

2001 SENATE BILL 392

January 18, 2002 – Introduced by Senators HANSEN, PLACHE, DECKER, BURKE and WIRCH, cosponsored by Representatives SERATTI, MUSSER, SCHNEIDER, AINSWORTH, HINES, J. LEHMAN, POCAN, PLOUFF, MILLER, BOCK and ALBERS. Referred to Committee on Privacy, Electronic Commerce and Financial Institutions.

- 1 **AN ACT to create** 422.308 (2m) of the statutes; **relating to:** billing statement
2 disclosures under certain consumer credit plans.

Analysis by the Legislative Reference Bureau

Under current law, a transaction in which a consumer is granted credit in an amount of \$25,000 or less and which is entered into for personal, family, or household purposes is generally subject to the Wisconsin Consumer Act (consumer act). Currently, a creditor under an open-end credit plan (typically, a credit card) that is within the scope of the consumer act must make certain disclosures with regard to the open-end credit plan. This bill requires an additional disclosure that applies to the creditor under a credit card that is subject to the consumer act. If such a creditor furnishes the consumer with a periodic statement that states a minimum payment due under the credit card, the creditor must include, as part of or along with the periodic statement, a notice indicating the length of time it will take the consumer to pay off the debt owing under the credit card and the total amount of finance charges the consumer will pay if the consumer enters into no transactions under the credit card after the date of the periodic statement and makes only the minimum payment every billing cycle. If the consumer is unable to pay off the debt owing under the credit card by making only the minimum monthly payment every billing cycle, the notice must indicate that fact.

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

SENATE BILL 392

1 **SECTION 1.** 422.308 (2m) of the statutes is created to read:

2 422.308 **(2m)** (a) This subsection applies to every open–end credit plan under
3 which a customer obtains credit pursuant to an application described under sub. (1)
4 or pursuant to a transaction described under sub. (2) and obtains a credit card.
5 Except as otherwise provided in this paragraph, if the creditor under the open–end
6 credit plan furnishes the customer with a periodic statement that states a minimum
7 payment due under the open–end credit plan, the creditor shall include, as part of
8 or along with the periodic statement, a notice in not less than 12–point boldface type
9 indicating the length of time it will take the customer to pay off the debt owing under
10 the open–end credit plan and the total amount of finance charges the customer will
11 pay if the customer enters into no transactions under the open–end credit plan after
12 the date of the periodic statement and makes only the minimum payment every
13 billing cycle. If the customer is unable to pay off the debt owing under the open–end
14 credit plan by making only the minimum payment every billing cycle, the notice shall
15 so indicate.

16 (b) If the notice required under par. (a) is provided as part of the periodic
17 statement, the notice shall be displayed in a box, some portion of which is located one
18 inch or less from the statement of the minimum payment due. If the notice is
19 provided along with the periodic statement, the notice shall include a restatement
20 of the minimum payment due and shall be displayed in a box, some portion of which
21 is located one inch or less from the restatement of the minimum payment due.

22 **SECTION 2. Initial applicability.**

23 (1) This act first applies to periodic statements provided on the effective date
24 of this subsection.

25 **SECTION 3. Effective date.**

