

Clearinghouse Rule 96-067

STATE OF WISCONSIN)
)SS
DEPARTMENT OF FINANCIAL INSTITUTIONS)

I, Michael J. Mach, Banking Administrator for the Department of Financial Institutions, certify that the annexed rules, relating to sales finance companies, were duly approved and adopted by this office.

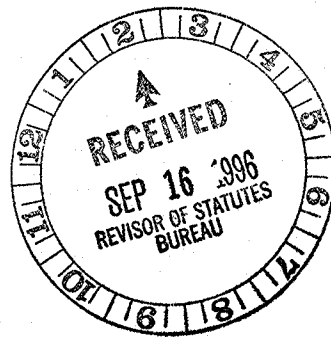
I further certify that this copy has been compared by me with the original on file in this office and that it is a true copy of the original, and of the whole original.



IN TESTIMONY WHEREOF, I have hereunto set my hand and affixed the official seal of the Department of Financial Institutions at 101 E. Wilson St. in the city of Madison, this 13th day of September, 1996.

A handwritten signature in cursive script that reads "Michael J. Mach". The signature is written in black ink and is positioned above a horizontal line.

Michael J. Mach
Administrator of Banking



12-1-96
96-067

ORDER OF THE DEPARTMENT OF FINANCIAL INSTITUTIONS



An order to repeal Bkg 76.03 (2); repeal Bkg 76.14, amend Bkg 76.01; amend Bkg 76.04 (4); and create Bkg 76.01 (2); relating to sales finance companies.

ANALYSIS PREPARED BY THE DEPARTMENT OF FINANCIAL INSTITUTIONS

Statutory authority: s. 218.01 (5) (c), Stats.

Statutes interpreted: s. 218.01, Stats.

Under s. 218.01 (5) (c), Stats., the secretary of financial institutions may make such rules and regulations as it shall deem necessary or proper for the effective administration and enforcement of sales finance companies. The proposed administrative rule change will, with the exception of Bkg 76.05, limit the scope of Bkg 76 strictly to consumer credit transactions. Bkg 76.05 requires a sales finance company to either refund the unearned portion of an insurance premium to the customer or require the sales finance company to notify the insurance agent that an account has been prepaid so that a refund can be paid to the customer or the customer's estate. Both "commercial" as well as "consumer" sales finance companies will be subject to the provisions under Bkg 76.05.

The proposed administrative rule change also repeals Bkg 76.14, which sunset on June 30, 1991.

Pursuant to the authority vested in the secretary of financial institutions by ss. 218.01 (5) (c) and 227.11 (2) (a), the secretary of financial institutions hereby repeals, amends, and creates rules interpreting. 218.01, Stats., as follows:

SECTION 1. Bkg. 76.01 is amended to read:

Bkg 76.01 (1) A retail seller may in addition to the finance charge bargain for and receive, in accordance with the requirements of ss. 422.202 (1) and 424.301 Stats., only those additional charges described therein, ~~and in transactions other than extensions of consumer credit, the costs of collection authorized by s. 409.504, Stats.~~ To the extent that any charge qualifies as an additional charge under this regulation it may be excluded from the finance charge.

ORDER OF THE DEPARTMENT OF FINANCIAL INSTITUTIONS

SECTION 2. Bkg 76.01 (2) is created to read:

Bkg 76.01 (2) With the exception of s. Bkg 76.05, this chapter shall apply solely to consumer credit transactions as defined under s. 421.301 (10).

SECTION 3. Bkg 76.03 (2) is repealed.

SECTION 4. Bkg 76.04 (4) is amended to read:

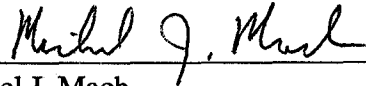
Notwithstanding subs. (2) and (3), a retail seller may contract for and retain a minimum finance charge as provided in s. 422.209 (2), Stats. ~~in all consumer credit transactions or a minimum finance charge of \$15 as provided for s. 218.01 (6) (b) 7, Stats. in all other retail installment contracts.~~

SECTION 5. Bkg 76.14 is repealed.

The rules contained in this order shall take effect as provided in s. 227.22 (2) (intro.), Stats.

Department of Financial Institutions

Dated: September 13, 1996



Michael J. Mach
Administrator of Banking



State of Wisconsin
Department of Financial Institutions

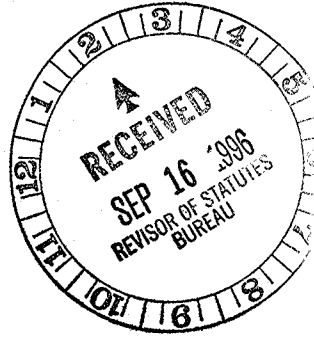
Tommy G. Thompson, **Governor**

Richard L. Dean, **Secretary**

September 13, 1996

Bruce Munson
Revisor of Statutes
131 W. Wilson St., 9th Floor
Madison, WI 53702

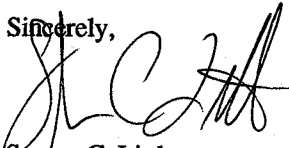
Douglas J. LaFollette
Secretary of State
P.O. Box 7848
Madison, WI 53702



Gentleman:

Pursuant to s. 227.20(1), Stats., enclosed is a certified copy of an administrative rule adopted by the Department of Financial Institutions. This rule is Clearinghouse Rule 96-067, relating to sales finance companies.

Sincerely,


Steven C. Little
Director
Licensed Financial Services Section

enc.: