



**SENATE SUBSTITUTE AMENDMENT 1,
TO 1995 SENATE BILL 417**

March 19, 1996 – Offered by COMMITTEE ON EDUCATION AND FINANCIAL INSTITUTIONS.

1 **AN ACT to create** 708.10 of the statutes; **relating to:** loan funds availability at
2 real estate closings.

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

3 **SECTION 1.** 708.10 of the statutes is created to read:

4 **708.10 Loan funds at closings. (1) DEFINITIONS.** In this section:

5 (a) “Affiliate” means, with respect to any lender, any person that controls, is
6 controlled by, or is under common control with, the lender.

7 (b) “Borrower” means a person who borrows money from a lender to finance a
8 transaction under a loan that is secured by a real estate mortgage.

9 (c) “Lender” means all lenders identified under s. 706.11 (1), loan solicitors, as
10 defined under s. 440.71 (2), and savings and loan associations organized under ch.
11 215, except that “lender” does not include any federal, state or local unit of
12 government or any agency, political subdivision or instrumentality of such a unit of
13 government.

14 (d) “Loan settlement” means the occurrence of all of the following:

1 1. The execution by the borrower of a promissory note, mortgage and any other
2 documents that are required by the lender to be signed as a condition to the granting
3 of a loan to the borrower.

4 2. The delivery of the proceeds of the loan to the borrower or to a 3rd party on
5 behalf of the borrower.

6 3. If the borrower has a right to rescind the loan under federal or state law, the
7 expiration of the borrower’s right of rescision.

8 (e) “Qualified loan funds” means any of the following:

9 1. Wire transfer.

10 2. Cashier’s check.

11 3. A check that is negotiable, as defined in s. 403.104 (1), and on which the
12 lender or an affiliate of the lender is the payer.

13 4. Transfer of the loan funds by the lender into an account maintained by the
14 lender or an affiliate of the lender in favor of the settlement agent or borrower.

15 (f) “Settlement agent” means a person retained by the lender who provides
16 services that benefit the lender and borrower in a transaction and who receives and
17 disburses money in connection with the transaction.

18 (g) “Transaction” means a transaction under s. 706.01 (1), including a
19 refinancing of an existing indebtedness that is secured by a mortgage on real
20 property, except that “transaction” does not include an open end credit plan as
21 defined under 15 USC 1602 (i).

22 (h) “Wire transfer” means the electronic funds transfer system of the federal
23 reserve banks. When funds are transferred by wire transfer, delivery of the funds
24 is complete when a transaction number has been assigned to the wire transfer.

