



Illinois Enacts Public Act 1738: Modest but Meaningful Increases to Consumer Bankruptcy Exemptions

Springfield, IL – On August 1, 2025, Illinois officially enacted [Public Act 1738](#), legislation that updates the state’s personal property and homestead exemptions, offering modest but meaningful relief for consumer bankruptcy debtors across Illinois.

Public Act 1738 increases the **homestead exemption from \$15,000 to \$50,000 for a single individual and to \$100,000 when two or more individuals own the property**. These changes aim to provide stronger protections for homeowners facing financial hardship. **This legislation takes effect on January 1, 2026.**

The new law also updates other key personal property exemptions, including:

- Raising the motor vehicle exemption from **\$2,400 to \$3,600**;
- Increasing the exemption for implements, professional books, or tools of the debtor’s trade from **\$1,500 to \$2,250**.

In addition, Public Act 1738 introduces an **automatic exemption for judgment debtors in consumer debt cases**. This provision grants an automatic **\$1,000 exemption in a debtor's equity interest held in checking, savings, or credit union accounts** for judgments entered on or after January 1, 2020. This \$1,000 is considered part of the debtor’s existing \$4,000 personal property exemption. The law takes effect on **January 1, 2026**.

The National Association of Consumer Bankruptcy Attorneys (NACBA) spent nearly two years negotiating this bill and worked in close partnership with **Legal Action Chicago** to secure these protections.

“While these increases are modest, they represent a step in the right direction for Illinois families,” said Krista D’Amelio, NACBA Director of Government Affairs. “We know these changes will benefit many consumer bankruptcy debtors, and NACBA remains committed to advocating for stronger protections that help individuals achieve a true fresh start and retain the essential personal property they need to do so.”

About NACBA

The National Association of Consumer Bankruptcy Attorneys (NACBA) is the only nationwide organization dedicated to serving the needs of consumer bankruptcy attorneys and their clients. Founded in 1992, NACBA has been at the forefront of legislative advocacy, educational programming, and professional support for its members.