Financial Inclusion for All Illinois

End Abuses in the Credit Repair Industry

False Promises are made every day to desperate people that, by paying a monthly fee, their credit score can be fixed

So-called “credit repair” companies promise to “fix” people's credit by getting negative items removed from their credit reports. They inundate the credit bureaus with frivolous disputes, knowing that items that don't get investigated within 30 days MUST be removed (per the Fair Credit Reporting Act of 1970).

What's the problem? Most of these removals are temporary. If a removed item was, in fact, legitimate and accurate, it will inevitably be reinserted - usually within 2-3 months. Credit Repair companies deceive consumers by NEVER telling them when removed items reappear. For this "help" credit repair companies typically charge $100-$200 per month, or an upfront fee ranging from $500-$1,500.

Predatory “credit repair” organizations:

- Are not providing a real, **lasting** service to help people;
- Are taking thousands of dollars from people without actually improving their credit;
- Are marketing most aggressively in communities of color and targeting people who have been turned down for housing, car loans, etc. because of poor credit;

What is the solution?

- Add teeth to existing federal laws;
- Prohibit “credit repair” companies from accepting fees from consumers without first providing proof of lasting results (proof results last at least 6 months);
- Give IDFPR the tools to ensure accountability by monitoring and enforcing compliance;

Support **HB3461** (Meyers-Martin) **SB2135** (Feigenholtz) ending abuses in the credit repair industry

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