Illinois’ Debt Collection Laws are Crushing Families Struggling with Debt

1 in 3 Illinois residents have a credit card, medical or utility bill that is 180 days past due, and are now in the debt collection process.

Debt collection abuses are the leading cause for complaints to the Federal Trade Commission and Consumer Financial Protection Bureau.

Illinois has one of the highest rates of bankruptcy in the nation. Our debt collection laws – particularly a 9% post-judgment interest rate that could accumulate for up to 26 years – are pushing Illinoisans unnecessarily into bankruptcy.

Illinois families need reform that will help them pay off their debts while meeting their basic needs.

The Consumer Fairness Act (HB 88) will:

• Decrease the post-judgment interest rate from 9% to 5% for consumer debt – helping families to avoid the cycle of debt that prevents them from building long-term financial security.

• Decrease the timeframe to collect on a judgment from 26 to 17 years by limiting revivals – preventing collectors from trapping families in debt with judgments that are decades old.

Meet Waldemar

Waldemar took on credit card debt to pay for his father’s medical bills in 2005. He fell behind, and the creditor got a $2,000 judgment and sat on it. Because of debt revivals and the 9% post-judgment interest rate, that $2,000 grew to over $20,000, ten times what Waldemar owed. “The feeling is like suicide,” Waldemar said, “No exit.”

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The following Organizations & Businesses Support the Consumer Fairness Act:

AARP Illinois
CARPLS
Center for Disability & Elder Law
Chicago Bar Association
Chicago Coalition for the Homeless
Chicago Lawyer's Committee for Civil Rights
Chicago Legal Clinic
Chicago Volunteer Legal Services
Community Organizing and Family Issues / POWER-PAC
Families Fathers and Healthy Communities
Heartland Alliance for Human Needs & Human Rights
Illinois Asset Building Group
Illinois Chapter of NACA
Illinois Legal Aid Online
Illinois PIRG
Instituto del Progreso Latino
Jane Addams Resource Corporation
JP Credit Education & Consulting LLC
Legal Aid Society of Metropolitan Family Services
National Association of Consumer Advocates (NACA)
Project IRENE
Sargent Shriver National Center on Poverty Law
Woodstock Institute