

ILLINOIS REGISTER

DEPARTMENT OF FINANCIAL AND PROFESSIONAL REGULATION

NOTICE OF PROPOSED AMENDMENTS

- 1) Heading of the Part: Debt Management Service Act
- 2) Code Citation: 38 Ill. Adm. Code 140
- 3)

<u>Section Number:</u>	<u>Proposed Action:</u>
140.10	Amendment
140.30	Repealed
140.40	Amendment
140.50	Amendment
140.80	Amendment
140.100	Amendment
140.120	Amendment
140.140	Amendment
140.150	New Section
- 4) Statutory Authority: Implementing and authorized by the Debt Management Service Act [205 ILCS 665].
- 5) A Complete Description of the Subjects and Issues Involved: This rulemaking is being promulgated in conjunction with Public Act 96-1420, which was just signed into law. PA 96-1420 created the Debt Settlement Consumer Protection Act which prohibits any person from operating as a debt settlement provider or engaging in debt settlement service except as authorized by the Act and without first having obtained a license under the Act. It provides for a one time \$50 application fee and a fee of 15% of the savings achieved. It also creates a Debt Settlement Consumer Protection Fund as a special non-appropriated income-earning fund in the State treasury for the purpose of providing restitution to specified parties and provides that all moneys received by the Department of Financial and Professional Regulation under the Act, except moneys received for the Debt Settlement Consumer Protection Fund, shall be deposited in the Financial Institutions Fund.

PA 96-1420 also amended the Debt Management Services Act clarifying the distinction between “Debt Management Services” and “Debt Settlement Services”. The rule adds a section outlining proper disposal of licensee’s client’s records that contain their personal information. This same section is also being included in the newly promulgated rules for debt settlement companies. These rules are for the purpose of protecting consumers when it comes to their personal information.

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- 6) Any published studies or reports, along with the sources of underlying data, that were used when comprising this rulemaking, in accordance with 1 Ill. Adm. Code 100.355: None
- 7) Will this rulemaking replace any emergency rulemaking currently in effect? No
- 8) Does this rulemaking contain an automatic repeal date? No
- 9) Does this rulemaking contain incorporations by reference? No
- 10) Are there any other proposed rulemakings pending on this Part? No
- 11) Statement of Statewide Policy Objectives: This rulemaking has no impact on local government.
- 12) Time, Place, and Manner in which interested persons may comment on this proposed rulemaking:

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- 13) Initial Regulatory Flexibility Analysis:
- A) Types of small businesses, small municipalities, and not-for-profit corporations affected: Those individuals or entities providing debt management services may be affected.
- B) Reporting, bookkeeping, or other procedures required for compliance: None
- C) Types of professional skills necessary for compliance: The qualifications for licensure provided for in Section 5 of the Debt Management Services Act (225 ILCS 665/5).
- 14) Regulatory Agenda on which this rulemaking was summarized: July 2010

The full text of the Proposed Amendments begins on the next page: