

Fiscal Estimate - 2007 Session

Original Updated Corrected Supplemental

LRB Number 07-3231/1		Introduction Number SB-275	
Description Furnishing or using certain consumer loan information to make solicitations and providing a penalty			
Fiscal Effect			
State:			
<input type="checkbox"/> No State Fiscal Effect <input type="checkbox"/> 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 checked="" type="checkbox"/> Increase Costs - May be possible to absorb within agency's budget <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No <input type="checkbox"/> Decrease Costs			
Local:			
<input checked="" type="checkbox"/> No Local Government Costs <input type="checkbox"/> Indeterminate			
1. <input type="checkbox"/> Increase Costs <input type="checkbox"/> Permissive <input type="checkbox"/> Mandatory		3. <input type="checkbox"/> Increase Revenue <input type="checkbox"/> Permissive <input type="checkbox"/> Mandatory	
2. <input type="checkbox"/> Decrease Costs <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			
Fund Sources Affected		Affected Ch. 20 Appropriations	
<input checked="" type="checkbox"/> GPR <input type="checkbox"/> FED <input type="checkbox"/> PRO <input type="checkbox"/> PRS <input type="checkbox"/> SEG <input type="checkbox"/> SEGS 20.115(1)(a)			
Agency/Prepared By		Authorized Signature	Date
DATCP/ Michelle Reinen (608) 224-5160		Barb Knapp (608) 224-4746	10/4/2007

Fiscal Estimate Narratives

DATCP 10/4/2007

LRB Number	07-3231/1	Introduction Number	SB-275	Estimate Type	Original
Description Furnishing or using certain consumer loan information to make solicitations and providing a penalty					

Assumptions Used in Arriving at Fiscal Estimate

This bill imposes certain restrictions on the dissemination and use of trigger lead information. Under the bill, if any trigger lead is a prescreened consumer report under federal law, a person that uses the trigger lead to solicit any consumer identified in the trigger lead may not utilize unfair or deceptive practices in soliciting the consumer. The bill goes on to define 5 specific practices.

There are more than 110,000 new mortgages initiated annually and the department assumes an equal number of home loans refinanced annually; each one of these has the potential to initiate a trigger lead when the credit report is requested by the lending institution.

Regardless of the department's belief that this law has the potential of being very effective in controlling trigger lead activity; we assume both consumers and lenders will file written complaints with the department.

These complaints may be based on a consumer receiving a loan solicitation while they are shopping for a new mortgage or refinancing their home. The department also assumes we will receive complaints from competing lenders that do not get the business of the consumer because the consumer went with another lender. Regardless of the type of complaint or from whom it was received, the department will have to investigate each one to determine if it was based on a trigger lead.

Therefore, the department anticipates an additional 1.0 FTE will be necessary to process the increase in complaints and investigations.

Long-Range Fiscal Implications

Fiscal Estimate Worksheet - 2007 Session

Detailed Estimate of Annual Fiscal Effect

Original
 Updated
 Corrected
 Supplemental

LRB Number 07-3231/1		Introduction Number SB-275	
Description Furnishing or using certain consumer loan information to make solicitations and providing a penalty			
I. One-time Costs or Revenue Impacts for State and/or Local Government (do not include in annualized fiscal effect): Office setup, desks, telephones, computers, and supplies \$10,000			
II. Annualized Costs:		Annualized Fiscal Impact on funds from:	
		Increased Costs	Decreased Costs
A. State Costs by Category			
State Operations - Salaries and Fringes	\$53,700		\$
(FTE Position Changes)	(1.0 FTE)		
State Operations - Other Costs	12,500		
Local Assistance			
Aids to Individuals or Organizations			
TOTAL State Costs by Category	\$66,200		\$
B. State Costs by Source of Funds			
GPR	66,200		
FED			
PRO/PRS			
SEG/SEG-S			
III. State Revenues - Complete this only when proposal will increase or decrease state revenues (e.g., tax increase, decrease in license fee, etc.)			
	Increased Rev		Decreased Rev
GPR Taxes	\$		\$
GPR Earned			
FED			
PRO/PRS			
SEG/SEG-S			
TOTAL State Revenues	\$		\$
NET ANNUALIZED FISCAL IMPACT			
	State		Local
NET CHANGE IN COSTS	\$66,200		\$
NET CHANGE IN REVENUE	\$		\$
Agency/Prepared By			
DATCP/ Michelle Reinen (608) 224-5160		Authorized Signature	
		Barb Knapp (608) 224-4746	
			Date
			10/4/2007