



**SENATE AMENDMENT 1,
TO 1995 SENATE BILL 505**

March 26, 1996 – Offered by COMMITTEE ON EDUCATION AND FINANCIAL INSTITUTIONS.

1 At the locations indicated, amend the bill as follows:

2 **1.** Page 1, line 6: before the period insert: “and a study of the open-end
3 consumer credit market”.

4 **2.** Page 3, line 5: delete that line and substitute:

5 “**SECTION 5b.** 422.201 (10m) (a) of the statutes is repealed.

6 **SECTION 5e.** 422.201 (10m) (b) of the statutes is repealed.

7 **SECTION 5h.** 422.201 (10m) (c) of the statutes is renumbered 422.201 (10m),
8 and 422.201 (10m) (intro.) and (c), as renumbered, are amended to read:

9 422.201 (**10m**) (intro.) A finance charge determined by application of a periodic
10 rate ~~not in excess of those permitted in par. (d) or (e)~~ shall be determined by applying
11 the periodic rate ~~permitted in par. (d) or (e)~~ to one of the following:

12 (c) The median amount within a specified range within which the unpaid
13 balance as calculated according to ~~subd. 1. or 2. par. (a) or (b)~~ is included. A charge
14 may be made under this ~~subdivision~~ paragraph only if the creditor, subject to
15 classifications and differentiations the creditor may reasonably establish, makes the
16 same charge on all balances within the specified range and if the percentage when

1 applied to the median amount within the range does not exceed the charge resulting
2 from applying that percentage to the lowest amount within the range by more than
3 8% of the charge on the median amount.

4 **SECTION 5L.** 422.201 (10m) (d) of the statutes is repealed.

5 **SECTION 5p.** 422.201 (10m) (e) of the statutes is repealed.

6 **SECTION 5r.** 422.201 (10m) (f) of the statutes is repealed.

7 **SECTION 5u.** 422.201 (10m) (g) of the statutes is repealed.

8 **SECTION 5y.** 422.201 (10m) (h) of the statutes is repealed.”.

9 **3.** Page 3, line 10: delete lines 10 and 11 and substitute:

10 “**SECTION 7e.** 422.202 (2m) of the statutes is renumbered 422.202 (2m) (b), and
11 422.202 (2m) (b) (intro.), 1., 2., 3. (intro.) and 5., as renumbered, are amended to read:

12 422.202 (**2m**) (b) (intro.) This paragraph does not apply after January 31, 1997,
13 unless the attorney general publishes the opinion under par. (a) no later than that
14 date. Except as provided in ~~pars. (a) to (em)~~ subds. 1. to 3m., with respect to
15 consumer credit transactions entered into under an open-end credit plan on or after
16 November 1, 1981, the parties may agree to the payment by the customer of the
17 following charges in addition to the finance charge:

18 1. A charge not to exceed \$10 in any billing cycle in which the creditor does not
19 receive at least the minimum payment due on or before the 5th day after the
20 payment’s due date, as agreed by the parties. Any charge imposed under this
21 ~~paragraph~~ subdivision may not be included in any outstanding balance for purposes
22 of calculating any finance charge or minimum payment.

23 2. A charge not to exceed 50 cents in any billing cycle in which there are at least
24 28 calendar days and where the balance ~~as calculated in s. 422.201 (10m)~~ is less than

1 \$33.34. If the charge permitted in this ~~paragraph~~ subdivision is imposed, no finance
2 charge may be imposed ~~under s. 422.201 (10m)~~ nor may the charge permitted in ~~par.~~
3 ~~(a)~~ subd. 1. be imposed or collected.

4 3. (intro.) For each cash advance under an open-end credit plan other than by
5 a seller credit card or an overdraft checking loan, a charge not to exceed the greater
6 of \$2 or 2% of the amount of the cash advance, up to a maximum of \$5 per cash
7 advance. In this ~~paragraph~~ subdivision:

8 5. This ~~subsection~~ paragraph does not prohibit charge which the administrator
9 has determined not to be finance charges prior to November 1, 1981.

10 **SECTION 7m.** 422.202 (2m) (a) of the statutes is created to read:

11 422.202 **(2m)** (a) If the attorney general determines that the charge described
12 under par. (b) 1. is not interest within the meaning of 12 USC 85, as interpreted by
13 the U.S. supreme court through December 31, 1996, the attorney general shall issue
14 an opinion which so states and shall publish the opinion in the Wisconsin
15 administrative register no later than February 1, 1997.

16 **SECTION 7s.** 422.202 (2m) (c) of the statutes is created to read:

17 422.202 **(2m)** (c) This paragraph applies beginning on February 1, 1997, unless
18 the attorney general has published the opinion under par. (a) by that date. With
19 respect to an open-end credit plan, regardless of when the”.

20 **4.** Page 3, line 13: delete “(a)” and substitute “1.”.

21 **5.** Page 3, line 19: delete “(b)” and substitute “2.”.

22 **6.** Page 3, line 20: delete “par. (a)” and substitute “subd. 1.”.

23 **7.** Page 3, line 22: delete the material beginning with that line and ending with
24 page 4, line 9.

