

2 seeking to curb collector abuses

By Pamela Zekman and Robert Unger

TWO BILLS aimed at eliminating abuses by Illinois bill collectors are being drafted by Atty. Gen. William Scott and an Evanston legislator

The two bills, prepared independently by Scott and State Rep. James McCourt [R., Evanston] will seek licensing of collection agencies and controls aimed at eliminating harassment and threats by some collectors.

Both men said the bills were stimulated by disclosures last week in a five-part Tribune Task Force series on debt collection abuses.

Reporters found during the six-week investigation that bill collectors have little to fear from the law, employ whatever tactics they think will work with a debtor, and generally thrive in the unrestrained and unlicensed Illinois environment.

IN WRITING their bills, both Scott and McCourt said they drew from provisions of licensing laws already on the books in 26 other states. Both bills stress the licensing requirement, and McCourt's bill further calls for individual collectors to be registered with the state.

Among the collection practices that would be prohibited by both bills are:

- Impersonations of lawyers or law enforcement officials, a common practice among Chicago's worst collectors.

- Use of legal-looking documents or misrepresentations that collectors represent the government or the courts.

- Idle threats that suits will be filed, jobs will be lost, or credit ratings will be destroyed.

Both bills also contain provisions to protect creditors against unscrupulous collectors and the fly-by-night collection businesses that dot the Chicago area.

Scott would prohibit agencies from making promises to clients that they can't deliver; McCourt would forbid the mixing of agency funds with collected funds, the refusal by an agency to account to the client every 30 days, and the refusal to return all paperwork to clients on uncollected bills.

BOTH BILLS would revoke the licenses of agencies violating the act and provide a misdemeanor sentence of up to one year for each violation.

McCourt would go a step further, providing for revocation

of the license of anyone convicted of deceptive practices or anyone convicted of carrying an unlicensed firearm.

He also would deny a license to anyone who had a bad credit rating for three years preceding the application for a license.

McCourt said his bill would put the regulation of collection agencies under the state's Department of Financial Institutions and would create a Collection Agency Advisory Board. The board would be composed of six members, four from the collection business and two from the public. All would be appointed by the governor.

Under McCourt's proposal, every agency would also be bonded for \$10,000.

Like laws in many other states, McCourt's bill would separate lawyers from the collection business, even to the extent of forbidding the sharing of office space.

Scott's bill includes several consumer-oriented provisions normally found in the laws of other states, including prohibitions against frequent calls or calls at unusual hours, threats to affect the debtor's credit rating, and a catch-all prohibition against "any act that could be reasonably expected to cause mental or physical stress."

AN OFFICIAL of the American Collectors Association said his organization would look closely at both bills. The association, he said, has supported legislation to curb unscrupulous collectors in the past and would support more efforts in the future.