



WISCONSIN LEGISLATIVE COUNCIL ACT MEMO

2005 Wisconsin Act 215
[2005 Assembly Bill 1037]

**Miscellaneous Department of
Financial Institutions Revisions**

2005 Act 215 makes a number of revisions to the statutes under the authority of the Department of Financial Institutions (DFI). These revisions were made at the request of DFI and generally affect the areas of loan companies and insurance premium finance companies, “high cost” and variable rate loans, and certified public accountants.

With respect to loan companies and insurance premium finance companies, the Act:

- Specifies that the Division of Banking (Division) need only meet one of several grounds for suspension or revocation of a license to take action against an organization, rather than all of the grounds as is stated in current law.
- Permits the Division to require a loan company to pay for costs incurred for investigations or disciplinary actions against the company.
- Permits the Division to issue orders against insurance premium finance companies to prevent or correct certain prohibited actions.

The Act also corrects Division authority references for insurance premium finance companies, mortgage bankers, loan originators, and mortgage brokers that had previously been omitted from statute.

With respect to “high cost” and variable rate loans, the Act:

- States that the Consumer Act applies to certain specified “high cost” loans of \$25,000 or less.
- Alters notice requirements for certain variable rate loan increases to 15 days from the current 30-day notice.
- Alters notice requirements for all other changes to certain variable rate loans to 30 days from the current 15-day notice.

This memo provides a brief description of the Act. For more detailed information, consult the text of the law and related legislative documents at the Legislature’s Web site at: <http://www.legis.state.wi.us/>.

Finally, the Act specifies that a service corporation may be organized for carrying on the profession of certified public accounting if more than 50% of the shareholders are certified public accountants. If fewer than 50% of the shareholders are certified public accountants, such an organization must convert to a business corporation.

Effective Date: The Act takes effect on April 11, 2006.

Prepared by: Dan Schmidt, Senior Analyst

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DWS:jal