

**ORDER OF THE STATE OF WISCONSIN
DEPARTMENT OF FINANCIAL INSTITUTIONS, DIVISION OF BANKING
ADOPTING RULES**

- 1 An order of the Wisconsin Department of Financial Institutions to create s. DFI—Bkg 74.09(5),
2 relating to authorizations to consolidate accounts.

Analysis Prepared by the Division of Banking

Statute(s) interpreted: s. 218.04(9j), Stats.

Statutory authority: ss. 218.04(7)(d) and 227.11(2), Stats.

Explanation of agency authority: Pursuant to ss. 218.04, and 220.02(3) and (4), Stats., the division regulates collection agencies.

Related statute or rule: None.

Plain language analysis: The objective of the rule is to create s. DFI—Bkg 74.09(5). The purpose of the rule is to set forth requirements for an authorization received by a licensee from a creditor for consolidating accounts. The rule establishes criteria regarding the form and content of the authorization.

Summary of and preliminary comparison with existing or proposed federal regulation: There is no existing or proposed federal regulation.

Comparison with rules in adjacent states: Similar rules do not exist in adjacent states.

Summary of factual data and analytical methodologies: There is no factual data associated with this rule. The rule is premised on the division's knowledge of industry practices and was drafted in consultation with trade associations for entities affected by the rule.

Analysis and supporting documentation used to determine effect on small business: Because the rule only establishes the criteria for an already existing requirement, the division believes that the rule will not have a significant effect on small business. The rule merely indicates what the authorization required by s. 218.04(9j), Stats., must include. Furthermore, the authorization requirements request basic information, none of which should create an additional burden. Lastly, an agency must obtain a suit authorization from the client before moving forward with any suit. The authorization required by s. 218.04(9j), Stats., and further defined by this rule could easily be included as part of that authorization.

Summary of Final Regulatory Flexibility Analysis: This proposed rule will have no adverse impact on small businesses.

Summary of Comments received by Legislative Review Committees: No comments were received.

Agency contact persons: For substantive questions on the rule: Michael J. Mach, Administrator, Department of Financial Institutions, Division of Banking, P.O. Box 7876, Madison, WI 53707-7876, tel. (608) 261-0451. For the agency's internal processing of the rule: Mark Schlei, Deputy General Counsel, Department of Financial Institutions, Office of the Secretary, P.O. Box 8861, Madison, WI 53708-8861, tel. (608) 267-1705.

Pursuant to the statutory authority referenced above, the Department of Financial Institutions, Division of Banking, adopts the following:

SECTION 1. Sec. DFI—Bkg 74.09(5) is created to read:

DFI—Bkg 74.09(5) AUTHORIZATION TO CONSOLIDATE. An authorization to consolidate under s. 218.04(9j), Stats., shall be in writing and shall include all of the following:

(a) The authorization of the creditor.

(b) The name of the licensee.

(c) The name of the debtor.

(d) The amount of the account the licensee proposes to consolidate.

(e) If the creditor has listed with the licensee more than one account for the debtor, an account number, date of service or other brief description of the account.

(f) A statement as to how the amount of each payment received for a combined account will be apportioned to the creditors.

(g) If payments will be apportioned pursuant to the discretion of either the licensee or the attorney of record, a statement indicating the discretion to apportion.

Effective date. This rule takes effect as provided in s. 227.22 (2) (intro.), Stats.

Dated: _____

Agency: _____
Administrator