

DRAFTER'S NOTE
FROM THE
LEGISLATIVE REFERENCE BUREAU

LRB-4581/2dn
MDK:kjf:jf

February 15, 2006

Rep. Hundertmark:

You requested an amendment to specify that s. 138.056 (4) does not apply to junior liens or equivalent security interests. However, this appears to be true under current law. Section 138.056 (4) applies to “variable rate loans.” Although “variable rate loans” aren’t mentioned in s. 138.056 (4), the rest of s. 138.056 explicitly applies to variable rate loans and it is logical to conclude that s. 138.056 (4) applies only to variable rate loans. “Variable rate loans” are defined to consist of certain “mobile home transactions” and loans defined in s. 138.052 (1) (b). “Mobile home transactions” and loans defined in s. 138.052 (1) (b) are limited to transactions secured by a first lien or equivalent security interest. See ss. 138.052 (1) (b) and 138.056 (1) (c). Therefore, I don’t think the requested language is necessary. Instead, I amended s. 138.056 (4) (a) (intro.) to explicitly refer to “variable rate loans.” I have described this amendment in the analysis as clarification. Is that okay?

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