



WISCONSIN LEGISLATIVE COUNCIL AMENDMENT MEMO

2017 Senate Bill 586

Senate Amendment 1

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2017 SENATE BILL 586

2017 Senate Bill 586 (the bill) creates a framework for authorizing and regulating the sale of a “guaranteed asset protection waiver” offered in connection with the credit sale or lease of a motor vehicle.

The bill defines a “guaranteed asset protection waiver” as a contractual obligation under which a creditor agrees to cancel or waive all or part of amounts due on a borrower’s finance agreement, in the event of a total physical damage loss or unrecovered theft of the motor vehicle that is purchased or leased through the finance agreement.

Under the bill, a “guaranteed asset protection waiver” may be sold in connection with a: (1) a retail installment contract; (2) a consumer lease; or (3) a loan agreement in which a creditor extends credit to a retail buyer for the **purchase** of a motor vehicle.

SENATE AMENDMENT 1

Senate Amendment 1 expands the types of finance agreements with which a “guaranteed asset protection waiver” may be sold. Specifically, it provides that such a waiver may be sold in connection with a loan agreement in which a creditor extends credit to a borrower for the **purchase or refinancing** of a motor vehicle.

BILL HISTORY

On January 8, 2018, Senator Craig introduced Senate Amendment 1. On January 30, 2018, the Senate Committee on Insurance, Financial Services, Constitution and Federalism recommended adoption of Senate Amendment 1 by a vote of Ayes, 5; Noes, 0; and passage of the bill, as amended, by a vote of Ayes, 4; Noes, 1.

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