

1971 Assembly Bill 1128

Date published:
July 1, 1971

CHAPTER 60, Laws of 1971

AN ACT to amend 138.07 (3) (a) and 138.09 (7) (b) of the statutes, relating to loan rates of interest.

The people of the state of Wisconsin, represented in senate and assembly, do enact as follows:

SECTION 1. 138.07 (3) (a) of the statutes is amended to read:

138.07 (3) (a) When the payment of money loaned shall be secured, or purport to be secured by mortgage, bill of sale, pledge, receipt or other evidence of debt upon goods or property, or by assignment of wages, or by power of attorney to execute any such instrument on behalf of the borrower, whether any such instrument or the power given to execute the same, shall be valid or not, or whether any such instrument or power shall be fully executed or executed partly in blank, any person licensed under sub. (4) may take, accept and charge, in addition to the interest at the rate of \$14 upon \$100 for one year computed upon the declining principal balance of the loan, a service fee in an amount equal to 4% per annum of the loan for the time of such loan, disregarding part payments and the dates thereof, but not to be computed for a period exceeding one year in any event, in lieu of all charges for examinations, views, fees, appraisals, commissions and charges of any kind or description whatsoever in the procuring, making and transacting of the business connected with such loan. In addition to the service fee, a licensee under sub. (4) may charge an amount sufficient to cover the fee for filing the termination statement required by s. 409.404. The rate increase under this section shall cease on July 1, ~~1971~~ 1973. On and after such date, the rate shall revert to that rate specified in s. 138.05, except as to contracts executed prior to such date.

SECTION 2. 138.09 (7) (b) of the statutes is amended to read:

138.09 (7) (b) The discount may be any sum not exceeding 9% a year for the first \$300 and 8% a year for any additional amount, computed on the original face amount of the contract for the full period of the contract. If the contract is prepaid in full by cash, renewal or refinancing, the portion of the discount shall be refunded which is applicable to the full instalment periods (or the full months if the instalment period exceeds one month) originally scheduled to follow the date of prepayment. The amount of such refund shall be as great a proportion of the original discount as the sum of the balances scheduled to be outstanding during the full instalment periods following the date of prepayment bears to the sum of the balances scheduled to be outstanding for all instalment periods in the loan contracts but when the instalment periods exceed one month, the proportion shall be determined according to the balances scheduled to be outstanding during consecutive monthly periods. The rate increase shall cease on July 1, ~~1971~~ 1973. On and after such date, the discount shall not exceed 8% a year for the first \$300 and 7% a year for any additional amount, except as to contracts executed prior to such date.