



WISCONSIN LEGISLATIVE COUNCIL AMENDMENT MEMO

2017 Assembly Bill 691

**Assembly
Amendments 1 and 2**

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2017 ASSEMBLY BILL 691

2017 Assembly Bill 691 (“the bill”) imposes minimum qualifications for third party bidders at a mortgage foreclosure sale. Under the bill, no third party may bid at a foreclosure sale if the third party: (1) is more than 120 days delinquent on property taxes; or (2) has an unsatisfied court judgment related to a violation of a state or local building code. The prohibition extends to businesses with which the third party is connected, and no bid may be later assigned to any person who would not qualify as a third party bidder. Third party bidding qualifications must be identified in the notice of sale.

The bill also requires third party bidders to make certain prebidding acknowledgements and file an affidavit with the court affirming that he or she meets minimum bidding qualifications. The court can take certain adverse actions if the affidavit contains a false representation, and if the false representation was made knowingly, the court can order up to a \$1,000 forfeiture and prohibit the person from bidding in that county for up to one year.

ASSEMBLY AMENDMENT 1

Assembly Amendment 1 changes the definition of third party bidder to include not only individuals who submit a bid but also individuals who intend to submit a bid. It also specifies that the third party bidder must submit the affidavit of qualification prior to confirmation of sale, and allows the sheriff or referee flexibility to decide what prebidding acknowledgements the third party bidder must make.

ASSEMBLY AMENDMENT 2

Assembly Amendment 2 states that the bill's provisions do not prohibit an individual from assigning a bid to Fannie Mae or Freddie Mac.

BILL HISTORY

Representatives Katsma and Goyke offered Assembly Amendment 1 on January 8, 2018, and Assembly Amendment 2 on January 11, 2018. On January 18, 2018, the Assembly Committee on Local Government recommended adoption of Assembly Amendments 1 and 2, and also recommended passage of 2017 Assembly Bill 691, as amended, each on a vote of Ayes, 7; Noes, 0.

AB:jal