
Wisconsin Legislative Council

AMENDMENT MEMO



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2023 Assembly Bill 617

**Assembly
Amendments 1 and 2**

2023 ASSEMBLY BILL 617

2023 Assembly Bill 617 includes numerous provisions related to industries regulated by the Department of Financial Institutions (DFI).

ASSEMBLY AMENDMENT 1

Under current law, a licensed lender¹ may charge a borrower for the following, in addition to interest: (1) certain additional charges permitted by the Wisconsin Consumer Act, such as official fees and taxes; (2) an amount sufficient to cover the fee for filing a termination statement on loans secured by merchandise other than a motor vehicle, manufactured home, or boat; and (3) on motor vehicle or boat loans, the filing fee charged by state agencies.

Assembly Amendment 1 also allows a licensed lender to charge a nonrefundable finance charge on a consumer loan, that is earned by the lender when charged, that is subject to all of the following conditions:

- If the amount financed is \$500 or less, the prepaid finance charge may not exceed 10 percent of the amount financed or \$50, whichever is less.
- If the amount financed between \$500 and \$1,000, the prepaid finance charge may not exceed 7.5 percent of the amount financed or \$75, whichever is less.
- If the amount financed exceeds \$1,000, the prepaid finance charge may not exceed five percent of the amount financed or \$175, whichever is less.
- If the prepaid finance charge is assessed on a consumer loan that is secured primarily by an interest in real property, in a mobile home, or in a manufacturing home, including a refinancing or loan consolidation, the prepaid finance charge may not exceed two percent of the amount financed.
- If a lender charges a prepaid finance charge on a consumer loan that is prepaid from the proceeds of a new loan, then the lender must reduce the prepaid finance charge on the new loan by the amount of the prepaid finance charge on the prior loan, if either of the following applies: (1) the amount financed does not exceed \$1,000 that is prepaid from the proceeds of a new loan made by the same lender within four months after the prior loan; or (2) the amount financed exceeds \$1,000 that is prepaid from the proceeds of a new loan made by the same lender within six months after the prior loan.

¹ Obtaining a license as a licensed lender is required for any person, other than a licensed payday lender and certain financial institutions, to charge an interest rate of more than 18 percent on a consumer loan.

ASSEMBLY AMENDMENT 2

Assembly Amendment 2 requires DFI to implement and administer an ABLE program, which is a program allowed by federal law where participants may create tax-favored accounts for the benefits of certain individuals with disabilities. DFI may implement and administer an ABLE program either directly or by entering into a formal or informal agreement with another state, or with an entity representing an alliance of states, to establish an ABLE program or otherwise administer ABLE program services for residents of Wisconsin.

The amendment requires DFI to review other states' ABLE programs and, within six months after the bill's effective date, determine whether, as the best option for Wisconsin residents, DFI will implement the ABLE program directly or by entering into an agreement.

An agreement may require the party contracting with DFI, in addition to providing any other services, to do any of the following:

- Develop and implement an ABLE program in accordance with all requirements under s. 529A of the Internal Revenue Code, and modify this ABLE program as necessary for participants to qualify for federal income tax benefits or treatment provided under that section.
- Engage the services of vendors on a contractual basis for rendering professional and technical assistance and advice in developing marketing plans and promotional materials to publicize the ABLE program.
- Work with organizations with expertise in supporting people with disabilities and their families in administering the agreement and ensuring accessibility of the ABLE program for people with disabilities.
- Take any other action necessary to implement and administer the ABLE program.

DFI must include on its website information concerning ABLE accounts, including current information on each state that offers ABLE accounts, information on how residents of Wisconsin may participate in those ABLE accounts, and links to resources to provide information about ABLE accounts in those states. DFI must also provide such information in written materials it prepares about ABLE accounts. DFI must provide a link on its website to the Department of Agriculture, Trade and Consumer Protection to facilitate the filing of complaints related to ABLE accounts.

DFI is required to keep confidential any personal and financial information maintained by DFI relating to an ABLE account, and is permitted to promulgate rules to implement and administer the provisions in the amendment.

BILL HISTORY

On January 9, 2024, Representative O'Connor offered Assembly Amendment 1 and Representative Mursau offered Assembly Amendment 2. On January 10, 2024, the Assembly Committee on Financial Institutions voted to recommend adoption of Assembly Amendment 1 on a vote of Ayes, 8; Noes, 0; voted to recommend adoption of Assembly Amendment 2 on a vote of Ayes, 7; Noes, 1; and voted to recommend passage of Assembly Bill 617, as amended by both amendments, on a vote of Ayes, 8; Noes, 1.

For a full history of the bill, visit the Legislature's [bill history page](#).

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