

CR 92-130

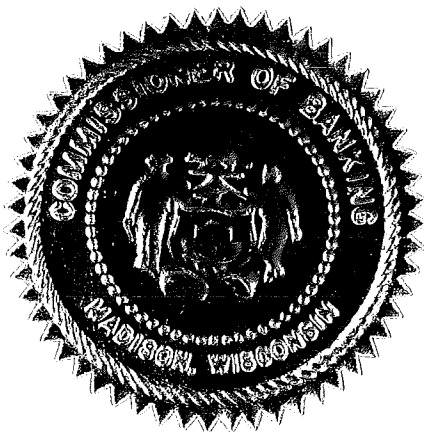
STATE OF WISCONSIN)
)
OFFICE OF COMMISSIONER OF BANKING)

TO ALL WHOM THESE PRESENTS SHALL COME, GREETINGS:

I, Toby E. Sherry, Commissioner of Banking and custodian of the official records of said office, do hereby certify that the annexed rule relating to the Wisconsin Consumer Act was duly approved and adopted by this office on the 14th day of December, 1992.

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 of the Office of Commissioner of Banking in the City of Madison this 14th day of December, 1992.



Toby E. Sherry

Toby E. Sherry
Commissioner of Banking

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3-1-93

Summary of Proposed Rule

Section 1

The proposed rule creates Bkg 80.264. The proposed rule clarifies and designates that a customer desiring consumer credit insurance shall sign his or her name on the same page as all other required insurance disclosures required by the Wisconsin Consumer Act on a signature line specifically designated for the credit insurance signature. The purpose of the rule is to eliminate any confusion as to how the customer is to sign in an affirmative manner for the consumer credit insurance and where that signature should be placed.

Section 2

Bkg 80.29 is amended to correspond to the change which was made by 1987 Wisconsin Act 27 which further limited the length of a precomputed consumer credit transaction.

Section 3

Bkg 80.301 would be amended to correspond to the change made by 1987 Wisconsin Act 27 which limited the length of time permitted for a precomputed consumer credit transaction.

Section 4

The proposed rule is created to make unconscionable a practice whereby credit card account numbers could be sold by any persons so as to create another tool against credit card fraud.

Section 5

Bkg 80.88 is created to make the practice of auto brokering unconscionable. Virtually all consumer auto leasing agreements prohibit subleasing. The proposed rule makes the practice unavailable except where permitted by contract. There are persons attempting to entice consumers to engage in sublease transactions which creates a violation of the contractual agreement the consumer has with the motor vehicle dealer or motor vehicle sales finance company.

Initial Regulatory Flexibility Analysis. This proposed rule shall have no effect on small business.

Initial Fiscal Estimate. This rule shall have no impact upon the workload or operations of the Office of Commissioner of Banking.

Contact Person. Questions about this rule may be addressed to Holly Daum, Legal Division, P.O. Box 7876, Madison, Wisconsin 53707-7876, (608) 266-1621.

TEXT OF PROPOSED RULE

Under the authority vested in the Wisconsin Office of Commissioner of Banking by s. 426.104(1)(e), Stats., the Office of Commissioner of Banking proposes to create s. Bkg 80.264, 80.87 and 80.88 Wis. Admin. Code and amend s. Bkg 80.29 and Bkg 80.301 Wis. Admin. Code relating to the Wisconsin Consumer Act.

SECTION 1. Bkg 80.264 is created to read:

BKG 80.264 CREDIT INSURANCE; SIGNATURE PLACEMENT. A customer desiring consumer credit insurance shall separately sign his or her name pursuant to s. 422.202(2s)(a)1b, Stats., on the same page as all other required insurance disclosures required under s. 422.202(2s)(a)1 Stats; on a line specifically designed for the signature.

SECTION 2. Bkg 80.29 is amended to read:

BKG 80.29 DEFERRAL CHARGES; "RULE OF 78". The portion of the precomputed finance charge attributable to the final installment of the original schedule of payments as used in s. 422.204(1)(a), Stats., shall mean the pre-payment rebate calculated according to the Rule of 78 if the transaction is for a term less than ~~49~~ 37 months in which the amount financed is less than \$5000 and entered into on or after August 1, 1987 or the actuarial method in all other cases ~~if the transaction is for a term of 49 months or more~~, if the contract were prepaid in full on the payment date immediately preceding final originally scheduled maturity.

SECTION 3. Bkg 80.301 is amended to read:

BKG 80.301 REBATE ON REPAYMENT; IRREGULAR INSTALLMENT AMOUNTS ON DUE DATES. The unearned portion of the precomputed finance charge on consumer credit transactions described in s. 422.209(3), Stats., having terms of less than 49 37 months in which the amount financed is less than \$5000 and entered into on or after August 1, 1987 shall be computed in accordance with the provisions of s. 138.05(2)(b), Stats.

SECTION 4. Bkg 80.87 is created to read:

BKG 80.87 SALE OF CREDIT CARD NUMBERS; UNCONSCIONABLE CONDUCT.

It is an unconscionable credit practice, pursuant to s. 426.108, Stats., for any person to sell the credit card account numbers of any other person to another for any purpose.

SECTION 5. Bkg 80.88 is created to read:

BKG 80.88 AUTO BROKERING

Pursuant to s. 426.108, Stats., it is an unconscionable credit practice for any person, who is not a party or assignee of a party to the lease contract, installment sales agreement or other security agreement, to assist in, cause, arrange or otherwise engage in an actual or purported transfer or assignment of a motor vehicle, where such transaction is not permitted under the terms of the lease contract, installment sales agreement or other security agreement.

The rule shall take effect on the first day of the month following publication in the Wisconsin Administrative Register as provided in s. 227.22(2) (intro.), Stats.

(END OF RULE TEXT)

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Tommy G. Thompson
Governor



Toby E. Sherry
Commissioner

Richard L. Dean
Deputy Commissioner

State of Wisconsin
Office of Commissioner of Banking

101 East Wilson Street • 5th Floor • P.O. Box 7876 • Madison, Wisconsin 53707-7876 • (608) 266-1621 • FAX (608) 267-6889

December 14, 1992

MR GARY POULSON
ASSISTANT REVISOR OF STATUTES
30 WEST MIFFLIN SUITE 702
MADISON WI 53703

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Re: Clearinghouse Rule 92-130

Dear Mr. Poulson:

Attached please find a certified copy and one additional copy of this rule for publication in the Administrative Code. The rule was submitted to the Senate on November 4, 1992 and the Assembly on November 5, 1992. Neither the Senate Committee on Judiciary and Consumer Affairs nor the Assembly Committee on Financial Institutions and Insurance took any action with respect to the Rule within 30 days of referral.

Sincerely,

A handwritten signature in cursive script that reads "Toby E. Sherry".

Toby E. Sherry

TES/LMS/hd
Enclosures