

# SB 2804 / HB 5776 Wage Assignments & Consumer Protections Bill

Senator Biss – Martinez – Collins / Representative Welch

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## What is a Wage Assignment?

Wage Assignments are a method used by non-traditional lenders to access a borrower's wages when they default on a loan. Unlike a wage garnishment, a lender using a wage assignment does not go through the courts. Rather, the lender sends a notice directly to a borrower letting them know that they will be taking a portion of their wages.

## Why Do We Need to Modify Illinois' Wage Assignment Notice?

### Illinois' Wage Assignment Notice Conflicts with Federal Law

**Federal Law:** borrowers must be able stop a wage assignment at any time and for any reason.

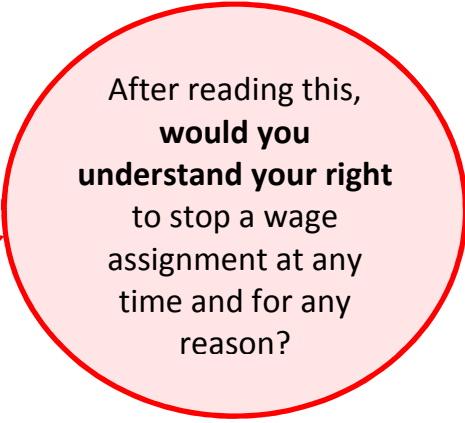
**Illinois' Wage Assignment Notice:** states that to stop a wage assignment, you:

- Must have a defense
- Have a limited, 20-day timeframe to stop the wage assignment

## What is the Current Illinois Wage Assignment Notice?

A wage assignment notice is intended to inform borrowers of their right to stop a wage assignment. Here is an example of the current notice language:

***"If you have a legal defense to the wage assignment you can stop the wage assignment by filling out the enclosed Notice of Defense Form.... within 20 days of receiving this notice."***



After reading this, **would you understand your right** to stop a wage assignment at any time and for any reason?

## What Will SB2804 / HB5776 Do?

SB2804 / HB5776 will create a clearer wage assignment notice – ensuring all Illinois workers know their rights under federal law.

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### Questions:

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## **The following Organizations & Businesses Support SB2804 / HB5776**

Alliance of Filipinos for Immigrant Rights and Empowerment Chicago

Center for Changing Lives

Center for Economic Progress

Chicago Coalition for the Homeless

Citizen Action

Coalition of Citizens with Disabilities in Illinois

Community Organizing and Family Issues

Community Renewal Society

Consumer Federation of America

Habitat for Humanity of Champaign County

Heartland Alliance for Human Needs & Human Rights

Housing Action Illinois

Illinois Asset Building Group

Illinois PIRG

Ladder Up

Mercy Housing Lakefront

North Lawndale Employment Network

Partners in Community Building, Inc.

Parents Organized to Win, Educate and Renew – Policy Action Council (POWER-PAC)

Project IRENE

Sargent Shriver National Center on Poverty Law

Spanish Coalition for Housing

Uni-Pres Kindercottage

Woodstock Institute

Working Credit

YWCA Chicago