



# Illinois Department of Financial and Professional Regulation

## Division of Financial Institutions

JB Pritzker  
Governor

Deborah Hagan  
Secretary

FRANCISCO MENCHACA  
Director  
Division of Financial Institutions

### Consumer Credit Licensees – COVID-19 Best Practices

JB Pritzker, Governor of Illinois, declared all counties in the State of Illinois as a disaster area on March 9, 2020 in response to the outbreak of Coronavirus Disease 2019 (“COVID-19”) and again on April 1, 2020 (“Gubernatorial Disaster Proclamations”). The Gubernatorial Disaster Proclamations extend at least through April 30, 2020. As it develops, the COVID-19 pandemic will continue to present many yet to be determined challenges for consumer credit licensees and their customers, Illinois consumers.

During this crisis, the Department of Financial and Professional Regulation (Department) reminds all consumer credit licensees that they are required to comply with any Executive Order issued by the Governor of Illinois or other federal, state, or local mandate regarding the origination, servicing, or collection of consumer debt including, but not limited to **Executive Order 2020-16**, which suspends the provisions of the Uniform Commercial Code, 810 ILCS 5/9-609, regarding the possession or usability of a vehicle, and the provisions of the Illinois Vehicle Code, 625 ILCS 5/3-114, regarding the repossession of vehicles, through at least April 30, 2020.

In addition to complying with these mandates, the Department expects Illinois consumer credit licensees to work proactively with consumers during this crisis, and to be flexible with repayment of debt.

During the Gubernatorial Disaster Proclamation and for the next several months after the term of the final Gubernatorial Disaster Proclamation, the Department recommends licensees follow the best practices described below to assist consumers impacted by the crisis:

- Increase communication with consumers and provide multiple, easily accessible methods for consumers to contact the business, especially if the business has altered operations due to COVID-19.
- Proactively reach out to consumers to offer payment options, including deferred or partial payments, which would avoid delinquencies and negative credit reporting.
- Waive all late charges and finance charges that might result from a payment deferment or partial payments.
- Waive non-sufficient funds fees for dishonored payments or unsuccessful ACH withdrawals.
- Consider suspension of debt collection efforts for consumers negatively impacted by COVID-19.
- Proactively reach out to customers on automatic payment plans and, upon request of the consumer, temporarily suspend these automatic repayment plans **and** place the consumer in forbearance without fees or interest.
- Proactively reach out to customers who have granted wage assignments and, upon the request of the consumer, revoke any wage assignment action and place the consumer in forbearance without fees or interest.
- Ensure sufficient staffing of customer service phone lines and alternative methods of providing customer service support.
- Give borrowers the option to voluntarily surrender collateral with no deficiency.

- To the extent legally permissible, use the already available natural disaster code and report the account as current or deferred.

The above are recommendations on best practices from the Department that will serve the best interests of consumers and licensees.

**These recommendations do not alter any applicable law, and nothing in this document shall be interpreted as conflicting with or superseding any federal, state, or local mandate.**

Licensees are further advised that the Department will carefully examine lending and collection activity during the COVID-19 crisis. Licensees found engaging in unlawful conduct that harms consumers during this crisis will be subject to prompt and significant discipline by the Department. Discipline may include the imposition of fines and, if appropriate, license suspension, or revocation.

Written and Signed By:

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David Berland

Deputy General Counsel, Chief Counsel of the Division of Financial Institutions

Approved by:

Francisco Menchaca

Director, Division of Financial Institutions

Dated: April 14, 2020



April 14, 2020

EXECUTIVE ORDER 2020-25

**FILED**  
INDEX DEPARTMENT  
APR 14 2020  
IN THE OFFICE OF  
SECRETARY OF STATE

**EXECUTIVE ORDER IN RESPONSE TO COVID-19**  
**(COVID-19 EXECUTIVE ORDER NO. 23)**

**WHEREAS**, Coronavirus 2019 (COVID-19) is a novel severe acute respiratory illness that can spread among people through respiratory transmissions and present with symptoms similar to those of influenza; and,

**WHEREAS**, I, JB Pritzker, Governor of Illinois, declared all counties in the State of Illinois as a disaster area on March 9, 2020 (the First Gubernatorial Disaster Proclamation) in response to the outbreak of COVID-19; and,

**WHEREAS**, I again declared all counties in the State of Illinois as a disaster area on April 1, 2020 (the Second Gubernatorial Disaster Proclamation, and, together with the First Gubernatorial Disaster Proclamation, the Gubernatorial Disaster Proclamations) in response to the exponential spread of COVID-19; and,

**WHEREAS**, in a short period of time, COVID-19 has rapidly spread throughout Illinois, necessitating updated and more stringent guidance from federal, state, and local public health officials; and,

**WHEREAS**, the number of COVID-19 cases in Illinois has increased exponentially and across more locations in Illinois and is resulting in an increasing number of deaths; and,

**WHEREAS**, on March 20, 2020, I issued Executive Order 2020-10, in which I ordered all individuals currently living within the State of Illinois to stay at home or at their place of residence except as allowed in the Executive Order; and,

**WHEREAS**, in Executive Order 2020-10, I ordered all businesses and operations in the State, except Essential Businesses and Operations as defined in the Executive Order, to cease all activities within the State except Minimum Basic Operations, as defined in the Executive Order; and,

**WHEREAS**, Executive Order 2020-10 is extended in its entirety for the duration of the Gubernatorial Disaster Proclamations, which currently extends through April 30, 2020; and,

**WHEREAS**, COVID-19 has resulted in significant economic impact on residents of Illinois, including loss of income and wages, which threatens to undermine their financial security as well as housing security and stability; and,

**WHEREAS**, I find it necessary to take additional measures to protect the assets available to Illinois residents during the COVID-19 pandemic to ensure that residents have funds for essential items such as food, medicine, housing, and transportation; and,

**WHEREAS**, pursuant to the Illinois Code of Civil Procedure, 735 ILCS 5/12-705, a judgment creditor may serve a garnishment summons on a garnishee for money or property belonging to a judgment debtor and, upon service of the summons, the judgment or balance due thereon becomes a lien on the indebtedness and other property held by the garnishee pursuant to 735 ILCS 5/12-707; and,

**WHEREAS**, pursuant to the Illinois Code of Civil Procedure, 735 ILCS 5/12-805, a judgment creditor may serve a wage deduction summons on an employer for wages due or about to become due to a judgment debtor and, upon service of the summons, the judgment or balance due thereon is a lien on wages due pursuant to 735 ILCS 5/12-808; and,

**WHEREAS**, pursuant to the Illinois Code of Civil Procedure, 735 ILCS 5/2-1402, a judgment creditor may prosecute a citation “to discover assets for the purposes of examining the judgment debtor or any other person to discover assets or income of the debtor not exempt from the enforcement of the judgment, a deduction order or garnishment, and of compelling the application of non-exempt assets or income discovered toward the payment of the amount due under the judgment”; and,

**WHEREAS**, upon the filing of a garnishment summons, wage deduction summons, or a citation to discover assets by a creditor, a debtor is compelled to travel to court and appear to assert rights regarding their property and income; and,

**WHEREAS**, COVID-19 may interfere with the ability of a debtor to contest debt collection activity; and,

**WHEREAS**, involuntary debt collection causes debtors to travel, including to courthouses and financial institutions, to seek relief from debt collection activity and, as a result, undermines critical efforts to maximize social distancing and prevent the spread of COVID-19; and,

**WHEREAS**, involuntary debt collection undermines the ability of debtors to obtain and preserve necessities including, but not limited to, food, medicine, housing, and transportation, and to protect themselves and others from COVID-19 by maximizing social distancing;

**THEREFORE**, by the powers vested in me as the Governor of the State of Illinois, pursuant to Sections 7(1), 7(2), 7(8), and 7(12) of the Illinois Emergency Management Agency Act, 20 ILCS 3305, I hereby order the following:

Section 1. During the duration of the Gubernatorial Disaster Proclamations, Sections 5/12-705, 5/12-805, and 5/2-1402 of the Illinois Code of Civil Procedure, 735 ILCS 5/12-705, 735 ILCS 5/12-805, and 735 ILCS 5/2-1402, that permit the service of a garnishment summons, wage deduction summons, or a citation to discover assets on a consumer debtor or consumer garnishee, are suspended.

Section 2. Notwithstanding the foregoing, nothing in this Executive Order shall be construed to apply to domestic support obligations, including child support and spousal maintenance obligations.

Section 3. No provision contained in this Executive Order shall be construed as relieving a debtor of any liability.

Section 4. If any provision of this Executive Order or its application to any person or circumstance is held invalid by any court of competent jurisdiction, this invalidity does not affect any other provision or application of this Executive Order, which can be given effect without the invalid provision or application. To achieve this purpose, the provisions of this Executive Order are declared to be severable.



JB Pritzker, Governor

Issued by the Governor April 14, 2020  
Filed by the Secretary of State April 14, 2020

**FILED**  
INDEX DEPARTMENT  
APR 14 2020  
IN THE OFFICE OF  
SECRETARY OF STATE



# Illinois Department of Financial and Professional Regulation

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## Division of Financial Institutions

**JB PRITZKER**  
Governor

**DEBORAH HAGAN**  
Secretary

**CECILIA ABUNDIS**  
Director  
Division of Professional Regulation

March 30, 2020

### **Guidance to Illinois-Licensed Debt Collection Agencies and Debt Buyers Regarding COVID-19**

On March 9, 2020, Governor JB Pritzker declared all counties in the State of Illinois as a disaster area in response to the outbreak of COVID-19. On March 20, 2020, the Governor issued Executive Order 2020-10 ("Executive Order"), requiring all non-essential businesses and operations to cease all activities within the State, except for certain identified minimum basic operations.

Although licensed debt collection agencies and debt buyers operating in the State are not listed as essential businesses under the Executive Order, non-essential businesses are allowed to continue operations consisting exclusively of employees or contractors performing activities at their own residences. The Collection Agency Act, 225 ILCS 425 et seq., does not contemplate collectors' ability to conduct business at any place other than the address of record that is on file with the Illinois Department of Financial and Professional Regulation ("Department"). Thus, debt collection agencies seeking to work at a location other than their address of record, including remotely, are hereby directed to provide the Department notice within 14 days of any address changes pursuant to 225 ILCS 425/2.5(2).

The Department encourages debt collection agencies and debt buyers to work with consumers to modify payment schedules or suspend all collection activity for a period of no less than 60 days.

The Department reminds debt collection agencies and debt buyers of their duties to comply with applicable law, including but not limited to the Fair Debt Collection Practices Act (FDCPA), Fair Credit Reporting Act (FCRA), Servicemembers Civil Relief Act, applicable privacy laws, and all other applicable state and federal statutes.

In particular, the Department reminds licensees to adhere strictly to the requirements of Section 805(a)(1) of the FDCPA and Section 9(a)(19)(A) of the Collection Agency Act, which prohibit communications at times and places that should be known to be inconvenient to the debtor. In light of the economic stress caused by the COVID-19 crisis, the Department will closely monitor adherence to these provisions.

The Department reminds debt collection agencies and debt buyers with respect to their accuracy duties under FCRA and encourages them to use disaster codes along with any other deferment or forbearance codes for any consumer who is unable to repay their debt to mitigate the credit reporting impact of the crisis.