

Fiscal Estimate - 2003 Session

Original
 Updated
 Corrected
 Supplemental

LRB Number 03-3277/1	Introduction Number AB-991
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Subject
 Predatory lending

Fiscal Effect

State:

No State Fiscal Effect
 Indeterminate

<input type="checkbox"/> Increase Existing Appropriations <input type="checkbox"/> Decrease Existing Appropriations <input type="checkbox"/> Create New Appropriations	<input type="checkbox"/> Increase Existing Revenues <input type="checkbox"/> Decrease Existing Revenues	<input type="checkbox"/> Increase Costs - May be possible to absorb within agency's budget <input type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> Decrease Costs
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Local:

No Local Government Costs
 Indeterminate

1. <input type="checkbox"/> Increase Costs <input type="checkbox"/> Permissive <input type="checkbox"/> Mandatory 2. <input type="checkbox"/> Decrease Costs <input type="checkbox"/> Permissive <input type="checkbox"/> Mandatory	3. <input type="checkbox"/> Increase Revenue <input type="checkbox"/> Permissive <input type="checkbox"/> Mandatory 4. <input type="checkbox"/> Decrease Revenue <input type="checkbox"/> Permissive <input type="checkbox"/> Mandatory	5. Types of Local Government Units Affected <input type="checkbox"/> Towns <input type="checkbox"/> Village <input type="checkbox"/> Cities <input type="checkbox"/> Counties <input type="checkbox"/> Others <input type="checkbox"/> School Districts <input type="checkbox"/> WTCS Districts
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Fund Sources Affected	Affected Ch. 20 Appropriations
<input type="checkbox"/> GPR <input type="checkbox"/> FED <input checked="" type="checkbox"/> PRO <input type="checkbox"/> PRS <input type="checkbox"/> SEG <input type="checkbox"/> SEGS 20.144 (1)(g)	

Agency/Prepared By DFI/ Susan Dietzel (608) 267-0399	Authorized Signature Susan Dietzel (608) 267-0399	Date 3/25/2004
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Fiscal Estimate Narratives

DFI 3/25/2004

LRB Number	03-3277/1	Introduction Number	AB-991	Estimate Type	Original
Subject					
Predatory lending					

Assumptions Used in Arriving at Fiscal Estimate

This bill creates a new subchapter within Chapter 428, relating to high cost home loans. It expands the number of prohibitions associated with mortgage loans and creates certain remedies.

Approximately 500 complaints pertaining to mortgage loans are received each year by the Department. Currently, less than 1.0 mortgage banking specialist position is available to respond to and investigate complaints. Given the volume and the length of time it takes to investigate these complaints, resources available are not sufficient to provide expeditious processing. Because this bill expands the number of prohibitions associated with mortgage loans, it is assumed the number of complaints will likewise increase, though the actual increase is not known at this time.

Additionally, this bill requires the Department, upon request, to review any act, practice, procedure or form that has been submitted in writing to determine whether it is consistent with this subchapter. A similar provision within the Wisconsin Consumer Act requiring the review of forms by request occupies approximately 0.5 position. While the provisions are not identical, similar resources would likely be required to respond to these requests.

Long-Range Fiscal Implications