

ASSEMBLY BILL 496 (LRB -2080)

An Act to amend 425.103 (2) (b) and 425.105 (2); and to create 425.103 (2) (bm) and 425.105 (3m) of the statutes; relating to: defaults in consumer credit transactions involving motor vehicle consumer leases or credit sales of motor vehicles.

2005

01-18.	A.	Introduced by Representatives Freese, Lamb, Hines, Hahn, Ziegelbauer, Lothian, Albers, Ballweg, Townsend, Suder, Vrakas, Ott, Vos, Krawczyk, Kreibich and Moulton ; cosponsored by Senators Olsen, Lassa, A. Lasee, Roessler, Carpenter, Breske, Brown and Leibham .	
06-14.	A.	Read first time and referred to committee on Financial Institutions	275
07-27.	A.	Assembly amendment 1 offered by Representative Albers (LRB a0855)	420
09-29.	A.	Public hearing held.	
10-27.	A.	Executive action taken.	
10-31.	A.	Report passage recommended by committee on Financial Institutions, Ayes 12, Noes 1	559
10-31.	A.	Referred to committee on Rules	559
11-08.	A.	Placed on calendar 11-10-2005 by committee on Rules.	
11-10.	A.	Read a second time	608
11-10.	A.	Ordered to a third reading	608
11-10.	A.	Rules suspended	608
11-10.	A.	Read a third time and passed	608
11-10.	A.	Ordered immediately messaged	608
11-11.	S.	Received from Assembly	453
11-11.	S.	Read first time and referred to committee on Housing and Financial Institutions	455
11-29.	S.	Public hearing held.	
11-30.	S.	Executive action taken.	
12-01.	S.	Report concurrence recommended by committee on Housing and Financial Institutions, Ayes 6, Noes 1	470
12-01.	S.	Available for scheduling.	

2006

01-18.	S.	Placed on calendar 1-19-2006 by committee on Senate Organization.	
01-19.	S.	Read a second time.	
01-19.	S.	Ordered to a third reading.	
01-19.	S.	Rules suspended.	
01-19.	S.	Read a third time and concurred in .	
01-19.	S.	Ordered immediately messaged.	
01-19.	A.	Received from Senate concurred in.	

**2005
ENROLLED BILL**

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ADOPTED DOCUMENTS:

Orig Engr SubAmdt

05 -20801 1

Amendments to above (if none, write "NONE"): NONE

Corrections - show date (if none, write "NONE"): NONE

Topic USE RELATING CLAUSE

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Date

 JR Miller
Enrolling Drafter

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2005 ASSEMBLY BILL 496

June 14, 2005 - Introduced by Representatives FREESE, LAMB, HINES, HAHN, ZIEGELBAUER, LOTHIAN, ALBERS, BALLWEG, TOWNSEND, SUDER, VRAKAS, OTT, VOS, KRAWCZYK, KREIBICH and MOULTON, cosponsored by Senators OLSEN, LASSA, A. LASEE, ROESSLER, CARPENTER, BRESKE, BROWN and LEIBHAM. Referred to Committee on Financial Institutions.

1 **AN ACT to amend** 425.103 (2) (b) and 425.105 (2); and **to create** 425.103 (2) (bm)
2 and 425.105 (3m) of the statutes; **relating to:** defaults in consumer credit
3 transactions involving motor vehicle consumer leases or credit sales of motor
4 vehicles.

Analysis by the Legislative Reference Bureau

Under current law, a creditor's cause of action against a customer with respect to a consumer credit transaction accrues only upon default of the customer. "Default" is defined as failure to make payment under specified circumstances and breach of any other covenant of the transaction that materially impairs the condition, value, or protection of, or the creditor's rights in, any collateral securing the transaction or goods subject to a consumer lease or that materially impairs the customer's ability to pay amounts due under the transaction. If a creditor believes that a customer is in default, the creditor may give the customer written notice of the alleged default and the customer may, within a 15-day period after the notice, cure the default. If the customer cures the default, the customer's rights are restored as if no default occurred. The creditor may not accelerate the maturity of a consumer credit transaction, commence an action, or demand or take possession of collateral or goods subject to a consumer lease unless the creditor has given notice, the 15-day period after the notice has expired without the customer's curing of the default, and the creditor believes the customer is in default. However, the customer does not have a right to cure a default under certain circumstances where the customer has previously defaulted and then cured the default.

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This bill adds to the definition of “default” the making of a material false statement in a customer’s credit application related to a motor vehicle consumer lease or consumer credit sale of a motor vehicle, and provides that the customer does not have a right to cure this type of default.

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

1 **SECTION 1.** 425.103 (2) (b) of the statutes is amended to read:

2 425.103 (2) (b) With respect to an open–end plan, failure to pay when due on
3 2 occasions within any 12–month period; ~~or~~

4 **SECTION 2.** 425.103 (2) (bm) of the statutes is created to read:

5 425.103 (2) (bm) With respect to a motor vehicle consumer lease or a consumer
6 credit sale of a motor vehicle, making a material false statement in the customer’s
7 credit application that precedes the consumer credit transaction; or

8 **SECTION 3.** 425.105 (2) of the statutes is amended to read:

9 425.105 (2) Except as provided in ~~sub.~~ subs. (3) and (3m), for 15 days after such
10 notice is given, a customer may cure a default under a consumer credit transaction
11 by tendering the amount of all unpaid installments due at the time of the tender,
12 without acceleration, plus any unpaid delinquency or deferral charges, and by
13 tendering performance necessary to cure any default other than nonpayment of
14 amounts due. The act of curing a default restores to the customer the customer’s
15 rights under the agreement as though no default had occurred.

16 **SECTION 4.** 425.105 (3m) of the statutes is created to read:

17 425.105 (3m) A right to cure shall not exist with respect to a default specified
18 under s. 425.103 (2) (bm).

19

(END)

2005 Wisconsin Act (2005 Assembly Bill 496): *relating to:* defaults in consumer credit transactions involving motor vehicle consumer leases or credit sales of motor vehicles.