

2003 DRAFTING REQUEST

Assembly Amendment (AA-ASA1-AB792)

Received: 03/02/2004

Received By: agary

Wanted: Today

Identical to LRB:

For: Jeff Fitzgerald (608) 266-2540

By/Representing: Mike Welsh (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.Fitzgerald@legis.state.wi.us

Carbon copy (CC:) to:

Pre Topic:

No specific pre topic given

Topic:

predatory lending; points and fees exception to definition

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>
/?	agary 03/02/2004	wjackson 03/02/2004		_____			
/1			rschluet 03/02/2004	_____	sbasford 03/02/2004	sbasford 03/02/2004	

FE Sent For:

<END>

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1?	agary	1 WJ 3/2					

Handwritten scribbles and numbers: 3, 2, 4, and <END>

FE Sent For:

Now

WJ

~~PRELIMINARY DRAFT - NOT READY FOR INTRODUCTION~~

ASSEMBLY AMENDMENT ,

TO ASSEMBLY SUBSTITUTE AMENDMENT 1,

TO 2003 ASSEMBLY BILL 792

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

2 1. Page 5, line 16: after "amount." insert [✓] ~~the~~ ^{off} Insert A ✓

3 (END)

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~~(1) "Bridge loan" means a loan with a maturity of less than 18 months which requires only payments of interest until the time that the unpaid balance is due.~~

~~(1m) "Business day" has the meaning that is specified under 12 CFR 226.2 (a) (6) for purposes of 12 CFR 226.31.~~

~~(2) "Covered loan" means a consumer credit mortgage loan transaction other than an open-end credit plan or reverse mortgage in which all of the following apply:~~

~~(a) The customer is a natural person.~~

~~(b) The debt is incurred by the customer primarily for personal, family, or household purposes.~~

~~(c) The loan is secured by a mortgage on, or an equivalent security interest in, residential real property, and the residential real property is or will be occupied by the customer as the customer's principal dwelling.~~

~~(d) The terms of the loan provide any of the following:~~

~~1. That the loan transaction, at the time that the loan is consummated, is considered a mortgage under 15 USC 1602 (aa) and regulations adopted thereunder, including 12 CFR 226.32.~~

~~2. That total points and fees payable by the customer at or before the loan closing exceed 6 percent of the total loan amount.~~

For purposes of this subdivision, "total points and fees" does not include reasonable fees paid to affiliates ^{or non-affiliates} of the lender for bona fide services listed in 12 CFR 226.4 (c) (7).

~~(3) "Customer" means an individual to whom a covered loan is offered or made.~~

~~"Customer" does not include a surety, guarantor, cosigner, or endorser.~~

~~(4) "Department" means the department of financial institutions.~~

~~(5) "Lender" means any person who originates a covered loan and to whom the covered loan is initially payable, except that "lender" does not include an assignee~~

absent
A

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Kreye, Joseph

From: Welsh, Mike
Sent: Tuesday, March 02, 2004 12:15 PM
To: Kreye, Joseph
Subject: Drafting Request - AB 792 Amendment

Joe, per my voicemail, please draft the following amendment to AB 792:

On page 5, line 16, after the period insert "For purposes of this subdivision, 'total points and fees' does not include reasonable fees paid to affiliates or non-affiliates of the lender for bona fide services listed in 12 CFR 226.4(C)(7)."