


<b>1999 Session</b>		LRB Number <b>99-0827/6</b>
<b>FISCAL ESTIMATE</b> DOA-2048 N(R06/99)	<input checked="" type="checkbox"/> ORIGINAL <input type="checkbox"/> UPDATED <input type="checkbox"/> CORRECTED <input type="checkbox"/> SUPPLEMENTAL	Bill Number <b>AB 686</b>
<b>Subject</b>  <b>Loan administration fees, origination fees, refunding methods</b>		Amendment No. if Applicable  Administrative Rule Number
<b>Fiscal Effect</b> State: <input type="checkbox"/> No State Fiscal Effect Check columns below only if bill makes a direct appropriation or affects a sum sufficient appropriation.		
<input type="checkbox"/> Increase Existing Appropriation <input type="checkbox"/> Increase Existing Revenues <input type="checkbox"/> Decrease Existing Appropriation <input type="checkbox"/> Decrease Existing Revenues <input type="checkbox"/> Create New Appropriation		<input type="checkbox"/> Increase Costs - May be possible to Absorb Within Agency's Budget <input type="checkbox"/> Yes <input type="checkbox"/> No  <input type="checkbox"/> Decrease Costs
Local: <input type="checkbox"/> No local government costs		
1. <input type="checkbox"/> Increase Costs <input type="checkbox"/> Permissive <input type="checkbox"/> Mandatory 2. <input type="checkbox"/> Decrease Costs <input type="checkbox"/> Permissive <input type="checkbox"/> Mandatory	3. <input type="checkbox"/> Increase Revenues <input type="checkbox"/> Permissive <input type="checkbox"/> Mandatory 4. <input type="checkbox"/> Decrease Revenues <input type="checkbox"/> Permissive <input type="checkbox"/> Mandatory	5. Types of Local Governmental Units Affected: <input type="checkbox"/> Towns <input type="checkbox"/> Villages <input type="checkbox"/> Cities <input type="checkbox"/> Counties <input type="checkbox"/> Others _____ <input type="checkbox"/> School Districts <input type="checkbox"/> WTCS Districts
<b>Fund Sources Affected</b> <input type="checkbox"/> GPR <input type="checkbox"/> FED <input type="checkbox"/> PRO <input type="checkbox"/> PRS <input type="checkbox"/> SEG <input type="checkbox"/> SEG-S		<b>Affected Chapter 20 Appropriations</b>
<b>Assumptions Used in Arriving at Fiscal Estimate</b>  <p><b>This bill affects the Wisconsin Consumer Act, licensed lender law, and the law covering mortgages on family residential dwellings.</b></p> <p><b>There are ambiguities in this bill that make interpreting the impact and identifying a fiscal effect problematical. Because of the uncertainty associated with some of the provisions in this bill, we cannot ascertain a fiscal impact at this time.</b></p> <p><b>As an example, under the bill, "prepaid charge" now includes "That portion of any charge permitted under par. (i)1. that is paid separately, in cash or otherwise, directly or indirectly to the creditor or with the creditor's knowledge to another person, or withheld by the creditor, from the proceeds of the credit extended, and that is greater than one-half of the total scheduled finance charge applicable to the loan." This is confusing, in part, because, for open end transactions, there is no way to calculate the total scheduled finance charge. In addition, the bill redefines terms such as prepaid charge, precomputed loan and principal. These terms, as they currently exist, are coordinated with the Truth in Lending law (Regulation Z), and making changes will have unknown consequences.</b></p>		
<b>Long-Range Fiscal Implications</b>		
Prepared by: <b>Susan Dietzel</b>	Telephone No. <b>267-0399</b>	Agency <b>DFI</b>
Authorized Signature: 	Telephone No. <b>267-0399</b>	Date <b>2/18/00</b>