

Bkg 80

Filed May 14, 1973
3:55 P.M.



State of Wisconsin \ OFFICE OF COMMISSIONER OF BANKING

ERICH MILDENBERG
COMMISSIONER

30 WEST MIFFLIN STREET
MADISON, WISCONSIN 53703

STATE OF WISCONSIN)
) SS
OFFICE OF THE COMMISSIONER OF BANKING)

TO ALL TO WHOM THESE PRESENTS SHALL COME, GREETINGS:

I, Erich Mildenberg, Commissioner of Banking, and custodian of the official records of said office, do hereby certify that the annexed rules, relating to the Wisconsin Consumer Act, were duly approved and adopted by this office on May 10, 1973.

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

IN TESTIMONY WHEREOF, I have hereunto set my hand and affixed the official seal of the department at the Office of the Commissioner of Banking in the city of Madison, this 10th day of May A.D. 1973.



Erich Mildenberg

Erich Mildenberg
Commissioner of Banking
Administrator



State of Wisconsin \ OFFICE OF COMMISSIONER OF BANKING

ERICH MILDENBERG
COMMISSIONER

30 WEST MIFFLIN STREET
MADISON, WISCONSIN 53703

ORDER OF THE COMMISSIONER OF BANKING
ADOPTING RULES

Pursuant to authority vested in the Commissioner of Banking
by section 426.104(1)(e) Wis. Stats., the Commissioner hereby
adopts rules as follows:

Sections Bkg 80.01 through 80.82 of the WISCONSIN ADMINISTRATIVE
CODE are adopted to read:

Bkg 80.01 Wisconsin Consumer Act Rules-Organization. In order to facilitate the organization of rules promulgated under the Wisconsin Consumer Act and to assist interested persons in relating the rules to the Act, each rule shall refer to specific sections of the Act. The rules shall be published so as to retain the numerical order of the sections of the Act to which they refer. However, each statutory reference does not constitute the sole statutory authority for any particular rule.

Bkg 80.05 General Definitions-Consumer Credit Transactions. Acquisition of a leasehold interest in real property by a customer from a merchant is not a consumer lease within the meaning of Sec. 421.301(11). For laws governing the leasing of real estate see Ch. 704, Wis. Stats.

Bkg 80.06 General Definitions-Customer. A person seeks or acquires real or personal property, services, money or credit for personal, family, household or agricultural purposes within the meaning of Sec. 421.301(17) when such real or personal property, services, money or credit is to be used primarily, that is 50% or more, for one or more of these purposes.

Bkg 80.07 General Definitions-Finance Charge. A delinquency or default charge is not a finance charge within the meaning of Sec. 421.301(20) if imposed for actual unanticipated late payment, delinquency, default or other such occurrence. However, when a merchant's billings are not paid in full within a stipulated time period and under such circumstances the merchant does not, in fact, regard such accounts in default (For example, by customarily failing to institute collection activity or by continuing to extend credit) and imposes charges periodically for delaying payment of such accounts from time to time until paid, the charge so imposed comes within the definition of a finance charge and the credit so extended comes within the definition of open-end credit.

Bkg 80.08 General Definitions-Official Fees. Official fees within the meaning of Sec. 421.301(26)(a) shall include any fee charged by a Register of Deeds or the Secretary of State for the filing or recording of any instrument of conveyance or other document for the purpose of perfecting a security interest for which the parties have contracted. See also rule 80.352.

Bkg 80.09 General Definitions-Required Deposit Balance. The definition of "required deposit balance" in Sec. 421.301(38) together with the definition of "amount financed" requires that the required deposit balance be deducted from the amount financed for the purpose of calculating the finance charge and making disclosures. The purpose is to accurately disclose to the customer the amount of funds or credit of which he will have actual use, and thus the creditor is required to deduct from the funds advanced any compensating balance the creditor requires to be maintained with him. Consequently, the term does not apply to a deposit balance or deposit investment maintained by the customer with a financial institution other than the creditor, which is taken by the creditor as collateral for the advance made. The reference to "any investment" refers to deposit-type investments such as "share accounts" maintained with savings and loan associations, credit unions or mutual savings banks. The term "investment" in Sec. 421.301(38) does not include investment securities of the type defined in Ch. 408, Wis. Stats.

Bkg 80.201 Finance Charge for Consumer Credit Transactions-
Per Diem Charge. Charges under Sec. 422.201 on consumer transactions other than those pursuant to an open-end plan where the finance charge is computed on the declining unpaid principal balance from time to time outstanding may be computed on actual unpaid balances at 1/360th of the annual rate for the actual number of days outstanding provided the use of this method shall be disclosed conspicuously together with all other disclosures required by Subchapter III of Chapter 422 and provided the finance charge obtained by the application of this method does not exceed the maximum charge permissible under the Act.

Bkg 80.210 Finance Charge for Consumer Credit Transactions-
Maximum Rates under Wis. Stat. Sec. 422.201(3). The maximum discount rate on loans in which the principal (exclusive of interest) does not exceed \$3,000 is 9 1/2 per cent per year on that part of the face amount of the note (total of payments) not exceeding \$1,000 and 8 per cent per year on any remainder of the face amount. Discount loans may be made for any number of whole months (excluding any irregular first instalment period) up to the maximum maturity, e.g. loans of 6, 17, 24, etc. months are permitted. On contracts for periods which are less or greater than one year, or which are not a multiple of one year, the discount rate shall be computed proportionately (1/12 of the annual discount rate) for each month. See Wis. Stat. Sec. 138.09(7)(b)1. Example: Total of Payments = \$1345.20 (24 x \$56.05); Interest (Finance Charge) = \$245.23 (9 1/2% x 2 yrs. x \$1,000 plus 8% x 2 yrs. x \$345.20); Amount Financed = \$1,099.97 (\$1345.20 - \$245.23).

Bkg 80.22 Finance Charge for Consumer Credit Transaction-
Credit Cards and Coupon Books. With respect to a consumer credit transaction involving the receipt or acceptance by a customer of any credit card, plate, merchandise certificate, letter of credit, coupon book or other like credit device, except gift certificates purchased by a customer for use by a person other than the customer, the unpaid balance in such transaction within the meaning of Sec. 422.201 shall include only the cash value of any money, property, labor or services, not including the credit device itself, acquired by the actual use or redemption of such credit device together with authorized additional charges. For example, where a customer receives a coupon book or several merchandise certificates in the amount of \$200.00 and subsequently redeems one coupon or certificate in the amount of \$25.00, the customer's unpaid balance upon which a finance charge may be assessed is limited to the \$25.00 cash value of the goods or services which the customer has actually received. This rule shall not apply to merchandise certificates acquired by a customer pursuant to an open-end plan if: (1) acquisition of certificates is not a condition of the extension of credit to the customer, (2) unused certificates may be returned at any time for full credit to the customer's account, (3) the acquisition cost is not billed to the customer for at least one month, and does not bear a finance charge for a minimum period of two months, after the certificate is acquired, and (4) the customer is given notice, at least 15 days prior to the imposition of a finance charge, of the date by which any unused certificates must be returned to avoid imposition of finance charges on the price thereof.

Bkg 80.221 Finance Charge for Consumer Credit Transactions-Actuarial Method-Compounding. The term "actuarial method" as used in Sec. 422.201 shall mean the method by which that portion of each payment not applicable to an escrow account is applied first to any finance charge or permitted additional charge accrued from the time of any prior payment or from the time credit is extended and the remainder, if any, is applied to the unpaid amount financed. With the exception of the calculation of delinquency charges, amounts remitted may be applied to interest and charges and then to principal on the most delinquent instalment due and then to interest and charges on the next instalment proceeding to more current instalments until the amount remitted is exhausted. For purposes of computing the finance charge under Subsection 422.201(9), a merchant may calculate the finance charge on an unpaid balance which includes unpaid finance charges.

Bkg 80.23 Maximum Charges-Precision and Rounding. When preparing charts and tables, programming electronic devices or performing numerical calculations in connection with sections 422.201, 422.204, and 422.209 any number of decimal places may be used to express the multiplying factor, provided that such factor shall be carried out at least to the nearest ten-thousandth or if expressed as a per cent to the nearest one-hundredth of a per cent. Where the number of decimal places used exceeds the minimum, the final digit may be rounded. In any case, the same multiplier must be used consistently with regard to all calculations in the transaction, including computation of interest, deferrals or rebates. Where the multiplier complies with this rule, the final product may be rounded to the nearest cent provided that products of five mills and over shall be rounded upward.

Bkg 80.231 Finance Charge for Consumer Credit Transactions-Rate for Licensees. Sec. 422.201(3) refers to Wis. Stat. Secs. 138.09 and 218.01 for the determination of finance charges under the Wisconsin Consumer Act receivable by licensees. The language of Secs. 138.09(7) and 218.01(6) with respect to finance charges receivable by licensees is both comprehensive and preemptive. Therefore, although these sections provide for finance charges which, in various situations, are less than or greater than those permitted by Sec. 422.201(2), licensees under Sec. 218.01 with respect to the sale of motor vehicles, and licensees under Sec. 138.09 with respect to any loan are limited in each case by Sec. 422.201(3) to that finance charge receivable according to the applicable provisions of the appropriate licensing Act, except as the election to receive a minimum finance charge is limited by Sec. 422.201(8).

Bkg 80.24 Finance Charge for Consumer Credit Transactions-Rate on Sale of Farm Equipment. Sec. 422.201(4) refers to the Class 2 rate for motor vehicles, as specified in Sec. 218.01(6) for determination of the maximum finance charges in consumer credit transactions other than those pursuant to an open-end plan receivable by sellers of farm equipment, farm implements and farm tractors, other than Sec. 218.01 licensees, under the Wisconsin Consumer Act. As Sec. 422.201(4) contemplates finance charges which, in various situations, are less than or greater than those permitted by Sec. 422.201(2), sellers within Sec. 422.201(4) are limited in the sale of farm equipment, farm implements and farm tractors to the finance charge receivable according to the Class 2 rate in Sec. 218.01(6). See Sec. 422.201(8) for election to receive a minimum finance charge. On sales of other goods and services by such sellers the rates described in Sec. 422.201(2) or (3) will apply, as appropriate. Licensees under Sec. 218.01 shall

apply the rates set out in Sec. 218.01(6) to the sale of all motor vehicles, but shall be limited to the Class 2 rate in Sec. 218.01(6) as to the sale of all other farm equipment and implements.

Bkg 80.241 Finance Charges for Consumer Credit Transactions-Minimum Finance Charge. Sec. 422.201(8) provides for the election of a minimum finance charge by any merchant, including licensees under Sec. 218.01, who are limited to the election provided by this section notwithstanding the minimum time price differential provisions of Sec. 218.01(6)(a)6.

Bkg 80.26 Additional Charges-Cost of Insurance. Disclosure of the cost of insurance as required by Sec. 422.202(1)(c) must include written notice to the customer of the term of such insurance and the dollar charge for such term. Where the term of the insurance is the same as the term of the transaction a disclosure of that fact shall be an adequate disclosure of the term of such insurance.

Bkg 80.261 Additional Charges-Equivalent Security Interest. The term "equivalent security interest" as used in Sec. 422.202(2)(b) shall include a seller's interest under a land contract or a first lien deed of trust, and a second mortgage where there are no intervening liens and the mortgagee holds the first mortgage on the subject property. For cross reference application of this definition, see also Sec. 422.303(4), 422.306(2), 422.408(6), 422.409(2) and 422.411(2).

Bkg 80.262 Additional Charges-Title Examinations. Title examinations within the meaning of Sec. 422.202(2)(b)1 of the Act shall include the fee for a written title opinion prepared by an attorney upon examination of the abstract of title to the real property which is the subject of the consumer credit transaction on which the charge is assessed.

Bkg 80.27 Additional Charges-Substantial Improvement of Real Property. The term "substantial improvement of real property" as used in Sec. 422.202(2)(b) shall mean any improvement to real property the cash price of which shall be at least \$1,400.

Bkg 80.271 Delinquency Charges-Deferred Instalment. Where the parties have agreed to a delinquency charge in accordance with Sec. 422.203 and instalments have subsequently been deferred, the merchant may collect a delinquency charge on any deferred instalment which is not paid in full on or before the 10th day after its deferred due date unless such instalment is again deferred.

Bkg 80.28 Deferral Charges-Unilateral Deferral at No Cost. Notwithstanding Wis. Stats. Sec. 422.204 any number of instalments may be deferred unilaterally by the creditor without the notice that would otherwise be required provided there is no charge for such deferral.

Bkg 80.281 Deferral Charges-Alternative Computation. The methods for computing deferral charges described in subparagraphs (1)(a) and (1)(b) of Sec. 422.204 are alternatives and a creditor may elect to use either method to the extent that he can apply it to the particular transaction. However, if the transaction is not one to which subparagraph (1)(a) could apply, for example, because of irregular payments, then the creditor must compute the deferral pursuant to subparagraph (1)(b).

Bkg 80.29 Deferral Charges-"Rule of 78". The portion of the pre-computed finance charge attributable to the final instalment of the original schedule of payments as used in Sec. 422.204(1)(a) shall mean the pre-payment rebate calculated according to the Rule of 78 if the contract were prepaid in full on the payment date immediately preceding final originally scheduled maturity.

Bkg 80.30 Advances to Perform Agreement of Customer-Notice. Written notice of non-performance by a customer pursuant to Sec. 422.207 shall be by personal delivery of such notice to the customer or by mailing such notice by regular, registered or certified mail to the customer's last known address. Where notice is by mail, notice shall be deemed given on the day of mailing. Unless otherwise demonstrated by either party a period of ten days exclusive of the date on which notice is deemed given shall be presumptively a reasonable time within which to perform.

Bkg 80.301 Rebate on Prepayment-Irregular Instalment Amounts and/or Due Dates. The unearned portion of the precomputed finance charge on consumer credit transactions described in Sec. 422.209(3) shall be computed in accordance with the provisions of Wis. Stat. Sec. 138.05(2)(b).

Bkg 80.311 General Requirements and Provisions-Consummation. For the purpose of disclosing all information required by Subchapter III of Chapter 422, a transaction shall be considered consummated at the time a contractual relationship is created between a merchant and a customer irrespective of the time of performance of either party.

Bkg 80.32 Disclosure Customer Copies. For purposes of Sec. 422.302(3) documents which evidence the customer's obligation shall include documents which evidence an obligation to pay as well as those which evidence an obligation to perform including, but not limited to, a mortgage and a security agreement.

Bkg 80.321 Form Requirements Other Than Open-End--Set Off. As a condition to the exercise of a right of set off a merchant shall in accordance with Sec. 422.302 conspicuously disclose his right to apply any amounts owed by the merchant to the customer against any amounts owed by the customer to the merchant. No merchant shall exercise a right to set off prior to giving the customer notice of his right to cure any default, if applicable, and waiting the appropriate number of days in accordance with Sec. 425.105 of the Act.

Bkg 80.331 Form Requirements Other Than Open-End--Microfilm Copies. A creditor may retain copies of documents as required by Sec. 422.303(5) by microfilm or other similar photographic process provided such creditor is able to reproduce individual permanent photo copies which retain substantially the same print size as the original document.

Bkg 80.34 Prohibition of Blank Writings. Blanks relating to price, charges or terms of payment which are inapplicable to a transaction must be filled in a manner which reveals their inapplicability. Pursuant to Sec. 422.304 a general clause or statement in a contract to the effect that spaces which are not filled in are inapplicable to the particular transactions does not satisfy the requirement of this section and may not be relied upon by the creditor.

Bkg 80.341 Notice to Co-Signers. In addition to the language required by Sec. 422.305(1) a merchant may include within the Explanation of Co-Signer Obligation a form number, the date of execution, instructions for completion, a union printing label and an acknowledgement for execution by the co-signer that he has received a copy of the form.

Bkg 80.35 Notice to Co-Signers-Open-End Accounts. In cases where a co-signer assumes liability on an open-end credit account, sub-paragraph (a) of the Explanation of Co-Signer Obligation under Sec. 422.305 shall be modified to include, in addition to the information set forth in the Act, in lieu of the current dollar amount of the transaction, "an amount not exceeding \$_____". Sub-paragraph (b) of the Explanation must contain a statement that if the co-signer wishes to terminate the guarantee with respect to any future transactions on the account, the co-signer must give written notice to the creditor. An explanation of the form described in this rule will satisfy the requirements of Sec. 422.305 and no further notice or Explanation of Co-Signer Obligation need be given the co-signer with respect to subsequent individual purchases or loans under the account. However, in case of any subsequent change in the terms of the account which could increase or extend the contingent liability of the co-signer, whether the merchant was authorized to make unilateral changes from time to time under the original terms of the account, an explanation of such change must be given to the co-signer together with a new Explanation of Co-Signer Obligation which must be executed by the co-signer.

Bkg 80.351 Notice to Co-Signers-Co-Signer Copies. For purposes of Sec. 422.305(3) a co-signer shall be furnished with a copy of each document signed by the co-signer, a copy of each document evidencing the customer's obligation to pay and the Explanation of Co-Signer Obligation.

Bkg 80.352 Receipts; Accounting; Evidence of Payment-Release of Any Security Interest. The creditor may satisfy his obligation to release any security interest under Sec. 422.306(4) by either (1) recording the necessary instrument and forwarding the same to the customer or his designee by mail or by return on the instrument or (2) by delivering the necessary instrument fully completed and executed to the customer's designee, but in no instance to the customer, for recording. The recording or filing fee may be treated as an official fee within the meaning of Sec. 421.301(26) of the Act. Where the transaction is secured by a lien on a motor vehicle and the title is not in the possession of the creditor, the creditor may satisfy the requirements

of this subsection by mailing a completed release of lien to the customer together with an envelope addressed to the Department of Motor Vehicles, Bureau of Vehicle Registration, postage prepaid, and a letter of instruction advising the customer to forward the release and title to the Department to obtain release of the secured party's interest.

Bkg 80.36 Receipts; Accounting; Evidence of Payment-Customer Inquiries. Should a customer or his representative question in writing any bill or statement of a merchant, or of an assignee where notice of assignment pursuant to Sec. 422.409 has been given, such merchant or assignee shall in accordance with Sec. 422.306 respond to the specific question or dispute raised by the customer within 30 days of such inquiry, provided such inquiry is not made on an instrument of payment or the returnable portion of the statement if the creditor conspicuously discloses this requirement on the instrument or statement. A reasonably disputed debt under Sec. 427.104(1)(f) shall include an indebtedness questioned under this rule from the due date of the merchant's response to the date such response is made.

Bkg 80.361 Assignment of Earnings Prohibited-Revocation. In any case where a merchant takes an assignment of earnings subject to Sec. 422.404 for payment or as security for payment of an obligation the assignment shall contain on its face a statement in substantially the following language: "THE CUSTOMER MAY TERMINATE THIS ASSIGNMENT AT ANY TIME WITHOUT PENALTY".

Bkg 80.37 Notice of Assignment-Joint Obligor Customers. Where a consumer credit transaction involves joint obligor customers, one copy of a Notice of Assignment as described in Sec. 422.409 may be forwarded to all such customers who reside at the same last known address at the time the notice is given, if addressed to all such joint obligor customers. In all other cases a separate notice must be sent to each joint obligor customer. The same procedure shall be observed with respect to giving the following notices under the Act: Notice of unilateral deferral, Sec. 422.204(8); Notice of nonperformance, Sec. 422.207(1); Notice of right to cancel, Sec. 423.203; Notice to cancel property insurance, Sec. 424.303(1); Notice of right to cure default, Sec. 425.104(1).

Bkg 80.371 Notice of Assignment-Address of Customer. The notification of assignment under Sec. 422.409 shall be addressed to the last address furnished by any customer to the assignor if such address is different from the address contained in the contract. The same procedure shall be observed with respect to giving the following Notices under the Act: Notice of unilateral deferral, Sec. 422.204(8); Notice of nonperformance, Sec. 422.207(1); Notice of right to cancel, Sec. 423.203; Notice to cancel property insurance, Sec. 424.303(1); Notice of right to cure default, Sec. 425.104(1).

Bkg 80.38 Restriction on Liability in Consumer Lease. A reasonable charge for excess mileage in the case of a motor vehicle lease as established by reasonable standards of the industry as observed in the relevant market area with respect to the mileage and the rate per mile shall be considered a charge for damages to the leased property within the meaning of Sec. 422.412, provided that the mileage allowance and the charge per excess mile shall be conspicuously stated in the original lease agreement.

Bkg 80.391 Restrictions on Security Interest-Proceeds. A security interest with respect to a consumer credit sale as described in Sec. 422.417(1) may include repair or replacement parts in the property sold as well as proceeds of the property subject to Wis. Stats. Sec. 409.306 regarding proceeds.

Bkg 80.392 Waivers Prohibited-Dwelling. For the purposes of Sec. 422.419(1)(a) the term "dwelling" shall include, any garage, shed, barn or other building on the premises whether attached or unattached.

Bkg 80.44 Consumer Approval Transaction-Duty of Customer. In any case where a customer gives notice of cancelation and the merchant fails to perform his obligation pursuant to Sec. 423.204 of the Act, the duty of the customer under Sec. 425.205 to take reasonable care of the goods in his possession shall cease 40 days after notice of cancelation is given.

Bkg 80.60 Accrual of Cause of Actions; "Default". For the purposes of Sec. 425.103(2)(a) the term "default" with respect to the first or last instalment of a transaction other than one pursuant to an open-end plan shall mean to have outstanding such scheduled payment for more than 40 days after its original or deferred due date.

Bkg 80.61 Cure of Default-Commencing Legal Action. The phrase "commence any action" as used in Sec. 425.105(1) refers only to the commencement of legal proceedings in a court of law.

Bkg 80.62 Cure of Default-Date of Notice and Tender. For the purposes of Sec. 425.105(2) notice of the customer's right to cure a default is deemed given on the date of mailing and the date of tender of performance shall be the date of mailing or personally delivering the amount of all unpaid instalments, deferral and delinquency charges which are due and unpaid.

Bkg 80.63 Exempt Property-Garnishee Summons. In order to assist each employer in determining and applying the applicable wage exemption standard, in the case of any garnishment involving a consumer credit transaction governed by Sec. 425.106 the garnishee summons should bear the legend "Consumer Credit Transaction Garnishee Summons" placed opposite the identification of parties in the legend and the last paragraph of the form set forth in Wis. Stat. Sec. 267.04(2) should be modified to conform with the requirements of Sec. 425.106(1)(a) of the Act.

Bkg 80.64 Exempt Property-Medical Services. For the purposes of Sec. 425.106 the term "medical services" shall include the cost of hospital accommodations.

Bkg 80.65 Exempt Property-Wages. Where an employee's pay period is one calendar week or less, the exempt wage under Sec. 425.106(1)(a)2 of the Act shall be equal to the exemption for an employee with the same number of exemptions paid on a calendar week basis as determined by the formula in this subsection regardless of the number of hours actually worked by the employee during such pay period. Where the employees pay period is a multiple of whole calendar weeks (for example where the pay period is every 2 weeks, 3 weeks, or 4 weeks) the exempt wage is equal to the weekly rate determined by the formula in this subsection times the number of calendar weeks in such pay period. Where an employee's pay period is greater than one calendar week and is other than a multiple of whole calendar weeks (for example where the pay period is every 10 days, 15 days, or semi-monthly) the exempt wage is equal to the sum of the exemption for each calendar week plus an amount equal to one-seventh of the weekly rate for such employee for each additional day in such pay period.

Bkg 80.66 Body Attachments. The term "warrant" as used in Sec. 425.113 refers to warrants issued pursuant to Wis. Stat. Sec. 273.05 and does not limit or effect the power of a court to issue an order or attachment pursuant to Wis. Stat. Sec. 295.04 where a person has failed to appear at a supplemental examination.

Bkg 80.67 Voluntary Surrender of Collateral. Pursuant to Sec. 425.204 a creditor may notify a customer of his right to voluntarily surrender the collateral. Such a notice will not be considered a request or demand pursuant to sub-paragraph (3) of this section.

Bkg 80.68 Nonjudicial Enforcement Limited-Surrender of Collateral. A customer will not be deemed to have surrendered the collateral under Sec. 425.204(3), and Sec. 425.206(1)(a) where such surrender is not a voluntary surrender, if the merchant: (1) fails to provide a notice to the customer which clearly informs the customer of his right to a hearing on the issue of default before any re-possession; (2) the merchant misrepresents any material fact or state of the law to the customer; or (3) the merchant violates any provision of Ch. 427, Wis. Stats. The notice contained in subsection (1) of this rule is not required if the collateral has been abandoned by the customer.

Bkg 80.69 Restrictions on Deficiency Judgements-Amount Owing. The phrase "amount owing at the time of default" as used in Sec. 425.209 shall mean the unpaid balance of the account excluding any unearned finance or additional charges but including any unpaid deferral or deficiency charges.

Bkg 80.70 Restrictions on Deficiency Judgements-Repossession. For purposes of Sec. 425.209 the term "repossession" shall include action to recover collateral pursuant to Sec. 425.205 and possession of the collateral as a result of a surrender of the collateral as described in Sec. 425.204(3), and Sec. 425.206(1)(a) where such surrender is not a voluntary surrender.

Bkg 80.71 Restrictions on Deficiency Judgements-Renouncing Rights in Collateral. Prior to obtaining the statement of a customer renouncing rights in the collateral pursuant to Sec. 425.209(2), the merchant shall notify the customer by written notice that by signing the statement the customer waives all rights to recover any surplus that may result from the sale of the collateral.

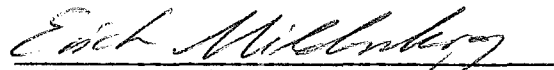
Bkg 80.80 Investigatory Powers-Merchant's Records. Merchants shall maintain copies of records of all consumer transactions subject to the Act and all advertisements, printings, displays, publications or distributions the terms of which relate to the extension of consumer credit in order to permit an investigation pursuant to Sec. 426.106 for a period not less than that during which a customer may bring an action with respect to such transaction or advertisement as limited by Sec. 425.307.

Bkg 80.31 Powers of Administrator-Penalty. The term "penalty" as used in Sec. 426.104(4)(a) is limited to those statutory penalties referred to in Sec. 425.302(1)(a); 425.303(1); 425.304(1); 425.305(1); and 426.301 and does not preclude a customer from obtaining judgment for actual damages sustained.

Bkg 80.32 Powers of Administrator-Submission for Approval. Acts, practices or procedures submitted to the Administrator pursuant to Sec. 426.104(4)(b) shall be typed or mechanically reproduced. An original and three copies shall be submitted by either personal delivery, registered mail or certified mail, return receipt requested.

The rules contained herein shall take effect on July 1, 1973.

Dated: May 10, 1973



Erich Mildenberg
Commissioner of Banking
Administrator