

ADMINISTRATIVE RULES Fiscal Estimate & Economic Impact Analysis

<p>1. Type of Estimate and Analysis <input checked="" type="checkbox"/> Original <input type="checkbox"/> Updated <input type="checkbox"/> Corrected</p>	<p>2. Date December 16, 2022</p>
<p>3. Administrative Rule Chapter, Title and Number (and Clearinghouse Number if applicable) DFI-Bkg, DFI-SB, DFI-SL, and DFI-WCA (multiple chapters)</p>	
<p>4. Subject Use of mobile and intermittent branches by state banks, eliminating obsolete provisions, correcting cross-references, eliminating rules that conflict with statutes, correcting errors, modifying the structure of existing rules in nonsubstantive ways, and clarifying rules governing collection agencies.</p>	
<p>5. Fund Sources Affected <input type="checkbox"/> GPR <input type="checkbox"/> FED <input type="checkbox"/> PRO <input type="checkbox"/> PRS <input type="checkbox"/> SEG <input type="checkbox"/> SEG-S</p>	<p>6. Chapter 20, Stats. Appropriations Affected N/A</p>
<p>7. Fiscal Effect of Implementing the Rule <input checked="" type="checkbox"/> No Fiscal Effect <input type="checkbox"/> Increase Existing Revenues <input type="checkbox"/> Increase Costs <input type="checkbox"/> Decrease Costs <input type="checkbox"/> Indeterminate <input type="checkbox"/> Decrease Existing Revenues <input type="checkbox"/> Could Absorb Within Agency's Budget</p>	
<p>8. The Rule Will Impact the Following (Check All That Apply) <input type="checkbox"/> State's Economy <input checked="" type="checkbox"/> Specific Businesses/Sectors <input type="checkbox"/> Local Government Units <input type="checkbox"/> Public Utility Rate Payers <input type="checkbox"/> Small Businesses (if checked, complete Attachment A)</p>	
<p>9. Estimate of Implementation and Compliance to Businesses, Local Governmental Units and Individuals, per s. 227.137(3)(b)(1). \$Estimated implementation and compliance costs will be negligible. The most substantive change in the rule, authorizing state banks to offer attended mobile or intermittent branches, is purely voluntary. This authorization may have some economic benefits to banks and customers who utilize the opportunity, but those benefits are dependent on several variables which the Division is unable to estimate in advance. The nonsubstantive rule changes, updates to rules governing collection agencies, correction of erroneous cross-references, and elimination of obsolete rules will not have an immediate or measureable economic impact on businesses, local governments, or consumers.</p>	
<p>10. Would Implementation and Compliance Costs Businesses, Local Governmental Units and Individuals Be \$10 Million or more Over Any 2-year Period, per s. 227.137(3)(b)(2)? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No</p>	
<p>11. Policy Problem Addressed by the Rule There are certain areas of the state where permanent bank branches may not be feasible, but Wisconsinites in those areas may benefit from attended mobile or intermittent bank branches. Current law, however, does not permit state banks to operate such attended branch banks. To provide state banks with the ability to extend services to areas where permanent facilities are not feasible, the proposed rule would authorize state banks - with the Division's approval - to operate attended mobile and intermittent branches. This rule also addresses the parity problem, as national banks, state savings banks, state savings and loan associations, and state credit unions are not subject to rules limiting their branches to "permanent" locations. Another policy problem is that some current administrative rules governing collection agencies do not reflect current industry practices that have evolved in the 16 years since the existing rules were enacted. Updating these rules would clarify terms and practices, which would benefit businesses and consumers.</p>	
<p>12. Summary of the Businesses, Business Sectors, Associations Representing Business, Local Governmental Units, and Individuals that may be Affected by the Proposed Rule that were Contacted for Comments. State banks and organizations representing state banks have, over the years, expressed to the Division a desire for parity with national banks, credit unions, and other types of state-chartered banks in the area of attended mobile and intermittent branch banks. While collection agencies licensed by the Division have not been contacted directly by the Division, staff has heard anecdotally that such entities would be in favor of updating the rules to reflect current industry practices. State banks, collection agencies, and other entities regulated by the Division who are subject to obsolete rules</p>	

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or rules that conflict with state or federal rules or statutes that have not been contacted by the Divisions, would all have the opportunity to comment pursuant to the ch. 227 rulemaking process.

13. Identify the Local Governmental Units that Participated in the Development of this EIA.

N/A

14. Summary of Rule's Economic and Fiscal Impact on Specific Businesses, Business Sectors, Public Utility Rate Payers, Local Governmental Units and the State's Economy as a Whole (Include Implementation and Compliance Costs Expected to be Incurred)

The proposed rule would have negligible, if any, economic and fiscal impact on any of the entities specified in this item.

15. Benefits of Implementing the Rule and Alternative(s) to Implementing the Rule

State banks would benefit from the substantive changes discussed in item 11, and banks, collection agencies licensed by the Division, and other entities regulated by the Division which are all subject to obsolete rules or rules that conflict with state or federal rules or statutes, and consumers, would all function more efficiently and benefit from the elimination of such rules, the correction of erroneous cross-references, and updating of existing rules in nonsubstantive ways. Such changes would also benefit business and consumers by conforming the drafting style of the rules to the current form and style principals used by the legislative reference bureau and the legislative council staff. Not implementing the rule would be a detriment to state banks as they would not have parity with national banks, credit unions, and other state financial institutions in the area of mobile and intermittent bank branches, and Wisconsin-licensed collection agencies may be put at a competitive disadvantage by not being able to implement the most up to date industry practices due to the continued applicability of obsolete rules.

16. Long Range Implications of Implementing the Rule

Giving parity to state banks in the area of attended mobile and intermittent bank branches would benefit businesses and consumers, and updating the rules for collection agencies to reflect current industry practices would increase business efficiencies.

17. Compare With Approaches Being Used by Federal Government

The federal government explicitly authorizes national banks to operate attended mobile and intermittent branches. The change in this rule offers state banks parity with national banks.

18. Compare With Approaches Being Used by Neighboring States (Illinois, Iowa, Michigan and Minnesota)

Most of Wisconsin's neighboring states currently allow mobile banking, either explicitly, as does Michigan, or by defining a bank branch in a way that does not preclude a mobile branch, such as Iowa and Illinois. Minnesota does not explicitly prohibit mobile banking at state-chartered banks, but their statutes and rules indicate such branches are not allowed. Minnesota does allow separate, free-standing "detached" facilities, and also allows part-time facilities in locations such as nursing homes, senior citizen housing facilities, and elementary and secondary schools.

19. Contact Name

20. Contact Phone Number

This document can be made available in alternate formats to individuals with disabilities upon request.

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ATTACHMENT A

1. Summary of Rule's Economic and Fiscal Impact on Small Businesses (Separately for each Small Business Sector, Include Implementation and Compliance Costs Expected to be Incurred)

N/A

2. Summary of the data sources used to measure the Rule's impact on Small Businesses
Staff experience in regulating banks and collection agencies.

3. Did the agency consider the following methods to reduce the impact of the Rule on Small Businesses?

- Less Stringent Compliance or Reporting Requirements
- Less Stringent Schedules or Deadlines for Compliance or Reporting
- Consolidation or Simplification of Reporting Requirements
- Establishment of performance standards in lieu of Design or Operational Standards
- Exemption of Small Businesses from some or all requirements
- Other, describe:

N/A

4. Describe the methods incorporated into the Rule that will reduce its impact on Small Businesses

N/A. The rule's major substantive change, relating to mobile and intermittent branch banking, is voluntary for the affected businesses.

5. Describe the Rule's Enforcement Provisions

N/A

6. Did the Agency prepare a Cost Benefit Analysis (if Yes, attach to form)

- Yes No
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