

2003 DRAFTING REQUEST**Senate Amendment (SA-AB665)**Received: **03/11/2004**Received By: **jkreye**Wanted: **Today**

Identical to LRB:

For: **Judith Robson (608) 266-2253**By/Representing: **kathy**This file may be shown to any legislator: **NO**Drafter: **jkreye**

May Contact:

Addl. Drafters:

Subject: **Fin. Inst. - miscellaneous**Extra Copies: **CMH; ARG**Submit via email: **YES**Requester's email: **Sen.Robson@legis.state.wi.us**Carbon copy (CC:) to: **joseph.kreye@legis.state.wi.us****Pre Topic:**

No specific pre topic given

Topic:

Payday loan providers; minimum terms and maximum rates

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>
/?	jkreye 03/11/2004	kfollett 03/11/2004		_____			
/1			jfrantze 03/11/2004	_____	sbasford 03/11/2004	sbasford 03/11/2004	

FE Sent For:

<END>

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/?	jkreye	1/1/04 3/11	J 3/11	J 3/11			
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FE Sent For:

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2003

Date (time) needed

NOW

LRBa 2928, 1

VR: wtj: 188

AMENDMENT

See form AMENDMENTS — COMPONENTS & ITEMS.

S A AMENDMENT

TO S A AMENDMENT _____ (LRBa _____ /),

TO S A SUBSTITUTE AMENDMENT _____ (LRBs _____ /),

TO 2003 SB SJR SR AB AJR AR 665 (LRB- _____ /)

At the locations indicated, amend the bill, as shown by assembly substitute amendment 1, as follows:

(fill ONLY if "engrossed" or "as shown by")

#. Page 4, line 12: delete lines 12 and 13 and substitute:

INSERT A

~~#. Page, line~~

<end>

by assembly amendment 1,

SENATE BILL 345

a term of less than 30 days. The bill also requires a payday loan provider to give each borrower copies of educational brochures prepared by DFI regarding the operation and potential costs of payday loans, to make annual reports to the division of banking in DFI, and to pay annually any reasonable filing fee imposed by the division of banking in DFI.

For further information see the *state* fiscal estimate, which will be printed as an appendix to this bill.

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

SECTION 1. 138.09 (title) of the statutes is repealed and recreated to read:

138.09 (title) Licensed lenders.

SECTION 2. 138.14 of the statutes is created to read:

138.14 Payday loan providers. (1) DEFINITIONS. In this section:

(a) "Check" has the meaning given in s. 403.104 (6).

(b) "Department" means the department of financial institutions.

(c) "Division" means the division of banking.

(d) "Payday loan" means any of the following:

1. A transaction between a person and the issuer of a check in which the person agrees to accept a check from the issuer, hold the check for a period of time before negotiating or presenting the check for payment, and pay to the issuer, upon accepting the check, the amount of the check less any applicable fee.

2. A refinancing or consolidation of a transaction described in subd. 1.

(e) "Payday loan provider" means a person, other than a bank, savings bank, savings and loan association, or credit union, who makes payday loans in the ordinary course of business.

~~(2)~~ ^(6m) **MAXIMUM FEES AND INTEREST FOR PAYDAY LOANS.** Notwithstanding ss. 138.09 and 422.201 (9), no payday loan provider may charge, contract for, or receive fees and

INSERT
A

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1 interest for a payday loan in an aggregate amount that exceeds 5% of the amount of
2 the payday loan. (6p)^(b)

3 ~~(3)~~ MINIMUM TERM FOR PAYDAY LOANS. No payday loan provider may make a
4 payday loan with a term of less than 30 days. *end of INSERT A.*

5 ~~(4) DISCLOSURE REQUIREMENTS. (a) Except as provided in par. (b), before~~
6 ~~disbursing funds pursuant to a payday loan, a payday loan provider shall provide the~~
7 ~~person obtaining the payday loan with a copy of each brochure provided by the~~
8 ~~department under sub. (6).~~

9 (b) Paragraph (a) does not apply if the person obtaining the payday loan has
10 previously received a copy of each brochure from the payday loan provider.

11 ~~(5) REPORTING AND RECORDKEEPING. (a) On or before March 15, every payday~~
12 ~~loan provider shall make an annual report to the division and shall pay any~~
13 ~~reasonable filing fee imposed by the division. The report shall cover business~~
14 ~~relating to payday loans made by the payday loan provider during the preceding~~
15 ~~calendar year and shall include any relevant information required by the division.~~
16 ~~The report shall be made upon forms provided by the division and shall be signed and~~
17 ~~verified by the oath or affirmation of the payday loan provider if an individual, one~~
18 ~~of the partners if a partnership, a member or manager if a limited liability company,~~
19 ~~or an officer of the corporation or association if a corporation or association. A payday~~
20 ~~loan provider that is licensed under s. 138.09 may include the information required~~
21 ~~to be reported under this paragraph in the payday loan provider's report under s.~~
22 ~~138.09 (3) (f), if the information required under this paragraph is stated separately~~
23 ~~in the report from information relating to the payday loan provider's other business.~~