

1999 DRAFTING REQUEST

Assembly Amendment (AA-ASA1-AB133)

Received: 07/8/99

Received By: **rmarchan**

Wanted: **Soon**

Identical to LRB:

For: **Legislative Fiscal Bureau**

By/Representing: **Russell**

This file may be shown to any legislator: **NO**

Drafter: **rmarchan**

May Contact:

Alt. Drafters:

Subject: **Fin. Inst. - banking inst.**

Extra Copies:

Pre Topic:

LFB:.....Russell -

Topic:

Interest rate on home mortgage escrow accounts

Instructions:

See Attached

Drafting History:

<u>Vers.</u>	<u>Drafted</u>	<u>Reviewed</u>	<u>Typed</u>	<u>Proofed</u>	<u>Submitted</u>	<u>Jacketed</u>	<u>Required</u>
/?	rmarchan 07/9/99	chanaman 07/9/99		_____			
/1			jfrantze 07/12/99	_____	lrb_docadmin 07/12/99		

FE Sent For:

<END>

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1/?	rmarchan	<i>cmr 7/9</i>	<i>[Signature] 7/12</i>	<i>[Signature] / Km 7/12</i>			

FE Sent For:

11

<END>

All together w/ Universal Bank draft
A 61671
A 51672
A 61673

1. NAME CHANGE FOR DIVISION OF SAVINGS AND LOAN

Assembly: Restore the Governor's proposal to change the name of the Division of Savings and Loan in the Department of Financial Institutions (DFI) to the Division of Savings Institutions. Provide that any action taken by the Division of Savings and Loan between July 1, 1996, and the bill's general effective date under the name of the Division of Savings Institutions would have the same force and effect in all respects as if the action had been taken under the name of the Division of Savings and Loan.

Senate: No change to Joint Finance.

2. INSURANCE PREMIUM FINANCE COMPANY LICENSES

Assembly: Restore the Governor's proposal to provide the Division of Banking in the Department of Financial Institutions, rather than the Commissioner of Insurance, with the authority to revoke or suspend the license of an insurance premium finance company under the conditions specified in the statutes.

Currently, the Division of Banking is responsible for issuing licenses for insurance finance premium companies and for enforcing all state regulations relating to insurance premium finance companies, except that the Commissioner of Insurance is authorized to revoke or suspend the license of such a company. This provision would make the Division responsible for revoking or suspending the license of an insurance premium finance company, under the conditions specified in the statutes, thereby maintaining consistency in the authority of the Division with respect to regulation of such companies.

Senate: No change to Joint Finance.

3. INTEREST RATE ON HOME MORTGAGE ESCROW ACCOUNTS

Assembly: Restore the Governor's proposal to clarify that the Division of Banking (DOB) must report information to the Division of Savings and Loan [whose name would change to the Division of Savings Institutions (DSI) under the amendment] to be used in calculating the interest rate that must be paid on residential mortgage escrow accounts. Under current law, DSI calculates the interest rate for escrow accounts based on information regarding interest rates paid on passbook accounts provided by the Office of Credit Unions (OCU) and the Division of Banking. However, the current statutes do not specifically require DOB to provide this information to DSI.

Senate: No change to Joint Finance.



State of Wisconsin
1999 - 2000 LEGISLATURE

1
LRBb1673/0
RJM:cmh
RMUR

SOON

LFB:.....Russell - Interest rate on home mortgage escrow accounts

FOR 1999-01 BUDGET - NOT READY FOR INTRODUCTION

DATE

AMENDMENT

TO ASSEMBLY SUBSTITUTE AMENDMENT 1,

TO 1999 ASSEMBLY BILL 133

INSERT 1-1

1

At the locations indicated, amend the substitute amendment as follows:

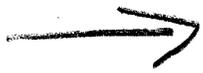
****NOTE: This draft also incorporates the name change for the division of savings and loan that was approved by the committee of conference and that is the subject of LRBb1671. If the name change for the division of savings and loan is not included in the committee of conference's super amendment, then this draft will need to be changed to fix the references to the division of savings and loan.

U.S. comptroller of the currency, federal home loan bank board, U.S. office of thrift supervision, federal deposit insurance corporation, resolution trust corporation, division of banking or division of savings and loan institutions proposes to sell its assets to another credit union, bank, savings bank or savings and loan association which agrees to assume a part or all of the deposit liability of such selling credit union, bank, savings bank or savings and loan association and to pay the same on a deferred payment basis, the governing board of the public depositor may, on the approval of the division of banking, join in the execution of any reorganization plan, or any stabilization and readjustment agreement, or any depositor's agreement relative to a proposed sale of assets if, in its judgment and that of the division of banking, the reorganization plan or stabilization and readjustment agreement or proposed sale of assets is in the best interest of all persons concerned. The joining in any reorganization plan, or any stabilization and readjustment agreement, or any proposed sale of assets which meets the approval of the division of banking does not waive any rights under this chapter." *INSERT 1-1*

➔ ① ~~B~~. Page 1139, line 11: after that line insert:

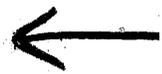
"SECTION 2166a. 138.052 (5) (am) 2. a. of the statutes is amended to read:
138.052 (5) (am) 2. a. On January 1, 1994, and annually thereafter, the division of banking for banks, the division of savings and loan institutions for savings and loan associations and savings banks and the office of credit unions for credit unions shall determine the interest rate that is the average of the interest rates paid, rounded to the nearest one-hundredth of a percent, on regular passbook deposit accounts by institutions under the division's or office's jurisdiction at the close of the

~~last quarterly reporting period that ended at least 30 days before the determination is made.~~



“SECTION 2167a. 138.052 (5) (am) 2. b. of the statutes is amended to read:

138.052 (5) (am) 2. b. The office of credit unions and the division of banking shall report the rate calculated to the division of savings and loan institutions within 5 days after the date on which the determination is made. The division of savings and loan institutions shall calculate the average, rounded to the nearest one-hundredth of a percent, of the 3 rates and report that interest rate to the revisor of statutes within 5 days after the date on which the determination is made.”



~~SECTION 2168a. 138.055 (4) (a) of the statutes is amended to read:~~

~~138.055 (4) (a) The division of savings and loan institutions, if the lender is a savings and loan association or savings bank;~~

~~SECTION 2169a. 138.056 (1) (a) 4. a. of the statutes is amended to read:~~

~~138.056 (1) (a) 4. a. The division of savings and loan institutions, if the lender is a savings and loan association or savings bank;”~~

~~7. Page 1139, line 23: after that line insert:~~

~~“SECTION 2170a. 138.12 (5) (a) of the statutes is amended to read:~~

~~138.12 (5) (a) The ~~commissioner~~ division may revoke or suspend the license of any insurance premium finance company if the ~~commissioner~~ division finds that any of the following:~~

- ~~1. Any license issued to such company was obtained by fraud.~~
- ~~2. There was any misrepresentation in the application for the license.~~
- ~~3. The holder of such license has otherwise shown himself or herself untrustworthy or incompetent to act as a premium finance company.~~

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

LRBb1673/1dn
RJM:.....

emh

Faith Russell:

The attached amendment clarifies that the division of banking must report information to the division of savings institutions to be used in calculating the interest rate that must be paid on residential mortgage escrow accounts. Please let me know if you have any questions.

Robert J. Marchant
Legislative Attorney
Phone: (608) 261-4454
E-mail: Robert.Marchant@legis.state.wi.us

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

LRBb1673/1dn
RJM:cmh:jf

July 12, 1999

Faith Russell:

The attached amendment clarifies that the division of banking must report information to the division of savings institutions to be used in calculating the interest rate that must be paid on residential mortgage escrow accounts. Please let me know if you have any questions.

Robert J. Marchant
Legislative Attorney
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State of Wisconsin
1999 - 2000 LEGISLATURE

LRBb1673/1
RJM:cmh:jf

LFB:.....Russell – Interest rate on home mortgage escrow accounts

FOR 1999-01 BUDGET — NOT READY FOR INTRODUCTION

AMENDMENT

TO ASSEMBLY SUBSTITUTE AMENDMENT 1,

TO 1999 ASSEMBLY BILL 133

1 At the locations indicated, amend the substitute amendment as follows:

2 **1.** Page 1139, line 11: after that line insert:

3 **“SECTION 2167a.** 138.052 (5) (am) 2. b. of the statutes is amended to read:

4 138.052 (5) (am) 2. b. The office of credit unions and the division of banking

5 shall report the rate calculated to the division of savings and loan institutions within

6 5 days after the date on which the determination is made. The division of savings

7 and loan institutions shall calculate the average, rounded to the nearest

8 one-hundredth of a percent, of the 3 rates and report that interest rate to the revisor

9 of statutes within 5 days after the date on which the determination is made.”.

****NOTE: This draft also incorporates the name change for the division of savings
and loan that was approved by the committee of conference and that is the subject of

LRBb1671. If the name change for the division of savings and loan is not included in the committee of conference's super amendment, then this draft will need to be changed to fix the references to the division of savings and loan.

1

(END)