

1983 Senate Bill 706

Date of enactment: **May 1, 1984**
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1983 Wisconsin Act 385

AN ACT *to amend* 138.09 (1), (3) (e) and (7) (gm) 2 of the statutes, *relating to* licensing of loan companies and prepayment of loans made by loan companies.

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

SECTION 1. 138.09 (1), (3) (e) and (7) (gm) 2 of the statutes are amended to read:

138.09 (1) Before any person may do business under this section or charge the interest authorized by sub. (7) and before any creditor other than a bank, savings and loan association or credit union may assess a finance charge on a consumer loan in excess of 18% per annum, such person shall first obtain a license from the commissioner of banking. Applications for such license shall be in writing and upon forms provided for this purpose by the commissioner. Every such applicant at the time of making such application shall pay to the commissioner a fee of \$100 for investigating the application and the sum of \$200 as an annual license fee for the period terminating on the last day of the current calendar year. If the cost of the investigation exceeds \$100, the applicant shall upon

demand of the commissioner pay to the commissioner the amount by which the cost of the investigation exceeds the \$100 fee.

(3) (e) A licensee may conduct, and permit others to conduct, at the location specified in its license, any one or more of the following businesses not subject to this section: A business engaged in making loans for business or agricultural purposes or exceeding \$25,000 in principal amount except that all such loans having terms of 49 months or more are subject to sub. (7) (gm) 2, a business engaged in making first lien real estate mortgage loans under ss. 138.051 to 138.06, a loan, finance or discount business under s. 218.01, or an insurance business, or a currency exchange under s. 218.05, or a seller of checks business under ch. 217; but merchandise shall not be sold at such location; and no other business shall be conducted at such location unless written authorization is granted the licensee by the commissioner.

(7) (gm) 2. Upon prepayment in full of a loan for personal, family, household or agricultural purposes, of \$25,000 or less, entered into on or after November 1, 1981 and before November 1, 1984, or after October 31, 1987, and which has a term of 49 months or more and upon prepayment in full of any loan entered into on or after the effective date of this subdivision (1983), and which has a term of more than 49 months, by cash, renewal, refinancing or otherwise, the borrower shall be entitled to a rebate of the unearned interest under s. 422.209 (2) (b). If the combined rebate of interest and credit insurance premiums otherwise required is less than \$1, no rebate need be made. If the first payment period is greater than one month and additional interest is charged under par. (c) 2, the additional interest is earned on the first instalment date and may not be considered in computing rebates.
