

1993 Senate Bill 316

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1993 WISCONSIN ACT 150

AN ACT to amend 422.202 (2m) (a), 422.202 (2m) (b), 422.202 (2m) (c) (intro.), 422.415 (1) and 422.415 (2) (intro.) and (a) to (c); and to create 422.202 (2m) (ce) of the statutes, **relating to:** permissible charges in consumer credit transactions.

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

SECTION 1. 422.202 (2m) (a) of the statutes is amended to read:

422.202 (2m) (a) A charge not to exceed ~~\$2~~ \$10 in any billing cycle in which the creditor ~~receives less than a does not receive at least the~~ minimum payment due on or before the 5th day after the payment's due date, as agreed by the parties. Any charge imposed under this paragraph may not be included in any outstanding balance for purposes of calculating any finance charge or minimum payment.

SECTION 2. 422.202 (2m) (b) of the statutes is amended to read:

422.202 (2m) (b) A charge not to exceed 50 cents in any billing cycle in which there are at least 28 calendar days and where the balance as calculated in s. 422.201 (10m) is less than \$33.34. If the charge permitted in this subsection paragraph is imposed, no finance charge may be imposed under s. 422.201 (10m) nor may the charge permitted in par. (a) be imposed or collected. ~~A charge may be imposed under this paragraph notwithstanding s. 422.415.~~

SECTION 3. 422.202 (2m) (c) (intro.) of the statutes is amended to read:

422.202 (2m) (c) (intro.) ~~A charge not to exceed \$2 for~~ For each cash advance under an open-end credit plan other than by a seller credit card or an overdraft checking loan, a charge not to exceed the greater of \$2 or 2% of the

amount of the cash advance, up to a maximum of \$5 per cash advance. In this paragraph:

SECTION 4. 422.202 (2m) (ce) of the statutes is created to read:

422.202 (2m) (ce) A charge not to exceed \$10 in any billing cycle in which, at any time during the billing cycle, the unpaid balance exceeds the credit limit, as agreed by the parties, of the open-end credit plan.

SECTION 5. 422.415 (1) of the statutes is amended to read:

422.415 (1) Except as provided in sub. (2) ~~and s. 422.202 (2m) (b)~~, no creditor shall make any changes change in the terms of open-end credit plans which are that is adverse to the interests of the customer with respect to any outstanding balances or that imposes or alters a charge under s. 422.202 (2m) (a) to (cm) or (e). For the purposes of this section, a change shall be presumed to be adverse if the result thereof is to increase the rate of the finance charge or the amount of the periodic payment due. Outstanding balances shall be determined on the assumption that all payments shall be credited first to any finance charges that may be due and then to the payment of debts in the order in which the entries to the account showing the debts were made.

SECTION 6. 422.415 (2) (intro.) and (a) to (c) of the statutes are amended to read:

422.415 (2) (intro.) A change that is adverse to the interests of the customer ~~may be made~~ with respect to outstanding balances or that imposes or alters a charge

– 2 –

1993 Senate Bill 316

under s. 422.202 (2m) (a) to (cm) or (e) may be made if any of the following conditions is met:

(a) The change is required by legislation, regulations or administrative rules becoming effective after the date of the agreement with the customer and the creditor has mailed or delivered to the customer written notice disclosing such proposed change not less than 3 months prior to the effective date of such change or such lesser period of time as may be available before such change is required to be made;

(b) The change is made within 3 months of March 1, 1973 or within 3 months after the repeal or expiration of any federal legislation, administrative order, rule, guideline or regulation, the purpose of which was to limit or freeze finance charges or other charges, in effect on March 1, 1973, whichever is later;

(c) The creditor mails or otherwise delivers to the customer a written disclosure of the proposed change not less than ~~one year~~ 90 days prior to the effective date of such change;

