

**DRAFTER'S NOTE**  
**FROM THE**  
**LEGISLATIVE REFERENCE BUREAU**

LRB-0827/1dn  
RJM:jlg:kjf

July 8, 1999

1. With the permission of your office, I completed the attached redraft upon the request of Walt Stewart. I received three faxes from Walt Stewart requesting various changes and additions to the original draft and I have attempted to incorporate the intent of those changes and additions into this draft. If this draft is not consistent with your intent, please let me know.

2. Walt Stewart requested an amendment to the definition of the term "precomputed." This amendment resulted in a need to amend the definition of the phrase "other than open-end credit" in order to preserve the current meaning. Please review this change and let me know if it is not consistent with your intent. See proposed s. 421.301 (29).

3. This bill makes changes to ch. 138 in order to maintain consistency between the consumer act and the licensed lender law. Please let me know if you do not intend to make these changes to ch. 138.

4. Under the proposed changes to the licensed lender law and the consumer act, certain amounts of prepaid interest or finance charges are not subject to the provisions requiring a rebate upon prepayment of a loan or transaction. See proposed s. 138.09 (7) (gt), for example. Do you intend to make a similar change to s. 138.052 (3), regarding the prepayment of a residential mortgage loan? If so, please let me know.

5. Walt Stewart requested that s. 422.202 (2m), stats., be amended to specify that a fee collected under that subsection is not subject to rebate upon prepayment. However, this change is unnecessary and I did not include it. Section 422.209, stats., requires a rebate of unearned finance charges upon prepayment. The definition of the term "finance charge" in s. 421.301 already excludes charges under s. 422.202.

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