

Fiscal Estimate Narratives

DFI 3/10/2008

LRB Number	07-4012/2	Introduction Number	AB-0902	Estimate Type	Original
Description regulating the provision of debt-settlement services, granting rule-making authority, and providing a penalty.					

Assumptions Used in Arriving at Fiscal Estimate

This bill creates a new license type for "Debt Settlement Services" to be issued by the Division of Banking in the Department of Financial Institutions.

The Division estimates approximately 50 license applicants, most located outside of Wisconsin. The Division is to approve or deny a license application within 90 days.

To administer this legislation, the Division estimates approximately 1.0 FTE will be required to:
Develop and promulgate rules.

Review applications for completeness as described in the bill and communicate with applicants.

Perform periodic examinations of records, including at out-of-state locations

Receive and respond to inquiries and complaints from consumers using debt settlement service providers.

The Division anticipates that the number of complaints will be at a high level because of the unlimited fees.

Respond to general inquiries (written and verbal) from the industry regarding the legislation.

The cost for 1.0 Consumer Credit Examiner including fringe benefits and travel is \$95,900

Salary \$54,200

Fringe Benefits \$22,300

Examination Travel \$10,000

Computer, Phone, Supplies, Overhead \$ 9,000

Total Costs \$95,900

The Division does not currently have sufficient staffing to perform the requirements included in this bill.

Revenue

In its rule-make process, the Department will establish fees to cover costs.

Long-Range Fiscal Implications