



WISCONSIN LEGISLATIVE COUNCIL ACT MEMO

2007 Wisconsin Act 211
[2007 Senate Bill 517]

**Mortgage Bankers, Mortgage
Brokers, and Loan Originators**

Act 211 modifies the definition of “loan” in the statutes relating to mortgage bankers, mortgage brokers, and loan originators.

Under prior law, “loan” was defined as a loan secured by a lien or mortgage, or equivalent security interest, on real property. Act 211 modifies this definition so that it means a loan “for personal, family, or household purposes” that is so secured and is on real property located in Wisconsin. The amended definition further states that a loan secured by real property consisting of one to four dwelling units, including individual condominium units, is a loan for household purposes, but that a loan made by a landlord to a tenant that is secured by leasehold improvements that are fixtures or improvements to real property is not considered a loan for household purposes. Therefore, under Act 211, the laws relating to mortgage bankers, mortgage brokers, and loan originators no longer apply to a person who deals only in loans that are not for personal, family, or household purposes (e.g. commercial loans).

Effective Date: April 22, 2008

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RNS:jb;wu

This memo provides a brief description of the Act. For more detailed information, consult the text of the law and related legislative documents at the Legislature’s Web site at: <http://www.legis.state.wi.us/>.