

Bill collection law is signed

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and William Gaines

GOV. WALKER signed legislation Sunday that will curb debt collection abuses and require registration of bill collectors for the first time in Illinois.

The bill, effective Oct. 1, gives the Department of Registration and Education authority to screen out unqualified collectors and put unscrupulous operators out of business.

The bill requires payment of a \$50 registration fee, the posting of a \$25,000 bond, and creates a series of new criminal offenses called deceptive collection practices.

FLANKED by the bill's sponsor, Rep. L. Michael Getty [D., Dolton], Walker commended The Tribune for its "revealing series on collection agency abuses" and said the legislation is "long overdue."

"This new law will get at those bill collection agencies that make life miserable for people," Walker said at a press conference.

THE LEGISLATION was introduced in response to a Tribune Task Force series on debt collection abuses compiled after reporters spent six weeks working in nearly a dozen agencies. The series disclosed how some collectors have

charged exorbitant interest rates and used terror tactics and other tricks to harass debtors into making payments.

Six tactics frequently used by unscrupulous operators will be punishable by fines up to \$3,000 under the new bill. They ban collectors from:

- Impersonating an attorney, law enforcement officers, or court officials.

- Using other false identification in dealing with debtors such as claiming to be utility company employes, Social Security representatives, and delivery services.

- Adding arbitrary interest or penalty charges to debts.

- Threatening to destroy or hurt a debtor's credit rating.

- Accepting a debt payment which a collector knows is not owed, an offense also punishable under felony theft statutes.

- Using the telephone to harass, annoy, or intimidate debtors, a tactic frequently used late at night.

TO OBTAIN a license, a collector must be 21 years old, have one year experience in the credit field, and have no history of convictions for serious criminal offenses.

The registration can be revoked if collectors are found to have employed a variety of less serious tactics cataloged in the bill such as threatening debtors with suits, garnishing wages, or using forms that look like court documents.