

1991 Assembly Bill 338

Date of enactment: **December 4, 1991**
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1991 WISCONSIN ACT 92

AN ACT to amend 138.052 (5m) (b) 4, 138.052 (5m) (b) 5. b. and 138.052 (5m) (e) of the statutes, relating to: the date on which a residential mortgage loan borrower must notify an escrow agent regarding property taxes.

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

SECTION 1. 138.052 (5m) (b) 4. of the statutes is amended to read:

138.052 (**5m**) (b) 4. To require the escrow agent to make payments in any of the manners specified in subd. 3, the borrower shall send, by ~~December~~ November 1, written notice to the escrow agent specifying the manner, from the 3 choices under subd. 3, that the borrower wants the escrow agent to make payments. Except as provided in subd. 5. b., once notified, the escrow agent shall annually make payments in that manner unless the borrower is not current in his or her loan payments or unless otherwise notified in writing by the borrower by ~~December~~ November 1.

SECTION 2. 138.052 (5m) (b) 5. b. of the statutes is amended to read:

138.052 (**5m**) (b) 5. b. If the borrower fails to comply with subd. 5. a., the borrower loses the option of receiving payments that year in the manner specified in subd. 3. a. During the next year, the borrower may again receive payments under subd. 3. a. if the borrower renotifies the escrow agent by sending written notice to the escrow

agent by ~~December~~ November 1 of the next year and if the borrower is current in his or her loan payments.

SECTION 3. 138.052 (5m) (e) of the statutes is amended to read:

138.052 (**5m**) (e) Paragraphs (b) to (d) do not apply to an escrow required in connection with a loan to assure the payment of property taxes, whether the loan is originated before, on or after May 3, 1988, if it is the practice of the escrow agent to, by December 20, pay to the borrower the amount held in escrow for the payment of property taxes or to send the borrower a check in the amount of the funds held in escrow for the payment of property taxes, made payable to the borrower and the treasurer authorized to collect the tax. If the escrow agent in any year chooses not to make the payment by December 20 for any reason other than because the borrower is not current in his or her loan payments, the escrow agent shall send, by ~~November~~ October 15 of that year, written notice to the borrower clearly stating that the borrower may require the escrow agent to make payments in any manner specified in par. (b) 3. from the amount escrowed to pay property taxes and the responsibilities of the borrower and escrow agent as provided in par. (b) 4. and 5.

SECTION 4. Effective date. This act takes effect on January 1, 1992.
