
Wisconsin Legislative Council

AMENDMENT MEMO



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2019 Senate Bill 457

Senate Amendment 2

2019 SENATE BILL 457

Senate Bill 457 makes a number of changes to current statutes regarding financial institutions and their regulation. In summary, the bill:

- Permits a financial institution to exercise its internal loan security interests on payable-on-death (POD) accounts prior to paying the POD beneficiary;
- Reduces the period for the payment procedure for lost, destroyed, or stolen checks from 90 days to 14 days;
- Permits an applicant for a mortgage loan originator license who meets certain specified requirements to temporarily act as a mortgage loan originator while the application is pending. This is in accordance with federal law;
- Specifies that a financial institution is liable for the surrender of garnishment or tax levy property only after the expiration of a reasonable time to comply with the order;
- Provides that a financial institution that transfers data to an independent data processing servicer retains the legal rights to the data transferred and requires an independent data processor to disclose all fees and charges and grounds for termination in separate contract provisions with a financial institution;
- Eliminates the 20-year term and asset limitation requirements for state banks who borrow from a federal home loan bank; and
- Consolidates the current Banking Review Board and Savings Institutions Review Board and renames the combined board the Banking Institutions Review Board.

SENATE AMENDMENT 2

Senate Amendment 2 eliminates the provision that permits a financial institution to exercise its internal loan security interests on POD accounts prior to paying the POD beneficiary. The amendment increases the period for the payment procedure for lost, destroyed, or stolen checks from the 14 days, under the bill, to 30 days. The amendment alters the provision under the bill where a financial institution is liable for the surrender of garnishment or tax levy property only after the expiration of a reasonable time to comply with the order to “no later than the end of the 2nd business day after the business day on which the order is received by the financial institution.” Finally, the amendment clarifies that the financial institution is not liable to the creditor for any property that leaves its possession during the two-day time frame and bears no responsibility to secure its return.

BILL HISTORY

Senate Amendment 2 to Senate Bill 457 was offered by Senator Marklein on October 22, 2019. The Senate Committee on Agriculture, Revenue, and Financial Institutions both recommended Senate Amendment 2 for adoption and Senate Bill 457 for passage, as amended, on October 24, 2019, by a vote of Ayes, 9; Noes, 0.

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