

November 1981 Spec. Sess.
Senate Bill 3

Date published: December 5, 1981

CHAPTER 100 , Laws of 1981

AN ACT to amend 138.052 (2) (b) (intro.) and 2 and (4), 218.01 (6) (k) and 422.201 (10m) (b) 1 and 2 of the statutes, relating to miscellaneous changes to the usury laws.

The people of the state of Wisconsin, represented in senate and assembly, do enact as follows:

SECTION 1. 138.052 (2) (b) (intro.) and 2 and (4) of the statutes, as created by chapter 45, laws of 1981, are amended to read:

138.052 (2) (b) (intro.) Upon prepayment of a loan in full by cash, renewal or refinancing, the borrower is entitled to a refund of unearned interest paid. Unearned interest is that portion of any prepaid charge, excluding amounts permitted under sub. (3), multiplied by the number of unexpired payment periods as of the date of prepayment and divided by the total number payment periods, plus, at the option of the lender, either:

2. The total interest charge less all prepaid interest charges and the amount determined by applying the contract rate, according to the actuarial method, to the unpaid balances for the actual time those balances were unpaid up to the date of prepayment.

(4) For the purpose of calculating the rate of interest under sub. (2) (b) ~~1~~, the parties may agree that any instalment paid within 30 days prior to or after the scheduled due date is paid on the due date.

SECTION 2. 218.01 (6) (k) of the statutes, as created by chapter 45, laws of 1981, is amended to read:

218.01 (6) (k) This subsection does not apply to a retail instalment sale of a motor vehicle made on or after November 1, 1981 ~~and before November 1, 1984, or after October 31, 1987~~, if the motor vehicle is to be used primarily for business or commercial purposes and not for the buyer's personal, family or household use.

SECTION 3. 422.201 (10m) (b) 1 and 2 of the statutes, as created by chapter 45, laws of 1981, are amended to read:

422.201 (10m) (b) 1. Notwithstanding par. (a), with respect to consumer credit transactions under an open-end credit plan entered into on or after November 1, 1981 and before November 1, 1984, or after October 31, 1987, the parties may agree to the payment by the customer of a finance charge of which the customer is notified under subd. 3 if the ~~constant maturity yield on the most recently auctioned~~ 2-year U.S. ~~government securities treasury notes~~ government securities treasury notes on each of 5 successive Thursdays exceeds 15% per year, as

determined by the administrator based on the report of the federal reserve bank of New York.

2. The finance charge under subd. 1 shall remain in effect for a period of 182 days commencing on the first Friday after the 5th successive Thursday described in subd. 1. A consecutive 90-day period in which the maximum finance charge may not exceed the maximum finance charge agreed to under subd. 1 shall commence, if a consecutive 182-day period is not required under this subdivision. A consecutive 182-day period in which the maximum finance charge may not exceed the maximum finance charge agreed to under subd. 1 shall commence if the ~~constant maturity~~ yield on the most recently auctioned 2-year U.S. government securities treasury notes on each of the 5 successive Thursdays immediately preceding the last day of the expiring 90-day or 182-day period exceeds 15 % per year, as determined by the administrator based on the report of the federal reserve bank of New York.
