5302

Creates the Debt Resolution Services Act. Provides that no person shall provide or offer to provide debt resolution services without a debt resolution services license. Defines "debt resolution services" as a program or service represented, directly or by implication, to renegotiate, settle, or in any way alter the terms of payment or other terms of the debt between a consumer and one or more unsecured creditors. Sets forth requirements for a debt resolution services license. Sets forth the process for obtaining a debt resolution services license. Provides that specified persons are exempt under the Act. Provides the prerequisites and permitted practices for providing debt resolution services. Provides the requirements for a contract between a licensee and a consumer for debt resolution services. Provides that a consumer may terminate a contract to provide debt resolution services at any time without any penalty. Provides that a licensee may terminate a contract to provide debt resolution services if specified conditions are satisfied. Includes provisions concerning the powers of the Department of Financial and Professional Regulation; prohibited activities under the Act, including prohibitions against false or misleading advertising; annual reports filed by a licensee; fees for debt resolution services; information a licensee must provide to a consumer; records a licensee is required to keep; penalties for violating the Act; and transactions entered into before the effective date of the Act. Repeals the Debt Settlement Consumer Protection Act. Amends various Acts to replace references to the Debt Settlement Consumer Protection Act to the Debt Resolution Services Act. Effective January 9, 2026.

LRB104 09822 BAB 19890 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 1. Short title. This Act may be cited as the Debt  
5 Resolution Services Act.

6 Section 2. Definitions. As used in this Act:

7 "Agreement" means a contract between a licensee and a  
8 consumer that meets the requirements of Section 9.

9 "Bank" means a financial institution, including a  
10 commercial bank, savings bank, savings and loan association,  
11 credit union, mortgage bank, or trust company, engaged in the  
12 business of banking, that is chartered under federal or State  
13 law and regulated by a federal or State banking regulatory  
14 agency.

15 "Business address" means the designation of the physical  
16 location of a business, including the name and number of a  
17 street.

18 "Business day" means a calendar day, except for Saturdays,  
19 Sundays, and legal holidays.

20 "Consumer" means an individual who has executed an  
21 agreement with a licensee.

22 "Creditor" means a person that has extended credit to a  
23 consumer, including any agent or assignee of the person.

1 "Debt resolution services" means any program or service  
2 represented, directly or by implication, to renegotiate,  
3 settle, or in any way alter the terms of payment or other terms  
4 of the debt between a consumer and one or more unsecured  
5 creditors, including, but not limited to, a reduction in the  
6 balance, interest rate, or fees owed by a consumer to an  
7 unsecured creditor.

8 "Dedicated account" means an account that meets the  
9 criteria set forth in paragraphs (1), (2), (3), (4), and (5) of  
10 subsection (a) of Section 9.

11 "Dedicated account service provider" means an entity that  
12 facilitates transactions authorized by the consumer under the  
13 terms of 16 CFR 310.4(a)(5)(ii).

14 "Department" means the Department of Financial and  
15 Professional Regulation.

16 "Licensee" means a provider of debt resolution services  
17 that possesses a valid license issued pursuant to this Act.

18 "Person" means any individual, group, unincorporated  
19 association, limited or general partnership, corporation, or  
20 other business entity.

21 "State" means any state of the United States, the District  
22 of Columbia, Puerto Rico, the Northern Mariana Islands, and  
23 any other territory, possession, or protectorate of the United  
24 States.

25 Section 3. License required.

1           (a) No person shall provide or offer to provide debt  
2 resolution services in this State unless the person first  
3 obtains a debt resolution services license from the  
4 Department.

5           (b) A licensee shall obtain a license for the licensee's  
6 primary business address.

7           (c) A license may not be transferred or assigned.

8           (d) A licensee shall file a surety bond in favor of this  
9 State in an amount and form that the Department determines  
10 before the licensee may provide or offer to provide debt  
11 resolution services in this State, but in no event shall the  
12 amount of the bond be greater than \$50,000.

13           (e) A licensee shall not provide debt resolution services  
14 in this State under a business name other than the business  
15 name that is listed on the licensee's license; however, a  
16 licensee may do business under a fictitious business name, if  
17 the licensee registers the fictitious business name with the  
18 Secretary of State and provides evidence of the registration  
19 to the Department.

20           (f) The Department may adopt rules for the licensing of  
21 licensees and may require a reasonable license and  
22 investigation fee in connection with the issuance or renewal  
23 of any license required by this Act.

24           Section 4. Exempt persons.

25           (a) The following persons are exempt from this Act:

1           (1) Persons organized under Section 501(c) or 501(q)  
2 of the Internal Revenue Code.

3           (2) Judicial officers, including individuals acting  
4 under the direction of a court.

5           (3) Banks and their agents and their employees.

6           (4) Attorneys licensed to practice law in this State  
7 who provide debt resolution services within an  
8 attorney-client relationship.

9           (5) Creditors or their employees who negotiate debt  
10 resolutions with consumers or with licensees acting on  
11 behalf of consumers.

12           (6) Assignees for the benefit of creditors.

13           (7) Officers or employees of the United States or any  
14 state who perform debt resolution services on behalf of  
15 the federal government, a state, a municipality, or a  
16 state agency, and who receive compensation solely from the  
17 governmental entity.

18           (8) Certified public accountants licensed in this  
19 State who provide debt resolution services within an  
20 accountant-client relationship.

21           (9) Dedicated account service providers that do not  
22 otherwise provide debt resolution services for consumers.

23           (10) Persons, to the extent that the person provides  
24 or agrees to provide debt resolution services to an  
25 individual who the person has no reason to know resides in  
26 this State at the time the person agrees to provide the

1 services.

2 (b) The following persons are exempt from the licensing  
3 requirement established in Section 3:

4 (1) A licensee's employees.

5 (2) Persons who market on behalf of licensees and do  
6 not otherwise provide debt resolution services.

7 Section 5. Application for licensure.

8 (a) The application for a license and the application for  
9 a license renewal shall be in a form prescribed by the  
10 Department, signed under oath, and shall contain such  
11 information as the Department reasonably requires. A license  
12 to provide debt resolution services is for a period of 2 years  
13 from the date of issuance.

14 (b) The following items are required in any application  
15 for a license under this Act:

16 (1) Proof of compliance with all relevant requirements  
17 for an entity to engage in business in this State.

18 (2) The applicant's name, principal business address,  
19 and telephone number; all business addresses in this  
20 State; the principal email address for the business; and  
21 the principal website address to be used for the business.

22 (3) The name and business address of each executive  
23 officer and member of the board of directors, or  
24 equivalent leadership structure, of the applicant.

25 (4) A statement describing, to the extent it is known

1 or should be known by the applicant, any material civil or  
2 criminal judgment in any jurisdiction, or any enforcement  
3 action against the applicant, or any of its executive  
4 officers or members of its board of directors, or  
5 equivalent leadership structure, by any local, state, or  
6 federal governmental agency, in each case relating to debt  
7 adjusting, debt pooling, prorating, activity as a credit  
8 services organization, unfair and deceptive trade  
9 practices, false advertising, consumer deception law or  
10 regulation, or any other similar law or regulation.

11 (5) A copy of each form of agreement and the schedule  
12 of fees and charges that the applicant will use with  
13 consumers who reside in this State.

14 (6) Income statements and balance sheets from the  
15 applicant for the 2 fiscal years preceding the date of the  
16 application. Notwithstanding any other requirement in this  
17 Act or elsewhere, material submitted under this paragraph  
18 shall be held confidential by the Department.

19 (c) In connection with any application for license  
20 renewal, the licensee shall provide access to the licensee's  
21 books and records with respect to consumers in this State that  
22 are being or have been serviced by the licensee.

23 (d) The Department may participate in a multistate  
24 licensing system for the sharing of regulatory information and  
25 for the licensing and application, by electronic or other  
26 means, of persons engaged in the business of debt resolution

1 services. The Department may establish requirements for  
2 participation by an applicant in a multistate licensing  
3 system, which may vary from the provisions in this Act. The  
4 applicant shall pay directly to a multistate licensing system  
5 any additional fee relating to participation in a multistate  
6 licensing system.

7 (e) (1) The Department may require each applicant applying  
8 for initial licensure under this Act to submit a full set of  
9 fingerprints of each of the applicant's executive officers in  
10 order for the Department to obtain and receive national  
11 criminal history records from the Federal Bureau of  
12 Investigation criminal justice information services division.  
13 Unless the Department, as authorized by paragraph (2),  
14 contracts, or makes use of any existing contract, the  
15 Department may submit each executive officer's fingerprints  
16 and the fee required to perform the criminal history record  
17 checks to the Illinois State Police and the Federal Bureau of  
18 Investigation for state and national criminal history record  
19 checks. The Department may require any fingerprints submitted  
20 pursuant to this subsection be provided in an electronic  
21 format.

22 (2) The Department may contract, or make use of any  
23 existing contract with this State, for the collection and  
24 transmission of fingerprints authorized under this Section. If  
25 the Department contracts, or makes use of an existing  
26 contract, the Department may order the applicant to pay the

1 fee for collecting and transmitting fingerprints to the  
2 contractor. The Department may agree to a reasonable  
3 fingerprinting fee to be charged by the contractor to the  
4 applicant.

5 (3) The Department shall treat and maintain any executive  
6 officer's fingerprints and any criminal history record  
7 information obtained under this Section as confidential and  
8 limit the use of records solely to the purposes authorized in  
9 this Section. The fingerprints and any criminal history record  
10 information are not subject to subpoena, other than a subpoena  
11 issued in a criminal action or investigation, and are  
12 confidential by law and privileged, and are not subject to  
13 discovery or admissible in evidence in any civil action.

14 (4) The Department shall refuse to issue an initial  
15 license to an applicant who does not provide fingerprints in  
16 compliance with this subsection.

17 (f) An applicant or licensee shall notify the Department  
18 within 30 days after a material change in any of the  
19 information submitted in connection with any application or  
20 renewal application for a license under this Act, including,  
21 but not limited to:

22 (1) a change in the licensee's principal place of  
23 business;

24 (2) a merger or dissolution related to the license; or

25 (3) a licensee pleading guilty to or being convicted  
26 of any felony in a court of competent jurisdiction.

1 Section 6. Licensure issuance or denial.

2 (a) The Department may deny a license if:

3 (1) the applicant does not satisfy the criteria set  
4 forth in Section 5;

5 (2) the application contains information that is  
6 materially erroneous or materially incomplete;

7 (3) the applicant fails to provide in a timely manner  
8 such information as the Department reasonably requests;

9 (4) an executive officer or member of the board of  
10 directors, or equivalent leadership structure, of the  
11 applicant has been convicted of or pled nolo contendere  
12 to:

13 (A) a felony; or

14 (B) an act involving fraud, deceit, or dishonesty;

15 or

16 (5) an executive officer or member of the board of  
17 directors, or equivalent leadership structure, of the  
18 applicant has had a professional license revoked,  
19 suspended, or subjected to enforcement action in any  
20 state, and the license has not been reinstated.

21 (b) Not later than the 20th day after a license  
22 application denial, the Department shall provide to the  
23 applicant a written decision and findings containing the  
24 reasons supporting a license denial.

25 (c) A license application denial is a final administrative

1 decision under the Administrative Review Law.

2 Section 7. Licensure suspension, revocation, or denial of  
3 renewal.

4 (a) The Department may suspend, revoke, or deny renewal of  
5 a license if:

6 (1) the Department asserts that the licensee has  
7 materially violated this Act or any rule adopted under  
8 this Act or any other law applicable to the conduct of the  
9 licensee's business and the licensee has failed to cure  
10 the violation after notice and a reasonable opportunity to  
11 cure the violation;

12 (2) a fact or condition exists that, if it had existed  
13 when the licensee applied for a license, would have  
14 warranted the Department refusing to issue the license;

15 (3) the licensee does not satisfy the criteria for  
16 licensure set out in Section 5;

17 (4) the licensee has refused to permit the Department  
18 to examine the licensee's books and records, failed to  
19 comply with Section 12, or made a material  
20 misrepresentation or omission in complying with Section  
21 12; or

22 (5) the licensee has not responded within a reasonable  
23 time and in an appropriate manner to the Department's  
24 communications.

25 (b) If the Department suspends, revokes, or denies renewal

1 of a license, the Department may require the licensee to make  
2 available the licensee's books and records with respect to any  
3 consumers in this State that are being or have been serviced by  
4 the licensee.

5 (c) Except as provided in Section 8, a licensee shall  
6 receive notice and a hearing before the Department revokes or  
7 suspends a license.

8 (d) A licensee may deliver a written notice to the  
9 Department to surrender the licensee's license. However, if a  
10 licensee surrenders the licensee's license, the licensee's  
11 civil or criminal liability for acts committed before the  
12 surrender is not affected.

13 (e) Upon submission of a renewal application for a license  
14 and until a renewal application is approved or denied, the  
15 licensee may continue to provide or offer to provide debt  
16 resolution services, but a suspension or denial of a license  
17 terminates any right to provide or offer to provide debt  
18 resolution services in this State unless continuation is  
19 approved by the Department.

20 Section 8. Powers of the Department.

21 (a) The Illinois Administrative Procedures Act and the  
22 Administrative Review Law govern all matters and procedures  
23 respecting the hearing and judicial review of any violation or  
24 contested case arising under this Act.

25 (b) If the Department finds that a delay in issuing an

1 order under subsection (a) will irreparably harm the public  
2 interest, the Department may summarily suspend the license  
3 immediately.

4 (c) Any order issued under this Section is a final  
5 administrative decision under the Administrative Review Law.

6 (d) The Department may investigate the books, accounts,  
7 records, and files of a licensee or any other person that the  
8 Department has reason to believe is providing or offering to  
9 provide debt resolution services in this State.

10 Section 9. Prerequisites and permitted practices for  
11 providing debt resolution services.

12 (a) A licensee may request or require a consumer, as a  
13 condition to the provision of debt resolution services, to  
14 establish and place funds into a dedicated account  
15 administered by a dedicated account service provider, if:

16 (1) the funds are held in an FDIC-insured bank;

17 (2) the consumer owns the funds held in the account,  
18 including all accrued interest on the account, if any;

19 (3) the dedicated account service provider is not  
20 owned or controlled by, or affiliated with, the debt  
21 resolution services provider. For purposes of this  
22 paragraph, (i) "affiliated with" means a dedicated account  
23 service provider that controls, is controlled by, or is  
24 under common control with a licensee, and (ii) "control"  
25 means the direct or indirect possession of the power to

1 direct or cause the direction of the management of a  
2 licensee, whether by contract or through ownership of more  
3 than 20% of the voting securities of the licensee;

4 (4) the dedicated account service provider does not  
5 give or accept any money or other compensation in exchange  
6 for referrals of business involving the debt resolution  
7 services;

8 (5) the consumer may terminate the debt resolution  
9 services at any time without penalty by giving notice as  
10 required in subsection (a) of Section 10, and thereafter,  
11 the licensee shall notify the dedicated account service  
12 provider of the consumer's termination within 5 business  
13 days of the consumer's notice; and

14 (6) the agreement discloses each of the criteria set  
15 forth in the preceding paragraphs.

16 (b) A licensee shall, at the time an agreement is executed  
17 by a consumer, or as shortly thereafter as practical,  
18 distribute or otherwise make available to the consumer a copy  
19 of the executed agreement. For purposes of this Act,  
20 electronic distribution of an executed agreement is permitted  
21 if the consumer agrees.

22 (c) The agreement must disclose:

23 (1) the services that the licensee will perform;

24 (2) the methodology that the licensee will use to  
25 calculate fees to be charged for debt resolution services  
26 and, if reasonably available at the time the agreement is

1           executed, the fees that the licensee will charge;

2           (3) the amount of time estimated on a good-faith basis  
3           to be necessary to achieve the resolution of all enrolled  
4           debts, and to the extent that the service may include a  
5           resolution offer to any of the consumer's creditors, the  
6           time estimated on a good-faith basis when the debt  
7           resolution services provider will make a bona fide  
8           resolution offer to each of them;

9           (4) to the extent that the debt resolution services  
10          may include a resolution offer to any of the consumer's  
11          creditors, the amount of money or the percentage of each  
12          outstanding debt that the consumer must accumulate before  
13          the debt resolution services provider will make a bona  
14          fide resolution offer to each of them;

15          (5) that debt resolution services may not be suitable  
16          for all individuals;

17          (6) to the extent that any aspect of the debt  
18          resolution services relies upon or results in the  
19          consumer's failure to make timely payments to creditors,  
20          that the failure to pay one's debts will likely adversely  
21          affect the consumer's creditworthiness, may result in the  
22          consumer being subject to collections efforts, including  
23          lawsuits by creditors, and may increase the amount of  
24          money the consumer owes due to the accrual of fees and  
25          interest;

26          (7) that, unless the consumer is insolvent, if a

1 creditor resolves a debt for less than its full amount,  
2 the resolution may result in the creation of taxable  
3 income to the consumer, even though the consumer does not  
4 receive any money;

5 (8) that specific results cannot be predicted or  
6 guaranteed and the licensee cannot require a creditor to  
7 negotiate or resolve a debt;

8 (9) that debt resolution services programs require  
9 that individuals meet regular savings goals in order to  
10 enable resolutions;

11 (10) that the licensee does not provide tax,  
12 accounting, or legal advice to individuals, unless the  
13 licensee is licensed in this State to provide such advice;

14 (11) that the licensee is the consumer's advocate and  
15 does not receive compensation of any sort from creditors  
16 for providing debt resolution services to the consumer;

17 (12) that the licensee does not make monthly or other  
18 payments to the consumer's creditors;

19 (13) the list of debts that the agreement covers; and

20 (14) that, if applicable, the consumer's rights are  
21 subject to mandatory arbitration of any and all disputes  
22 with the debt resolution services provider.

23 (d) A licensee shall maintain a toll-free  
24 telecommunications system, staffed at a level that has  
25 adequate capacity to accept requests from the reasonably  
26 anticipated volume of consumers contacting the licensee during

1 ordinary business hours.

2 (e) A licensee may extend credit to a consumer in the form  
3 of a deferral of some or all of the licensee's fee for  
4 resolving the consumer's debts, at no additional expense to  
5 the consumer. A licensee may assist in arranging credit to the  
6 consumer if such credit is extended to the consumer by or  
7 through a person that is either separately licensed or  
8 authorized to perform lending in this State or exempt from  
9 such licensure.

10 Section 10. Consumer's right to terminate agreements.

11 (a) A consumer may terminate an agreement at any time  
12 without penalty by notifying the licensee electronically, in  
13 writing, or telephonically on a recorded line.

14 (b) Upon receipt of a consumer's notice of termination, a  
15 licensee shall, as soon as possible but in all instances  
16 within 2 business days, advise the consumer of the effect, if  
17 any, a termination of the consumer's debt resolution services  
18 program would have on previously negotiated installment  
19 resolution agreements and pending resolution negotiations. Not  
20 later than 5 business days following the delivery of such  
21 advice, and absent further instruction from the consumer, a  
22 licensee shall notify the dedicated account service provider  
23 of the consumer's termination and request that the dedicated  
24 account service provider communicate with the consumer  
25 regarding disposition of all funds held in the dedicated

1 account.

2 (c) Notwithstanding the consumer's right to terminate as  
3 set forth in subsection (a), the licensee is entitled to  
4 recover all fees earned prior to the receipt of any  
5 termination notice, provided that the fee is requested or  
6 received in compliance with Section 13.

7 Section 11. Licensee's right to terminate agreements. If a  
8 consumer fails to honor the consumer's contractual obligations  
9 on or before the 60th day after the consumer was required to  
10 perform them, then the licensee may terminate its agreement  
11 with the consumer electronically or in writing. If the  
12 licensee terminates the agreement as permitted in this  
13 Section, the consumer will not owe any further payment to the  
14 licensee as of the date the licensee terminates the agreement,  
15 other than for fees previously earned by the licensee.  
16 Notwithstanding this Section, if a consumer refuses to pay any  
17 fee to a licensee after the payment has been earned by the  
18 licensee, then the licensee may, upon proper notice to the  
19 consumer either electronically or in writing, terminate the  
20 licensee's agreement with the consumer immediately.

21 Section 12. Annual reports. A licensee shall file with the  
22 Department an annual report in writing, under oath, that  
23 includes the following information for the calendar year  
24 reporting period: total number of active consumers in this

1 State, total number of enrolled consumers in this State, and  
2 total fees collected in this State. If a licensee neglects to  
3 file an annual report or fails to amend the same on or before  
4 the 30th day after the Department provides notice to the  
5 licensee, then the Department may assess civil penalties and  
6 suspend, revoke, or refuse to renew any license under this  
7 Act.

8 Section 13. Fees for debt resolution services.

9 (a) A licensee shall not impose, directly or indirectly, a  
10 fee or other charge on a consumer or receive payment from or on  
11 behalf of a consumer for performing debt resolution services  
12 except as provided in this Section.

13 (b) A licensee may not request or receive payment of any  
14 fee or consideration for any debt resolution services until  
15 and unless:

16 (1) the licensee has renegotiated, resolved, reduced,  
17 or otherwise altered the terms of at least one debt  
18 pursuant to a resolution agreement or other such valid  
19 contractual agreement executed by the consumer and the  
20 creditor;

21 (2) the consumer has made at least one payment  
22 pursuant to that resolution agreement or other valid  
23 contractual agreement between the consumer and the  
24 creditor; and

25 (3) to the extent that debts enrolled in a service are

1 renegotiated, resolved, reduced, or otherwise altered  
2 individually, the fee or consideration either: (i) bears  
3 the same proportional relationship to the total fee for  
4 renegotiating, resolving, reducing, or altering the terms  
5 of the entire debt balance as the individual debt amount  
6 bears to the entire debt amount. The individual debt  
7 amount and the entire debt amount are those owed at the  
8 time the debt was enrolled in the service; or (ii) is a  
9 percentage of the amount saved as a result of the  
10 renegotiation, resolution, reduction, or alteration. The  
11 percentage charged cannot change from one individual debt  
12 to another. The amount saved is the difference between the  
13 amount owed at the time the debt was enrolled in the  
14 service and the amount actually paid to satisfy the debt.

15 (c) A licensee shall not impose charges or receive payment  
16 for debt resolution services until the licensee and the  
17 consumer have signed an agreement that complies with Section  
18 9.

19 (d) Any fee or other charge imposed by or on behalf of a  
20 dedicated account service provider in connection with the  
21 administration of a dedicated account shall not be considered  
22 a fee or other charge imposed for performing debt resolution  
23 services for purposes of this Act.

24 (e) Any fee or other charge imposed by or on behalf of a  
25 third-party legal service provider shall not be considered a  
26 fee or other charge imposed by a licensee for performing debt

1 resolution services for purposes of this Act.

2 Section 14. Prohibitions.

3 (a) A licensee, a person who markets debt resolution  
4 services on behalf of a licensee, or a person described in  
5 paragraph (2) of subsection (b) of Section 4 shall not:

6 (1) take or exercise a power of attorney that  
7 authorizes the licensee to resolve a debt. For purposes of  
8 this paragraph, "resolve" means entering into a binding  
9 agreement to discharge in full a debt in exchange for a  
10 payment of a sum certain of money;

11 (2) send to creditors cease and desist notices, or  
12 require consumers to notify creditors of changes of  
13 address or phone number, meant to divert communication  
14 from the creditor to the debt resolution services provider  
15 rather than the consumer;

16 (3) exercise or attempt to exercise any authority of  
17 the consumer after a licensee has received notice under  
18 Section 10 that the consumer has terminated the consumer's  
19 agreement with the licensee;

20 (4) initiate, or request that a dedicated account  
21 service provider initiate, a transfer from a consumer's  
22 bank account unless the transfer is:

23 (A) a return of money to the consumer;

24 (B) before any termination of an agreement and  
25 properly authorized by the agreement and this Act for

1 payment of a fee; or

2 (C) at the express direction of the consumer, to a  
3 consumer's creditor to fund a negotiated resolution  
4 with that creditor;

5 (5) receive consumer funds or control consumer funds,  
6 other than to receive funds in payment of fees earned by  
7 the debt resolution services provider;

8 (6) resolve a debt or lead a consumer to believe that a  
9 payment to a creditor is in resolution of a debt to the  
10 creditor unless, at the time of resolution, the creditor  
11 confirms that the payment is in full resolution of the  
12 debt or is part of a payment plan that, upon completion,  
13 will be in full resolution of the debt;

14 (7) make any representation that:

15 (A) the licensee will furnish money to pay bills  
16 or prevent attachments; or

17 (B) participation in a program will prevent  
18 litigation, garnishment, attachment, repossession,  
19 foreclosure, eviction, or loss of employment;

20 (8) misrepresent that the licensee is able to furnish  
21 legal advice or perform legal services;

22 (9) misrepresent, directly or by implication, any  
23 material aspect of any debt resolution services program,  
24 including, but not limited to, the amount of money or the  
25 percentage of the debt amount that a consumer may save by  
26 using such service; the amount of time necessary to

1           achieve the represented results; the amount of money or  
2           the percentage of each outstanding debt that the consumer  
3           must accumulate before the provider of the debt resolution  
4           services will initiate attempts with the consumer's  
5           creditors or make a bona fide offer to negotiate, resolve,  
6           or modify the terms of the consumer's debt; the effect of  
7           the service on a consumer's creditworthiness; the effect  
8           of the service on collection efforts of the consumer's  
9           creditors; the percentage or number of consumers who  
10          attain the represented results; and whether debt  
11          resolution services are offered or provided by a nonprofit  
12          entity;

13           (10) take a confession of judgment or power of  
14          attorney to confess judgment against a consumer;

15           (11) purchase a debt or obligation of the consumer, or  
16          obtain a mortgage or other security interest from any  
17          person in connection with the services provided to the  
18          consumer;

19           (12) receive from or on behalf of a consumer a  
20          promissory note or other negotiable instrument other than  
21          a check or a demand draft or a post-dated check or demand  
22          draft; or

23           (13) except as permitted by federal law or by order of  
24          a court of competent jurisdiction, disclose the identity  
25          or identifying information of a consumer or the identity  
26          of the consumer's creditors, except to the Department,

1           upon proper demand, or to the extent necessary or  
2           appropriate to administer the program, including, but not  
3           limited to, a dedicated account service provider or to a  
4           creditor of the consumer.

5           (b) An agreement must not:

6                 (1) provide for the application of the law of any  
7                 jurisdiction other than the United States and this State;

8                 (2) except as otherwise permitted by the laws of this  
9                 State and the Federal Arbitration Act (9 U.S.C. 1 et  
10                seq.), contain a provision that restricts an individual's  
11                remedies under this Act or any other law of this State; or

12                (3) contain a provision that limits or releases the  
13                liability of any person for not performing the agreement  
14                or for violating this Act.

15           Section 15. Information requirements.

16           (a) A licensee shall distribute or arrange to be  
17           distributed a statement of accounting to a consumer:

18                 (1) while a debt resolution services agreement is in  
19                 effect:

20                         (A) at least once per month; and

21                         (B) on or before the 5th business day after a  
22                         consumer requests a statement of accounting from a  
23                         licensee. However, this Act does not require a  
24                         licensee to provide more than one statement of  
25                         accounting per month per consumer in response to the

1 consumer's request; and

2 (2) within 5 business days after the date on which a  
3 consumer or a licensee terminates an agreement.

4 (b) A statement of accounting shall contain the following  
5 information to the extent applicable:

6 (1) The amount of money that the consumer has  
7 deposited into the consumer's Dedicated Account, and all  
8 withdrawals therefrom, from initiation of the consumer's  
9 debt resolution services program.

10 (2) The amounts, dates, and creditors associated with  
11 each resolution obtained by the licensee on behalf of the  
12 consumer.

13 (3) The fees that the licensee has charged to and  
14 collected from the consumer in connection with each of the  
15 consumer's resolutions.

16 (4) The amount of money that the consumer holds in the  
17 consumer's Dedicated Account.

18 (5) With respect to each resolution obtained by the  
19 licensee for the consumer:

20 (A) the total amount of money that the consumer  
21 paid to the creditor in full discharge or satisfaction  
22 of the consumer's debt;

23 (B) the amount of the debt at the time the licensee  
24 and the consumer entered into the agreement;

25 (C) the amount of the debt at the time the creditor  
26 agreed to resolve the debt; and

1 (D) the amount of compensation that the licensee  
2 received or will receive to resolve the debt.

3 (c) Notwithstanding the requirements set forth in  
4 paragraphs (1) and (2) of subsection (a), a licensee that  
5 enables, or arranges to enable, 24 hours per day, 7 days per  
6 week, electronic access by a consumer to all of the consumer's  
7 deposit account transaction information, including all deposit  
8 and withdrawal activity, and electronic access by a consumer  
9 to account activity, including, but not limited to, resolution  
10 information, account status, resolution dates, resolution  
11 amounts, and fees paid, is deemed to have satisfied the  
12 content requirements in subsection (b) and the distribution  
13 requirements in subsection (a).

14 Section 16. Prohibition on false and misleading  
15 advertising.

16 (a) A licensee shall not, directly or through a person who  
17 markets debt resolution services on behalf of a licensee or a  
18 person described in paragraph (2) of subsection (b) of Section  
19 4, advertise, announce, broadcast, display, distribute, print,  
20 publish, televise, or permit any other person to advertise,  
21 announce, broadcast, display, distribute, print, publish, or  
22 televise on the licensee's behalf a statement or  
23 representation related to debt resolution services that is  
24 deceptive, false, or misleading.

25 (b) A licensee shall not directly or indirectly provide

1 anything of value in exchange for favorable treatment in  
2 reviews or favorable placement on rankings.

3 (c) Neither a licensee nor any affiliate of a licensee  
4 shall directly or indirectly own or operate a website or other  
5 public-facing resource presenting rankings or consumer reviews  
6 of the licensee.

7 (d) A licensee shall not make any statement or take any  
8 action that is likely to mislead consumers regarding whether  
9 reviews the licensee uses to advertise its business accurately  
10 reflect all reviews consumers have submitted to the licensee.

11 (e) A licensee shall comply with 16 CFR Part 255 and with  
12 CFPB Bulletin 2022-05: Unfair and Deceptive Acts or Practices  
13 That Impede Consumer Reviews.

14 Section 17. Records.

15 (a) At the time of providing to a consumer any materials or  
16 agreements required by this Act, a licensee shall inform the  
17 consumer that upon electronic, telephonic, or written request,  
18 the licensee shall send the consumer a copy of the materials  
19 and shall comply with a request as provided in subsection (b).

20 (b) If a consumer submits a request to a licensee, before  
21 the expiration of 90 days after a program is completed or  
22 terminated, to send a copy of the materials required by this  
23 Act, the licensee shall send them to the consumer at no charge  
24 within 5 business days after the request, but the licensee is  
25 not required to comply with a request more than once per

1 calendar month or if it reasonably believes the request is  
2 made for purposes of harassment. If a request is made more than  
3 90 days and less than 2 years after a program is completed or  
4 terminated, the licensee must send within a reasonable time a  
5 copy of the materials requested. The licensee is not required  
6 to comply with any request from a consumer made more than the  
7 later of (i) 2 years after a program is completed or terminated  
8 or (ii) the expiration of the statute of limitations governing  
9 contracts in this State.

10 (c) A licensee that maintains a website shall disclose on  
11 the home page or on a page that is clearly and conspicuously  
12 connected to the home page by a link that clearly reveals its  
13 contents:

14 (1) the licensee's name and all names under which the  
15 licensee does business in this State; and

16 (2) the licensee's principal business address,  
17 telephone number, and email address, if any.

18 (d) Any licensee shall keep, for a period of 2 years from  
19 the date the record is produced, the following records:

20 (1) All substantially different advertising,  
21 brochures, telemarketing scripts, promotional materials,  
22 and supportive data.

23 (2) The name and last known address of each consumer,  
24 the goods or services purchased, the date such goods or  
25 services were first provided or the consumer signed an  
26 agreement for the provision of goods or services, and the

1 amount paid by the consumer for the goods or services.

2 (3) The name, any fictitious name used, the last known  
3 home address and telephone number, and the job title for  
4 all current and former employees directly involved in  
5 sales or solicitations; however, if the licensee permits  
6 fictitious names to be used by employees, each fictitious  
7 name must be traceable to only one specific employee.

8 (e) In addition to the records required by subsection (d),  
9 the licensee must keep a copy of each signed agreement with any  
10 consumer for not less than 5 years from the date that the  
11 consumer either graduates or terminates the debt resolution  
12 services program.

13 (f) A licensee may keep the records required by  
14 subsections (d) and (e) in any form, and in the same manner,  
15 format, or place as they keep such records in the ordinary  
16 course of business. Failure to keep all records required by  
17 subsections (d) and (e) is a violation of this Act.

18 (g) In the event of any dissolution or termination of the  
19 licensee's business, the principal of that licensee shall  
20 maintain all records as required under subsections (d) and  
21 (e). In the event of any sale, assignment, or other change in  
22 ownership of the licensee's business, the successor business  
23 shall maintain all records required under subsections (d) and  
24 (e).

25 Section 18. Penalty for violation.

1           (a) If the Department finds that a person has violated any  
2 material provision of this Act, a rule adopted pursuant to  
3 this Act, or any other law applicable to the conduct of a  
4 licensee, the Department may, after notice and opportunity to  
5 cure, order or impose a penalty upon the person, which must not  
6 exceed \$1,000 per violation of law or rule, up to a maximum of  
7 \$100,000, plus the costs of investigation. Notwithstanding  
8 anything to the contrary herein or elsewhere, a continuing  
9 violation shall be deemed to be a singular violation and not be  
10 given multiple effect.

11           (b) A finding or order that the Department issues under  
12 this Section is a final administrative decision under the  
13 Administrative Review Law.

14           Section 19. Statute of limitations. An action or  
15 proceeding brought by the Department under this Act must be  
16 commenced within the longer of (i) 3 years after the conduct  
17 that underlies the complaint is discovered by the Department  
18 or the harmed consumer or (ii) if the violation constitutes a  
19 criminal offense, the applicable statute of limitations.

20           Section 20. Transitional provisions. Transactions entered  
21 into before this Act takes effect, and the rights, duties, and  
22 interests resulting from them, may be completed, terminated,  
23 or enforced as required or permitted by a law amended,  
24 repealed, modified, or preempted by this Act as though the

1 amendment, repeal, modification, or preemption had not  
2 occurred.

3 Section 21. Illinois Administrative Procedure Act. The  
4 Illinois Administrative Procedure Act is hereby expressly  
5 adopted and incorporated herein as if all of the provisions of  
6 that Act were included in this Act.

7 Section 22. Rulemaking. The Department may adopt rules to  
8 administer and enforce Section 3.

9 Section 900. The State Finance Act is amended by changing  
10 Section 6z-26 as follows:

11 (30 ILCS 105/6z-26)

12 Sec. 6z-26. The Financial Institution Fund. All moneys  
13 received by the Department of Financial and Professional  
14 Regulation under the Safety Deposit License Act, the Foreign  
15 Exchange License Act, the Pawnors Societies Act, the Sale of  
16 Exchange Act, the Currency Exchange Act, the Sales Finance  
17 Agency Act, the Debt Management Service Act, the Consumer  
18 Installment Loan Act, the Illinois Development Credit  
19 Corporation Act, the Title Insurance Act, the Debt Resolution  
20 Services ~~Settlement—Consumer—Protection~~ Act, the Debt  
21 Management Service Consumer Protection Fund, and any other Act  
22 administered by the Department of Financial and Professional

1 Regulation as the successor of the Department of Financial  
2 Institutions now or in the future (unless an Act specifically  
3 provides otherwise) shall be deposited in the Financial  
4 Institution Fund (hereinafter "Fund"), a special fund that is  
5 hereby created in the State Treasury.

6 Moneys in the Fund shall be used by the Department,  
7 subject to appropriation, for expenses incurred in  
8 administering the above named and referenced Acts.

9 The Comptroller and the State Treasurer shall transfer  
10 from the General Revenue Fund to the Fund any monies received  
11 by the Department after June 30, 1993, under any of the above  
12 named and referenced Acts that have been deposited in the  
13 General Revenue Fund.

14 As soon as possible after the end of each calendar year,  
15 the Comptroller shall compare the balance in the Fund at the  
16 end of the calendar year with the amount appropriated from the  
17 Fund for the fiscal year beginning on July 1 of that calendar  
18 year. If the balance in the Fund exceeds the amount  
19 appropriated, the Comptroller and the State Treasurer shall  
20 transfer from the Fund to the General Revenue Fund an amount  
21 equal to the difference between the balance in the Fund and the  
22 amount appropriated.

23 Nothing in this Section shall be construed to prohibit  
24 appropriations from the General Revenue Fund for expenses  
25 incurred in the administration of the above named and  
26 referenced Acts.

1 Moneys in the Fund may be transferred to the Professions  
2 Indirect Cost Fund, as authorized under Section 2105-300 of  
3 the Department of Professional Regulation Law of the Civil  
4 Administrative Code of Illinois.

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

6 Section 905. The Financial Institutions Code is amended by  
7 changing Section 6 as follows:

8 (20 ILCS 1205/6)

9 Sec. 6. General powers and duties. In addition to the  
10 powers and duties provided by law and imposed elsewhere in  
11 this Act, the Division has the following powers and duties:

12 (1) To administer and enforce the Consumer Installment  
13 Loan Act and its implementing rules.

14 (2) To administer and enforce the Currency Exchange  
15 Act and its implementing rules.

16 (3) To administer and enforce the Debt Management  
17 Service Act and its implementing rules.

18 (4) To administer and enforce the Debt Resolution  
19 Services ~~Settlement~~ ~~Consumer~~ ~~Protection~~ Act and its  
20 implementing rules.

21 (5) To administer and enforce the Illinois Development  
22 Credit Corporation Act and its implementing rules.

23 (6) To administer and enforce the Payday Loan Reform  
24 Act and its implementing rules.

1           (7) To administer and enforce the Safety Deposit  
2 License Act and its implementing rules.

3           (8) To administer and enforce the Sales Finance Agency  
4 Act and its implementing rules.

5           (9) To administer and enforce the Title Insurance Act  
6 and its implementing rules.

7           (10) To administer and enforce the Transmitters of  
8 Money Act and its implementing rules.

9           (11) To administer and enforce the Predatory Loan  
10 Prevention Act and its implementing rules.

11           (12) To administer and enforce the Motor Vehicle  
12 Retail Installment Sales Act and its implementing rules.

13           (13) To administer and enforce the Retail Installment  
14 Sales Act and its implementing rules.

15           (14) To administer and enforce the Illinois Credit  
16 Union Act and its implementing rules.

17           (15) To administer and enforce the Collection Agency  
18 Act and its implementing rules.

19           (16) To administer and enforce the Consumer Legal  
20 Funding Act and its implementing rules.

21           (17) To administer and enforce this Act and any other  
22 Act administered by the Director or Division.

23           (18) To authorize and administer examinations to  
24 ascertain the qualifications of applicants and licensees  
25 for which the examination is held.

26           (19) To conduct hearings in proceedings to revoke,

1 suspend, refuse to renew, or take other disciplinary  
2 action regarding licenses, charters, certifications,  
3 registrations, or authorities of persons as authorized in  
4 any Act administered by the Division.

5 Whenever the Division is authorized or required by law to  
6 consider some aspect of criminal history record information  
7 for the purpose of carrying out its statutory powers and  
8 responsibilities, then, upon request and payment of fees in  
9 conformance with the requirements of Section 2605-400 of the  
10 Illinois State Police Law, the Illinois State Police is  
11 authorized to furnish, pursuant to positive identification,  
12 the information contained in State files that is necessary to  
13 fulfill the request.

14 (Source: P.A. 102-538, eff. 8-20-21; 102-813, eff. 5-13-22;  
15 102-975, eff. 1-1-23; 103-154, eff. 6-30-23; 103-1014, eff.  
16 8-9-24.)

17 Section 910. The Debt Management Service Act is amended by  
18 changing Section 2 as follows:

19 (205 ILCS 665/2) (from Ch. 17, par. 5302)

20 Sec. 2. Definitions. As used in this Act:

21 "Credit counselor" means an individual, corporation, or  
22 other entity that is not a debt management service that  
23 provides (1) guidance, educational programs, or advice for the  
24 purpose of addressing budgeting, personal finance, financial

1 literacy, saving and spending practices, or the sound use of  
2 consumer credit; or (2) assistance or offers to assist  
3 individuals and families with financial problems by providing  
4 counseling; or (3) a combination of the activities described  
5 in items (1) and (2) of this definition.

6 "Debt management service" means the planning and  
7 management of the financial affairs of a debtor for a fee and  
8 the receiving of money from the debtor for the purpose of  
9 distributing it to the debtor's creditors in payment or  
10 partial payment of the debtor's obligations or soliciting  
11 financial contributions from creditors. The business of debt  
12 management is conducted in this State if the debt management  
13 business, its employees, or its agents are located in this  
14 State or if the debt management business solicits or contracts  
15 with debtors located in this State. "Debt management service"  
16 does not include "debt resolution services" ~~"debt settlement  
17 service"~~ as defined in the Debt Resolution Services Settlement  
18 ~~Consumer Protection~~ Act.

19 This term shall not include the following when engaged in  
20 the regular course of their respective businesses and  
21 professions:

22 (a) Attorneys at law licensed, or otherwise authorized  
23 to practice, in Illinois who are engaged in the practice  
24 of law.

25 (b) Banks, operating subsidiaries of banks, affiliates  
26 of banks, fiduciaries, credit unions, savings and loan

1 associations, and savings banks as duly authorized and  
2 admitted to transact business in the State of Illinois and  
3 performing credit and financial adjusting service in the  
4 regular course of their principal business.

5 (c) Title insurers, title agents, independent  
6 escrowees, and abstract companies, while doing an escrow  
7 business.

8 (d) Judicial officers or others acting pursuant to  
9 court order.

10 (e) Employers for their employees, except that no  
11 employer shall retain the services of an outside debt  
12 management service to perform this service unless the debt  
13 management service is licensed pursuant to this Act.

14 (f) Bill payment services, as defined in the  
15 Transmitters of Money Act.

16 (g) Credit counselors, only when providing services  
17 described in the definition of credit counselor in this  
18 Section.

19 "Debtor" means the person or persons for whom the debt  
20 management service is performed.

21 "Person" means an individual, firm, partnership,  
22 association, limited liability company, corporation, or  
23 not-for-profit corporation.

24 "Licensee" means a person licensed under this Act.

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

1 (Source: P.A. 100-201, eff. 8-18-17.)

2 (225 ILCS 429/Act rep.)

3 Section 915. The Debt Settlement Consumer Protection Act  
4 is repealed.

5 Section 920. The Consumer Fraud and Deceptive Business  
6 Practices Act is amended by changing Section 2JJJ as follows:

7 (815 ILCS 505/2JJJ)

8 Sec. 2JJJ. Violations of the Debt Resolution Services  
9 ~~Settlement Consumer Protection~~ Act. Any person who violates  
10 the Debt Resolution Services ~~Settlement Consumer Protection~~  
11 Act commits an unlawful practice within the meaning of this  
12 Act.

13 (Source: P.A. 96-1420, eff. 8-3-10; 97-333, eff. 8-12-11.)

14 Section 999. Effective date. This Act takes effect January  
15 9, 2026.