

2003 DRAFTING REQUEST

Assembly Amendment (AA-ASA1-AB792)

Received: 02/24/2004

Received By: agary

Wanted: Soon

Identical to LRB:

For: Lena Taylor (608) 266-0645

By/Representing: Cindy (aide)

This file may be shown to any legislator: NO

Drafter: agary

May Contact:

Addl. Drafters:

Subject: Fin. Inst. - int. rates/loans

Extra Copies:

Submit via email: YES

Requester's email: Rep.Taylor@legis.state.wi.us

Carbon copy (CC:) to: Cindy.Mcginnis@legis.state.wi.us

Pre Topic:

No specific pre topic given

Topic:

Predatory lending; refinancing or flipping

Instructions:

Wants amendment re refinancing, flipping based on 03-2314 p. 13, lines 18-23

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>
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/1	agary 02/25/2004	csicilia 02/25/2004	rschluet 02/25/2004		Inorthro 02/25/2004	Inorthro 02/25/2004	

FE Sent For:

<END>

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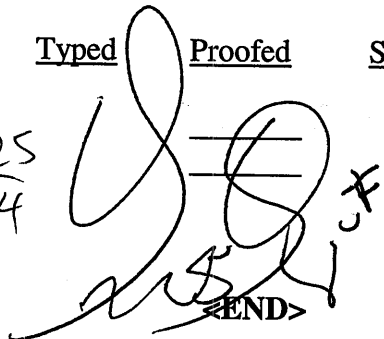
Wants amendment re refinancing, flipping based on 03-2314 p. 13, lines 18-23

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/?	agary						
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1 cjs 2/25
04



Handwritten signature and initials, including the word 'END' in a box.

FE Sent For:

TODAY
Needed
by 4:00 pm

gjs

**ASSEMBLY AMENDMENT,
TO ASSEMBLY SUBSTITUTE AMENDMENT 1,
TO 2003 ASSEMBLY BILL 792**

bill text ✓

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

2 ^{fix} → 1. Page 7, line 17: delete lines 17 to 25 [✓] and substitute: [✓]

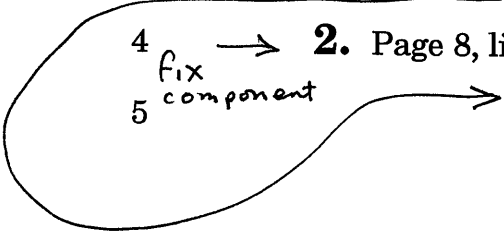
_{component}

3 **INSERT A**

4 → 2. Page 8, line 1: delete lines 1 and 2 [✓] and substitute: [✓]

^{fix}
_{component}

(END)



BILL

1 5. All prepayment fees and penalties that are incurred by the customer if the
2 loan refinances a previous loan made or currently held by the same creditor or an
3 affiliate of the creditor.

4 (b) "Points and fees" does not include any of the following:

5 1. Interest and time-price differential.

6 2. All items described in 12 CFR 226.4 (c) (5), (7) (i) and (iii) to (v), (d), and (e),
7 except items described in 12 CFR 226.32 (b) (1) (iii).

8 3. Fees for tax payment services and fees for flood certification, if reasonable
9 and paid to a person other than the creditor or an affiliate of the creditor.

10 4. Attorney fees, if reasonable, except fees described in 12 CFR 226.4 (a) (2).

11 (c) For an open-end high cost mortgage loan, "points and fees" means the total
12 points and fees, as defined under pars. (a) and (b), required to be paid at or before
13 closing, plus the minimum additional fees the customer would be required to pay to
14 draw an amount equal to the total credit line.

15 (9) Except as otherwise provided in this subsection, "total loan amount" means
16 the loan principal, less points and fees. For an open-end loan, "total loan amount"
17 means the total amount of credit extended, less points and fees. ^{"(7m) B"}

18 ~~428.203 Prohibitions on and requirements of creditors~~ ^{FLIPPING;}

19 TANGIBLE BENEFIT. No ^{lender} ~~creditor~~ may make a ^{covered} high cost mortgage loan to a customer that
20 refinances an existing ^{covered} mortgage loan unless the ^{refinanced covered} high cost mortgage loan provides a
21 reasonable tangible benefit to the customer considering the circumstances,
22 including, but not limited to, the terms of the loan and the cost of the loan to the
23 customer. " ←

24 (2) REPAYMENT ABILITY. Before making a high cost mortgage loan to a customer
25 that refinances an existing high cost mortgage loan, the creditor shall give due

Insert
A