



2009 ASSEMBLY BILL 310

June 8, 2009 – Introduced by Representatives ZEPNICK, SINICKI and SPANBAUER.
Referred to Committee on Financial Institutions.

1 **AN ACT** *to create* 138.15 of the statutes; **relating to:** motor vehicle title loans.

Analysis by the Legislative Reference Bureau

Under current law, a lender other than a bank, savings bank, savings and loan association, or credit union generally must obtain a license from the Department of Financial Institutions to assess a finance charge greater than 18 percent per year. This type of lender is generally referred to as a “licensed lender.” A licensed lender must have a separate license for each place of business it maintains. Current law also contains numerous provisions regulating consumer loans, which are generally loans of \$25,000 or less made to individuals for personal, family, or household purposes.

This bill prohibits a licensed lender from making or offering a motor vehicle title loan. The bill defines “motor vehicle title loan” as a loan of \$25,000 or less to a borrower that is, or is to be, secured by a nonpurchase money security interest in the borrower’s motor vehicle and that has an original term of not more than three months. Under the bill, a “borrower” is an individual who obtains or seeks to obtain a motor vehicle title loan for personal, family, or household purposes.

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

2 **SECTION 1.** 138.15 of the statutes is created to read:

3 **138.15 Motor vehicle title loans. (1) DEFINITIONS.** In this section:

