



**ASSEMBLY AMENDMENT 1,  
TO 2009 ASSEMBLY BILL 261**

October 20, 2009 – Offered by Representative KLEEFISCH.

1 At the locations indicated, amend the bill as follows:

2 **1.** Page 1, line 6: delete that line and substitute “section:”.

3 **2.** Page 1, line 6: after that line insert:

4 “(a) “Check” has the meaning given in s. 217.02 (2).

5 (b) “Purchase of goods or services” does not include an extension of credit.”.

6 **3.** Page 2, line 5: delete “document.” and substitute “document, unless all of  
7 the following apply:”.

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

9 “(a) The document contains, on its face, both of the following:

10 1. In at least 10–point type, a statement in substantially the following form:

11 “THIS IS A SOLICITATION FOR A LOAN. READ THE ATTACHED  
12 DISCLOSURES BEFORE SIGNING THIS AGREEMENT.”

1           2. In at least 6–point type, a statement in substantially the following form: “By  
2 endorsing the back of this check, you accept our offer and agree to the terms of your  
3 loan agreement contained in the disclosure statement attached to this check.”

4           (b) Notification of the loan agreement being activated by endorsement must be  
5 conspicuously printed in at least 6–point type on the back of the check in  
6 substantially the following form: “By endorsing this check, you agree to repay this  
7 loan according to the terms of the attached loan agreement.”

8           (c) The check is attached to a disclosure statement that is detachable and that  
9 contains in at least 10–point boldface type a statement that is conspicuously placed  
10 and is in substantially the following form: “This is a loan solicitation. If you cash this  
11 check, you are agreeing to borrow the sum of \$\_\_\_ at the \_\_\_ % rate of interest for  
12 a period of \_\_\_ months. Your monthly payments will be \$\_\_\_ for \_\_\_ months. If  
13 you are late with a payment, you will be charged the following fees in addition to your  
14 monthly payment: (list fees). All other terms of this loan are clearly identified as loan  
15 terms and appear on the back of the check or on this attachment. Read these terms  
16 carefully before you cash this check. Cashing this check constitutes a loan  
17 transaction. You may cancel this loan by returning the amount of the check to the  
18 lender within 10 days of the date on which this check is cashed. You may prepay this  
19 loan agreement at anytime without penalty. READ THE AGREEMENT BEFORE  
20 SIGNING.”

21           **(2g)** In the event a check described under sub. (2) is obtained by a person other  
22 than the intended payee, and the check is cashed fraudulently or without  
23 authorization from the payee, the lender who issued the check shall do all of the  
24 following:

1           (a) Upon receipt of notification that intended payee did not negotiate the check,  
2 promptly provide the intended payee with a statement or affidavit to be signed by  
3 the intended payee confirming that the intended payee did not deposit or cash the  
4 check or receive the proceeds of the check. The lender shall provide the intended  
5 payee with the name and telephone number of a contact person designated by the  
6 lender to provide assistance to intended payees who have been victimized by the  
7 fraudulent negotiation of unsolicited checks and cease all collection activity against  
8 the intended payee until the lender completes an investigation into the transaction.

9           (b) Direct the intended payee to complete and return the confirmation  
10 statement to the lender or an affiliate of the lender.

11           (c) Within 30 days of the receipt of the confirmation statement, conduct a  
12 reasonable investigation to determine whether the check was fraudulently  
13 negotiated. Absent evidence to the contrary, the lender shall presume that the  
14 confirmation statement submitted by the intended payee is accurate. The lender  
15 shall notify the intended payee in writing of the results of the investigation. If it is  
16 determined that the check was cashed fraudulently, the lender shall take immediate  
17 action to remove the intended payee from all liability on the account and to request  
18 all credit reporting agencies to remove references to the transaction, if any, from the  
19 intended payee's credit reports.

20           **(2m)** A consumer who is an intended payee of an unsolicited check under this  
21 section may bring an action against the violator to recover damages, costs, and,  
22 notwithstanding s. 814.04 (1), reasonable attorney fees.

23           **(2r)** This section does not apply to a transaction in which the recipient of a  
24 check described under sub. (2) has submitted an application or requested an  
25 extension of credit from the lender before receiving the check or instrument, or a

1 transaction in which the lender has an existing account relationship with the  
2 recipient of a check described under sub. (2).”

3 (END)