



OFFICE OF THE MAYOR  
CITY OF CHICAGO

BRANDON JOHNSON  
MAYOR

**EXECUTIVE ORDER No. 2025-10**

**PROHIBITING THE SALE OR ASSIGNMENT OF CITY-OWNED MEDICAL DEBT AND ESTABLISHING FAIR, PUBLIC-INTEREST DEBT RECOVERY PRACTICES**

WHEREAS, the City of Chicago has an obligation to administer its fiscal responsibilities in a manner that protects residents from economic exploitation, advances equity, and preserves trust in public institutions; and

WHEREAS, debt owed to the City by Chicago residents most commonly arises from administrative fines and fees associated with essential civic systems—including parking tickets, traffic camera violations, vehicle compliance penalties, code enforcement fines, and other municipal assessments—rather than from discretionary consumer spending; and

WHEREAS, the medical debt owed to the City is fundamentally different from other forms of debt because it is incurred when residents seek emergency medical care, often under urgent circumstances and without meaningful choice; and

WHEREAS, the sale of debt owed to the City to private third-party entities may expose Chicago residents to abusive, deceptive, and coercive debt collection practices that have been documented in federal enforcement actions and oversight reports; and

WHEREAS, the Consumer Financial Protection Bureau and the Federal Trade Commission have found that debt buyers engage in practices including:

- Filing mass lawsuits without sufficient documentation, resulting in default judgments against unrepresented consumers;
- Attempting to collect inaccurate, inflated, or time-barred debts;
- Repeated, harassing, or misleading communications, including threats of legal action that cannot lawfully be taken; and

- Improper wage garnishment or bank account restraints based on erroneous information; and

WHEREAS, if such practices are allowed to be applied to municipal debt they could compound poverty, destabilize families, and extract wealth from neighborhoods; and

WHEREAS, the City of Chicago is uniquely and best situated to seek recovery of debt owed to the City from residents directly, because the City:

- Maintains original and accurate records of municipal assessments and payment histories;
- Can offer income-based repayment plans, hardship waivers, fee reductions, amnesty programs, and settlements aligned with residents' ability to pay;
- Is subject to democratic oversight, and transparency laws not applicable to private debt buyers;
- Has a direct interest in keeping residents housed, employed, and economically stable, recognizing that stability strengthens neighborhoods and long-term fiscal health; and

WHEREAS, retaining resident debt owed to the City within public control prevents the privatization of harm, ensures accountability, and aligns debt recovery with Chicago's values of dignity, fairness, and shared responsibility; now, therefore,

**I, BRANDON JOHNSON, MAYOR OF THE CITY OF CHICAGO, DO  
HEREBY ORDER AS FOLLOWS**

**Section 1. Prohibition on Sale or Assignment of Medical Debt**

No department of the City of Chicago shall sell, assign, or otherwise transfer any medical debt owed by an individual. For purposes of this Executive Order, medical debt refers to any debt owed to the City that is incurred as a result of the provision of emergency medical response services.

**Section 2. Public-Interest Debt Recovery Standards**

All City-administered debt recovery efforts shall:

1. Comply with all applicable federal, state, and local consumer-protection laws;
2. Prohibit harassment, misrepresentation, coercion, or intimidation;
3. Provide clear notice, accessible dispute adjudication processes, and transparent accounting; and

5. Prioritize long-term compliance and resident stability over short-term extraction.

The City will require any third party involved in debt collection to conform to the City-administered debt recovery efforts specified above.

### **Section 3. Implementation**

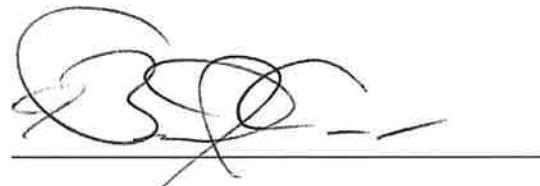
The Office of Budget and Management, the Chief Financial Officer and the Comptroller, in consultation with the Department of Law and relevant departments, shall issue guidance necessary to implement this Order and ensure consistency across City operations.

### **Section 4. Severability**

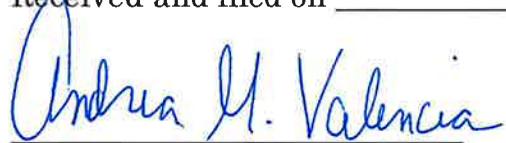
If any provision of this Executive Order is held invalid, such invalidity shall not affect the remaining provisions.

### **Section 5. Effective Date**

This Executive Order shall take effect upon its execution and filing with the City Clerk.

  
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Mayor

Received and filed on Dec 23, 2025

  
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Andria M. Valencia

City Clerk

Chicago City Clerk - Council D10  
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