



WISCONSIN LEGISLATIVE COUNCIL AMENDMENT MEMO

2017 Assembly Bill 663

Assembly Amendment 1

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2017 ASSEMBLY BILL 663

2017 Assembly Bill 663 (the bill) creates a framework for authorizing and regulating the sale of a “guaranteed asset protection waiver” offered in connection with the credit sale or lease of a motor vehicle.

The bill defines a “guaranteed asset protection waiver” as a contractual obligation under which a creditor agrees to cancel or waive all or part of amounts due on a borrower’s finance agreement, in the event of a total physical damage loss or unrecovered theft of the motor vehicle that is purchased or leased through the finance agreement.

Under the bill, a “guaranteed asset protection waiver” may be sold in connection with a: (1) a retail installment contract; (2) a consumer lease; or (3) a loan agreement in which a creditor extends credit to a retail buyer for the **purchase** of a motor vehicle.

ASSEMBLY AMENDMENT 1

Assembly Amendment 1 expands the types of finance agreements with which a “guaranteed asset protection waiver” may be sold. Specifically, it provides that such a waiver may be sold in connection with a loan agreement in which a creditor extends credit to a borrower for the **purchase or refinancing** of a motor vehicle.

BILL HISTORY

On January 4, 2018, Representative Petersen offered Assembly Amendment 1. On January 31, 2018, the Assembly Committee on Financial Institutions recommended adoption of Assembly Amendment 1 and passage of the bill, as amended, on votes of Ayes, 15; Noes, 0.

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