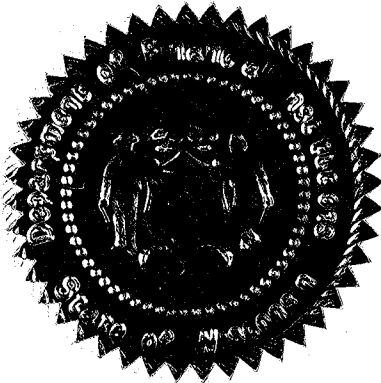


STATE OF WISCONSIN )  
 )SS  
DEPARTMENT OF FINANCIAL INSTITUTIONS )

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

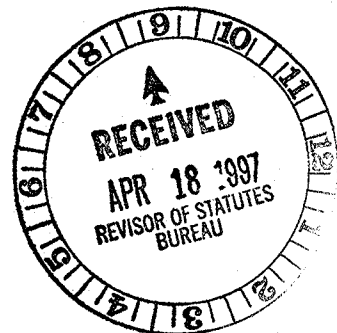
I further certify that this copy has been compared by me with the original on file in this department and that it is a true copy of the original, and of the whole original.



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 15th day of April, 1997.

*Michael J. Mach*

Michael J. Mach  
Administrator of Banking



ORDER OF THE DEPARTMENT OF FINANCIAL INSTITUTIONS

An order to amend Bkg 73.01 relating to adjustment service companies.

ANALYSIS PREPARED BY THE DEPARTMENT OF FINANCIAL INSTITUTIONS

Statutory authority: s. 218.02 (9), Stats.

Statutes interpreted: s. 218.02, Stats.

Under s. 218.02 (9), Stats., the Secretary of the Department of Financial Institutions may make such rules and regulations as it shall deem necessary or proper for the effective administration and enforcement of adjustment service companies. These companies provide debt management and counseling to debtors who are experiencing financial difficulty. This rule will allow adjustment service companies to accept voluntary contributions from creditors, as well as charge a fee to debtors to cover operational and administrative costs. Under current law, an adjustment service company may either receive a voluntary contribution from a creditor, or charge the debtor a fee to cover administrative costs, but an adjustment service company cannot do both.

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Pursuant to the authority vested in the secretary of financial institutions by ss. 218.02 (9) (a) and 227.11 (2) (a), the secretary of financial institutions hereby amends the rules relating to 218.02 Stats., as follows:

SECTION 1. Bkg. 73.01 (1) and (b) are amended to read:

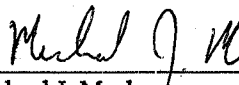
Bkg. 73.01 (1) ~~Only one~~ Both of the 2 alternative fee plans set forth below may be used when contracting services with a debtor:

(b) ~~As an alternative to assessing the fee in par. (a) and provided disbursements are made pursuant to an established budget which equitably treats all past, present and future obligations of the debtor, a~~ A licensee may accept voluntary fees or contributions from the creditor or creditors in an amount not to exceed 15% of the funds disbursed to the individual creditor or creditors. The disbursements may not show discrimination based upon the creditors' willingness to make voluntary contributions to the licensee. If the fee is deducted from the disbursement, remittance records shall disclose the total amount credited to the individual accounts of the debtor. This amount must also be reflected in the disbursement record furnished the creditor or creditors.

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

Dated: April 15, 1997

Department of Financial Institutions

  
Michael J. Mach  
Administrator of Banking





**State of Wisconsin**  
*Department of Financial Institutions*

Tommy G. Thompson, Governor

Richard L. Dean, Secretary

April 15, 1997

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



Gentlemen:

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 96-122, relating to adjustment service companies.

Sincerely,

A handwritten signature in cursive script that reads "Michael J. Mach".

Michael J. Mach  
Administrator of Banking

enc.: