

**2001 DRAFTING REQUEST**

**Bill**

Received: 11/12/2001

Received By: **rmarchan**

Wanted: **As time permits**

Identical to LRB:

For: **David Hansen (608) 266-5670**

By/Representing: **jay**

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

Drafter: **rmarchan**

May Contact:

Addl. Drafters:

Subject: **Fin. Inst. - WCA**

Extra Copies:

Submit via email: **YES**

Requester's email: **Sen.Hansen@legis.state.wi.us**

Carbon copy (CC:) to: **jay.wadd@legis.state.wi.us**

**Pre Topic:**

No specific pre topic given

**Topic:**

Billing statements for open-end credit plans

**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 11/12/2001	rschluet 11/14/2001		_____			
/1	rmarchan 01/08/2002	jdyer 01/09/2002	jfrantze 11/14/2001	_____	lrb_docadmin 11/14/2001		
/2			jfrantze	_____	lrb_docadmin	lrb_docadmin	

Vers.   Drafted   Reviewed   Typed   Proofed   Submitted   Jacketed   Required

01/09/2002 \_\_\_\_\_ 01/09/2002 01/09/2002

FE Sent For:

<END>

none needed

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			01/09/2002 _____		01/09/2002		

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/?	rmarchan 11/12/2001	rschluet 11/14/2001		_____			
/1		<i>1/2 H jld</i>	jfrantze 11/14/2001	_____	lrb_docadmin 11/14/2001		
			<i>Bill a</i>	<i>1/9</i>			

FE Sent For:

**<END>**

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#### Bill

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#### Topic:

Billing statements for open-end credit plans

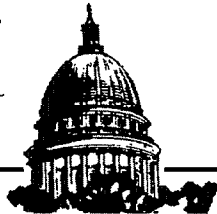
#### Instructions:

See Attached

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1/?	rmarchan	<i>[Signature]</i> 11-14-1	<i>[Signature]</i> 11/14	<i>[Signature]</i> 11/14			
		11/14 jld					

FE Sent For: <END>



WISCONSIN STATE SENATE

**DAVE HANSEN**

SENATOR – 30TH DISTRICT

---

State Capitol P.O. Box 7882 Madison, Wisconsin 53707-7882 Phone: (608) 266-5670

### Drafting Instructions

TO: Robert Marchant, LRB  
FR: Jay Wadd, Senator Hansen  
RE: Truth in Lending Legislation

It was noted recently that if a person accumulates \$8,000 of debt on a credit card and only makes the minimum payment it would take 47 years to pay of the \$8,000 balance.

Currently credit card companies are not required to display on credit card bills how long it would take someone to pay off their credit card debt if they only made then minimum payments.

Instructions: Draft legislation requiring credit card companies to print in conspicuous fashion, how long it would take to pay off the existing balance if only the minimum payment is made.





State of Wisconsin  
2001 - 2002 LEGISLATURE

LRB-4240-1

RJM:.....  
13 + Jld  
Rm NE

11-30-01

~~PRELIMINARY DRAFT - NOT READY FOR INTRODUCTION~~

DWOTZ

gen

1 AN ACT <sup>gen</sup>...; relating to: billing statement disclosures under certain consumer  
2 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 an open-end credit plan furnishes the consumer with a periodic statement that states a minimum monthly payment due under the open-end credit plan. The bill requires such a creditor to 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 open-end credit plan if the consumer enters into no transactions under the open-end credit plan after the date of the periodic statement and makes only the minimum monthly payment every month. If the consumer is unable to pay off the debt owing under the open-end credit plan by making only the minimum monthly payment every month, the notice must indicate that fact.

a credit card that is subject to the consumer act. If such a creditor

to credit card

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

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

2 422.308 (2m) This <sup>Subsection</sup> ~~paragraph~~ 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) <sup>and obtains a credit card</sup> Except as otherwise provided  
5 in this subsection, <sup>✓</sup> if the creditor under the open-end credit plan furnishes the  
6 customer with a periodic statement that states a minimum ~~monthly~~ payment due  
7 under the open-end credit plan, the creditor shall include, as part of or along with  
8 the periodic statement, a notice in not less than 12-point boldface type <sup>✓</sup> indicating the  
9 length of time it will take the customer to pay off the debt owing under the open-end  
10 credit plan if the customer enters into no transactions under the open-end credit  
11 plan after the date of the periodic statement and makes only the minimum ~~monthly~~  
12 payment every month. If the customer is unable to pay off the debt owing under the  
13 open-end credit plan by making only the minimum ~~monthly~~ payment every month,  
14 the notice shall so indicate.

15 SECTION 2. Initial applicability.

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

18 SECTION 3. Effective date.

19 (1) This act takes effect on the first <sup>✓</sup> day of the <sup>2nd</sup> ~~second~~ month beginning after  
20 publication.

21 (END)

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

LRB-4240/1dn

RJM:.....

rs+jld

*Date*

Senator Hansen:

*draft*  
Please note that I have placed the statute proposed under this draft in the Wisconsin Consumer Act. Like other protections in the consumer act, the disclosure required under this ~~bill~~ will not apply to billing statements for credit cards issued to businesses or to persons who obtain credit for an agricultural purpose. Also, please note the delayed effective date, which is intended to allow creditors time to change their billing procedures in order to comply with the draft.

Please let me know if you desire any changes or 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**

LRB-4240/1dn  
RJM:rs&jld:jf

November 14, 2001

Senator Hansen:

Please note that I have placed the statute proposed under this draft in the Wisconsin Consumer Act. Like other protections in the consumer act, the disclosure required under this draft will not apply to billing statements for credit cards issued to businesses or to persons who obtain credit for an agricultural purpose. Also, please note the delayed effective date, which is intended to allow creditors time to change their billing procedures in order to comply with the draft.

Please let me know if you desire any changes or if you have any questions.

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

FRI 1-11

Rm NR  
DNOTE

2001 BILL

Regen

- 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 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 month. If the consumer is unable to pay off the debt owing under the credit card by making only the minimum monthly payment every month, the notice must indicate that fact.

billings cycled

and the total amount of finance charges the consumer will pay

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

**BILL**

(a) ✓

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

2 422.308 (2m) 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 <sup>paragraph</sup> ~~subsection~~, 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 <sup>and the total amount of finance charges the customer will pay</sup> if the customer enters into no transactions under the  
 11 open-end credit plan after the date of the periodic statement and makes only the  
 12 minimum payment every ~~month~~ <sup>billing cycle</sup>. If the customer is unable to pay off the debt owing  
 13 under the open-end credit plan by making only the minimum payment every ~~month~~,  
 14 the notice shall so indicate.

15 **SECTION 2. Initial applicability.**

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

18 **SECTION 3. Effective date.**

19 (1) This act takes effect on the first day of the 2nd month beginning after  
20 publication.

21 (END)

¶ (b) If the notice required under par. (a) <sup>is</sup> provided as part of the periodic statement, the notice shall be displayed in a box, some portion of which is located one inch or less from the statement of the minimum payment due. If the notice is provided along with the periodic statement, the notice shall include a restatement of the minimum payment due and shall be displayed in a box, some portion of which is located one inch or less from the restatement of the minimum payment due.

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

LRB-4240/2dn

RJM: *...*

*jld*

Senator Hansen:

*one*

Attached is the draft you requested regarding credit card billing disclosures. Please review the draft to ensure that it accomplishes your intent. Because the required disclosure must be in 12-point type, it is unavoidable that some portion of the disclosure will be more than *one* inch from the statement of the minimum payment due. For this reason, the draft requires the disclosure to be set off by a box, at least some portion of which is within *one* inch of the statement of the minimum payment due. I have also changed the draft to refer to a minimum payment for a billing cycle, rather than a minimum monthly payment, in order to clarify that the draft applies regardless of whether a creditor follows a monthly billing cycle.

Please let me know if you have any questions or if you desire any additional changes to the draft.

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

**Marchant, Robert**

---

**From:** Ellinger, Lisa  
**Sent:** Monday, January 07, 2002 2:23 PM  
**To:** Marchant, Robert  
**Subject:** LRB 4240

A couple of additions to LRB 4240.

-in addition to the length of time, please also require the posting of the amount of interest that will have accrued over that time period

-specify that the time and interest amounts be displayed near the amount due - eg, within 1 inch of the amount due.

Thanks. Please let me know when you expect to be able make these changes. We would like to circulate this bill in the near future.

**Lisa Ellinger**  
**Office of State Senator Dave Hansen**  
**State Capitol - Room 319 South**  
**PO Box 7882**  
**Madison WI 53707**  
**608-266-5670**  
**608-267-6791 FAX**



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

LRB-4240/2dn  
RJM:rs&ild:jf

January 9, 2002

Senator Hansen:

Attached is the draft you requested regarding credit card billing disclosures. Please review the draft to ensure that it accomplishes your intent. Because the required disclosure must be in 12-point type, it is unavoidable that some portion of the disclosure will be more than one inch from the statement of the minimum payment due. For this reason, the draft requires the disclosure to be set off by a box, at least some portion of which is within one inch of the statement of the minimum payment due. I have also changed the draft to refer to a minimum payment for a billing cycle, rather than a minimum monthly payment, in order to clarify that the draft applies regardless of whether a creditor follows a monthly billing cycle.

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

**Barman, Mike**

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**From:** Ellinger, Lisa  
**Sent:** Wednesday, January 09, 2002 3:04 PM  
**To:** LRB.Legal  
**Subject:** Draft review: LRB-4240/2 Topic: Billing statements for open-end credit plans

It has been requested by <Ellinger, Lisa> that the following draft be jacketed for the SENATE:

Draft review: LRB-4240/2 Topic: Billing statements for open-end credit plans