

ADMINISTRATIVE RULES Fiscal Estimate & Economic Impact Analysis

1. Type of Estimate and Analysis

Original Updated Corrected

2. Administrative Rule Chapter, Title and Number

Chapter DFI-Bkg 75 Payday Lending

3. Subject

Payday Lending

4. Fund Sources Affected

GPR FED PRO PRS SEG SEG-S

5. Chapter 20, Stats. Appropriations Affected

20.144(1)(g)

6. Fiscal Effect of Implementing the Rule

No Fiscal Effect Increase Existing Revenues Increase Costs
 Indeterminate Decrease Existing Revenues Could Absorb Within Agency's Budget
 Decrease Cost

7. The Rule Will Impact the Following (Check All That Apply)

State's Economy Specific Businesses/Sectors
 Local Government Units Public Utility Rate Payers
 Small Businesses (if checked, complete Attachment A)

8. Would Implementation and Compliance Costs Be Greater Than \$20 million?

Yes No

9. Policy Problem Addressed by the Rule

As a result of the passage of 2011 Wisconsin Act 32, changes to the existing payday lending rule are necessary to address conflicts that may exist between the current law and the existing rule.

10. Summary of the businesses, business sectors, as sociations representing business, local governmental units, and individuals that may be affected by the proposed rule that were contacted for comments.

Industry representatives and consumer groups

11. Identify the local governmental units that participated in the development of this EIA.

None

12. Summary of Rule's Economic and Fiscal Impact on Specific Businesses, Business Sectors, Public Utility Rate Payers, Local Governmental Units and the State's Economy as a Whole (Include Implementation and Compliance Costs Expected to be Incurred)

The division of banking anticipates that any economic impact of implementing the rule would be minimal. The proposed rule may require payday lenders to make minor changes to websites and/or forms. The agency's experience in making similar changes to the Department's website or forms indicates that the cost of making such changes is minimal.

13. Benefits of Implementing the Rule and Alternative(s) to Implementing the Rule

14. Long Range Implications of Implementing the Rule

The rule provides clarity to the payday lending industry with clear definitions and requirements. There should be no long term impact associated with implementing the rule. Overall the requirements of this rule are straight-forward for ease in compliance.

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15. Compare With Approaches Being Used by Federal Government

DFI is aware that the Consumer Financial Protection Bureau intends to focus some of its resources on payday lending, but is unaware of any currently proposed regulation or rule.

16. Compare With Approaches Being Used by Neighboring States (Illinois, Iowa, Michigan and Minnesota)

An internet-based search of payday lending regulations for the states of Illinois, Iowa, Michigan and Minnesota found the following:

All four states now regulate payday lending. Illinois has an extensive number of payday lending rules including rules covering topics such as: loan terms, a certified database method of verification and gross monthly income verification. Iowa has no applicable rules at this time. Michigan has a limited number of payday lending rules. An internet search of rules for Michigan finds their rules focus on definitions in regards to a database. Minnesota has a limited number of rules regarding licensed regulated lenders, which may include payday lenders. Their rules cover the following topics: licensed office, maximum loan applies to multiple offices, licensees to be responsible for acts of assignees, management and control, transferred accounts, and computing date and time.

17. Contact Name

Susan Dietzel

18. Contact Phone Number

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ATTACHMENT A

1. Summary of Rule's Economic and Fiscal Impact on Small Businesses (Separately for each Small Business Sector, Include Implementation and Compliance Costs Expected to be Incurred)

2. Summary of the data sources used to measure the Rule's impact on Small Businesses

3. Did the agency consider the following methods to reduce the impact of the Rule on Small Businesses?

- Less Stringent Compliance or Reporting Requirements
- Less Stringent Schedules or Deadlines for Compliance or Reporting
- Consolidation or Simplification of Reporting Requirements
- Establishment of performance standards in lieu of Design or Operational Standards
- Exemption of Small Businesses from some or all requirements
- Other, describe:

4. Describe the methods incorporated into the Rule that will reduce its impact on Small Businesses

5. Describe the Rule's Enforcement Provisions

6. Did the Agency prepare a Cost Benefit Analysis (if Yes, attach to form)

- Yes No
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