



**ASSEMBLY AMENDMENT 3,  
TO ASSEMBLY SUBSTITUTE AMENDMENT 1,  
TO 2009 ASSEMBLY BILL 447**

February 16, 2010 – Offered by Representatives BERNARD SCHABER, PASCH, DANOU, CLARK, ZIGMUNT, ROYS, MASON, MILROY, HUBLER, SCHNEIDER, VRUWINK, TURNER, STEINBRINK, HIXSON, KESSLER, BENEDICT, GRIGSBY, A. WILLIAMS, POCAN, BLACK, HILGENBERG and BERCEAU.

1 At the locations indicated, amend the substitute amendment as follows:

2 **1.** Page 1, line 2: before “regulating” insert “finance charges for licensed  
3 lenders,”.

4 **2.** Page 5, line 2: after that line insert:

5 “**SECTION 2d.** 138.09 (1d) of the statutes is renumbered 138.09 (1d) (intro.) and  
6 amended to read:

7 138.09 (**1d**) (intro.) In this section, “~~division~~”:

8 (a) “Division” means the division of banking.

9 **SECTION 2h.** 138.09 (1d) (b) of the statutes is created to read:

10 138.09 (**1d**) (b) “Finance charge” has the meaning given in s. 421.301 (20).

11 **SECTION 2p.** 138.09 (1m) (a) of the statutes is amended to read:

1           138.09 (1m) (a) Before any person may do business under this section or charge  
2 the interest authorized by sub. (7) and before any creditor other than a bank, savings  
3 bank, savings and loan association or credit union may ~~assess a finance charge on~~  
4 make a consumer loan ~~in excess of 18% per year \$5,000 or less~~, that person shall first  
5 obtain a license from the division. Applications for a license shall be in writing and  
6 upon forms provided for this purpose by the division. An applicant at the time of  
7 making an application shall pay to the division a nonrefundable \$300 fee for  
8 investigating the application and a \$500 annual license fee for the period  
9 terminating on the last day of the current calendar year. If the cost of the  
10 investigation exceeds \$300, the applicant shall upon demand of the division pay to  
11 the division the amount by which the cost of the investigation exceeds the  
12 nonrefundable fee.

13           **SECTION 2t.** 138.09 (7m) of the statutes is created to read:

14           138.09 (7m) (a) No creditor who is licensed under sub. (1m) may assess a  
15 finance charge on a consumer loan that is more than 36 percent per year.

16           (b) If a creditor makes a consumer loan that violates par. (a), the borrower may  
17 bring an action against the creditor for an amount equal to twice the amount of the  
18 finance charge in connection with the loan, or the actual damages, including any  
19 incidental and consequential damages, sustained by the borrower by reason of the  
20 violation, whichever is greater, and, notwithstanding s. 814.04 (1), the costs of the  
21 action, including reasonable attorney fees.”.

22           **3.** Page 7, line 18: after “less.” insert “In addition, the finance charge on a  
23 payday loan is subject to s. 138.09 (7m) (a).”.

24           **4.** Page 15, line 13: after that line insert:

1           “(1m) The treatment of section 138.09 (1m) (a) and (7m) of the statutes, the  
2           renumbering and amendment of section 138.09 (1d) of the statutes, and the creation  
3           of section 138.09 (1d) (b) of the statutes first apply to loans made, refinanced, or  
4           consolidated on the effective date of this subsection.”.

5           **5.** Page 15, line 20: after that line insert:

6           “(1m) The treatment of section 138.09 (1m) (a) and (7m) of the statutes, the  
7           renumbering and amendment of section 138.09 (1d) of the statutes, and the creation  
8           of section 138.09 (1d) (b) of the statutes take effect on the first day of the 3rd month  
9           beginning after publication.”.

10

(END)