

DRAFTER'S NOTE
FROM THE
LEGISLATIVE REFERENCE BUREAU

LRB-4235/P2dn
ARG:bjk:md

February 4, 2010

ATTN: Lori Youngman

Please review the attached draft carefully to ensure that it is consistent with your intent.

The attached draft repeals certain exceptions applicable to the Department of Veterans Affairs. I have no knowledge of DVA's Veterans Housing Loan Program and therefore I do not know whether the repeal of s. 224.71 (3) (b) 7., (4) (b) 9., and (6) (b) 4. will actually have any legal effect. This repeal will have a legal effect if DVA's operations under the program bring it within the definitions of mortgage banker, mortgage broker, or mortgage loan originator and if there is no other legal basis on which the state and state actors would be exempt from regulation under subch. III of ch. 224.

Prior to Act 2, a mortgage broker with a "bona fide office" in Wisconsin was required to file a \$10,000 bond *or* have a minimum net worth of \$100,000, but a mortgage broker without a "bona fide office" was required to file a \$120,000 bond *and* have a minimum net worth of \$250,000. *See* s. 224.72 (4m). Act 2 removed the "bona fide office" distinction and modified these amounts.

Please let me know if you would like any changes made to the attached draft or if you have any questions. If the attached draft meets with your approval, let me know and I will convert it to an introducible "/1" draft.

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